



## Fire Hall No. 1 Replacement – Budget Approval



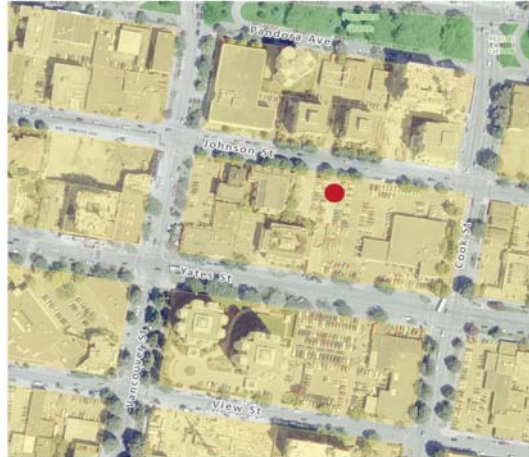
### Purpose

Seek formal budget approval for the purchase and construction of a new Victoria Fire Department Headquarters following the successful negotiation of a purchase and sale agreement



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## Proposed Location



● Proposed Location – Victoria's Public Safety Building



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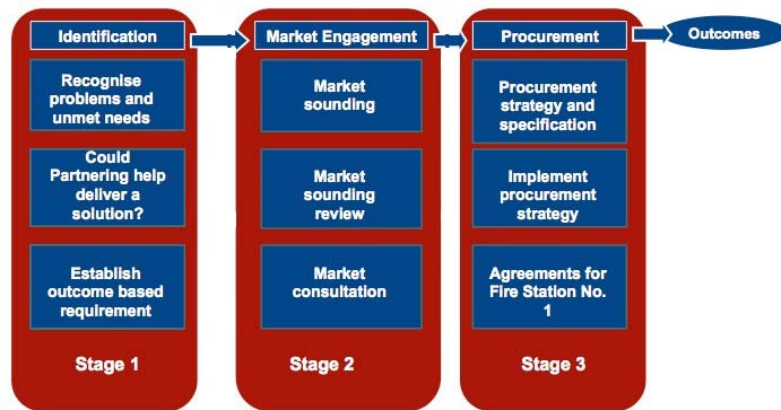
## Victoria's New Public Safety Building

- Home to fire and rescue services, Emergency Operations Centre and co-shared space with BC Ambulance
- Ground and second floors for Fire Headquarters and Emergency Operations Centre. Developer adding additional floors for mixed-use consistent with an urban fire hall
- The purpose-built Emergency Operations Centre designed as a multi-purpose room for training and meeting space
- Space leased to BC Ambulance serves as future expansion space for Victoria Fire Department
- Built to meet upcoming post-disaster seismic changes to BC Building Code – designed to remain operational after a major event



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## How We Got Here



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## Due Diligence to Manage Risk

- Third-party functional review of layout
- Progress design to Class C
- Performance specifications
- Value for Money (VFM) evaluation
- City's Project Management Framework



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# Purchase and Sale Agreement

Material risk addressed:

Material Risks	Impact on: Scope/Schedule/Budget	Risk Response
Construction performance	Schedule/Budget	<ul style="list-style-type: none"> <li>Contract is structured to place financial risk and motivation on developer with payment upon completion and acceptance</li> <li>Contract contains termination provisions for City tied to start and completion timelines</li> <li>Contract provides both general and specific quality specifications</li> <li>Highly experienced local construction contractor</li> </ul>
Design and quality meet City's current and future needs	Scope/Budget	<ul style="list-style-type: none"> <li>Design and specifications developed through City staff and consultants working with architecture firm experienced in purpose built fire halls.</li> <li>Design and specifications also reviewed by an independent third party architecture firm experienced in fire hall design</li> <li>Feedback from third party review and further review sessions with staff incorporated into final designs to reduce risk of scope changes</li> <li>Future expansion space provided for in design to be leased by BC Ambulance in the interim</li> </ul>
Costs for the fire hall escalate	Budget	<ul style="list-style-type: none"> <li>Contract provides for guaranteed price and developer holds the risks related to cost escalation between contract signing and completion of construction</li> </ul>



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# Risk Assessment

Residual risks to the City:

Material Residual Risks	Impact on: Scope/Schedule/Budget/Completion	Risk Response
Scope changes initiated by the City	Budget/Schedule	<ul style="list-style-type: none"> <li>Design and specifications developed through City staff and consultants working with architecture firm experience in purpose built fire halls.</li> <li>Design and specifications also reviewed by an independent third party architecture firm experienced in fire hall design</li> <li>Feedback from third party review and further review sessions with staff incorporated into final designs to reduce risk of scope changes</li> <li>Formal change management processes within contract as well as within City's internal project management process</li> </ul>
Regulatory Approvals	Schedule/Completion	<ul style="list-style-type: none"> <li>Contract includes timelines for the rezoning application process and reinforces expectations related to the rezoning application must be consistent with existing City policies, bylaws and guidelines</li> </ul>



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## Budget and Funding

- Total City Project Cost: \$35.9 million
- \$33.7 million to purchase and own the turn-key space, as part of a larger mixed-use development
- \$2.2 million in City costs for off-site servicing, equipment, sidewalk improvements, and project management
- Funded by available funds - City's Debt Reduction Reserve
- Payment schedule: Initial refundable deposit, remaining payment upon completion and acceptance
- 20-year agreement with BCEHS recovers capital and building operating costs for the area they are leasing



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## Benefits

- Post-disaster seismic facility with purpose-built EOC
- Co-location of emergency response agencies; response synergy
- Strategic location to growing downtown
- Improved access to major north-south/east-west response routes
- Provides expansion space to meet future needs
- Maintains an increased focus on initial response to multi-occupancy, high-rise structures and heritage buildings within the downtown core, supported through fireground support from neighbouring fire stations



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## Next Steps

Task	Estimated timeline
Signing of Purchase and Sale Agreement	Upon Council approval of budget
Developer to submit rezoning and development permit applications	Within 6 months of signing of Purchase and Sale Agreement
Land use process including public hearing	Dependent on submission of applications. Target turnaround time to get to Public Hearing within 7 months of submission.
Building permit application and construction start	If rezoning and development permits approved
Construction	28 months
Quarterly updates to Council	During construction
Fire Hall operational	After construction complete



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## Recommendations

That Council approve allocating \$35.9 million from the City's Debt Reduction Reserve, for inclusion in the 2018 – 2022 Financial Plan, for the procurement of a new Fire Department Headquarters to be located at a new parcel fronting Johnson Street, near Cook Street.



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