



## **BACKGROUNDER – NEW VICTORIA PUBLIC SAFETY BUILDING**

### **Project Timeline**

- In 2015, the City embarked on a three-stage procurement process to replace or refurbish the Victoria Fire Department Headquarters.
- An initial nine-week market sounding process closed on April 17, 2015. The City was open to all ideas, the more creative the better, and used a non-traditional approach to determine what interest may exist within the private, public and non-profit sectors in partnering with the City of Victoria on this initiative.
- During the market sounding process, the City was in contact with a number of groups who expressed initial interest. The market sounding process was purely explorative at that stage and there was no commitment to any potential proponent or to dispose of or acquire land.
- On February 11, 2016, City Council directed staff to issue a Request for Qualifications (RFQ) for the replacement of the Victoria Fire Department Headquarters, with the intent of providing a multi-use facility that minimizes the cost to the taxpayer. Interested parties had the option of proposing a new facility be built at the current site at 1234 Yates Street, across the street at the City-owned property at 1240 Yates Street, or at a new property.
- The City received three submissions. Upon evaluation, City Council directed staff to enter negotiations with Dalmatian Developments as their proposal had the greatest potential to generate the best overall value to the City.

### **Next Steps**

- The Purchase and Sale Agreement will be signed provided that Council approves the project's budget at their March 22 meeting.
- The developer plans to submit a rezoning application to the City within the next six months.
- It is anticipated that if the land use process results in appropriate zoning of the property and the developer secures the necessary building permits, construction will take approximately 28 months.

### **Project Budget**

The agreement with Dalmatian Developments includes a maximum guaranteed price of \$33,727,000 for a turnkey facility, including the parcel for the public safety building, all interior furnishings, permits and development cost charges, as well as the multi-use space to be used by BCEHS.

Additional costs to be borne by the City – offsite servicing and sidewalk improvements, equipment and City cost and project management – bring the total project cost to \$35.9 million.

The project will be paid for through available funds in the City's Debt Reduction Reserve. There will be no property tax impact. The City can borrow from its Debt Reduction Reserve at a lesser interest rate than it would pay for external borrowing. The Debt Reduction Reserve has an estimated 2018 ending balance of approximately \$40 million.

The City will receive approximately \$2.6 million over the 20-year lease with BCEHS. The lease with BCEHS will recover the cost associated with the construction of the expansion area occupied by BCEHS for their operations.

To provide financial certainty and minimize project risk, the City has completed detailed user specifications for the new facility in consultation with the developer and HCMA Architecture + Design, who has extensive experience in fire hall design. As a further assurance, a third-party review was conducted by Johnston Davidson Architecture. That review looked at materials, systems and the operational performance of the design of the modern public safety building.

The project cost breakdown is as follows:

<b>Description</b>	<b>Amount</b>
Hard and soft costs for the fire hall component and ambulance component, parcel, permits and development cost charges	\$33,727,000
Offsite servicing and sidewalk improvements (estimate)	200,000
City costs and project management (estimate)	500,000
Furniture and equipment (estimate)	1,200,000
City project contingency	240,000
<b>Total</b>	<b>\$35,867,000</b>

### **Benefits of Locating the Public Safety Building in the Downtown Core**

Downtown is growing with more buildings, workers and residents. The proposed facility will meet current and future needs for an urban fire hall and rescue centre.

This strategic location provides access to primary north-south (Cook Street) and east-west (Johnson/Pandora/Yates Streets) emergency response routes.

This new location will continue to meet the industry standard for a four-minute response to all areas of the city.

The current headquarters can remain at 1234 Yates while the new facility is constructed, saving time and money in identifying and setting up a suitable, alternate space. In addition, once the construction of the new fire hall is complete, the City could potentially sell the existing site which could partially offset the cost of the new public safety building.

### **Victoria Fire Department - Snapshot**

- The Victoria Fire Department has a proud and distinguished history of protecting its citizens dating back to 1858. It was the first career fire department established west of Toronto and north of San Francisco. Fast forward to today – it proudly delivers fire and rescue services, fire prevention education, and emergency management to the Capital City of the province of British Columbia.
- 123 professionals provide a multitude of fire rescue and emergency management services in the following divisions: Fire Suppression and Rescue, Communications, Fire Prevention, Mechanical, Administration, and Emergency Management.
- Currently, the three fire stations are located in the following neighbourhoods:
  - Fire Station No. 1 (and Headquarters) – Fernwood neighbourhood (1234 Yates Street)
  - Fire Station No. 2 – James Bay neighbourhood (650 Michigan Street)
  - Fire Station No. 3 – Hillside-Quadra neighbourhood (740 Bay Street)