



COUNCIL REPORT

To: Mayor and Council

Date: November 28, 2023

From: Trevor Seibel, Deputy CAO

Subject: **Firehall 32 – Progressive Design Build – Elector Assent**

Report Prepared by: Trevor Seibel, Deputy CAO

PURPOSE

The purpose of this report is to update Council on the Progressive Design Build process, outline the project budget and financial strategy, outline options available for elector assent and seek direction on the elector assent process.

RECOMMENDATION to Consider and Resolve:

THAT Council direct Administration to complete an Alternative Approval Process (AAP), to gain elector assent, in 2024, for the Firehall 32 Project;

AND THAT “City of West Kelowna Loan Authorization Bylaw No. 0313, 2023”, a bylaw to authorize the borrowing of up to \$8,000,000 towards the construction of a new Fire Hall 32 building, be read a first, second and third time, by title only, on this 28th of November 2023.

Alternate Recommendation to Consider and Resolve:

Should Council wish to consider changing the elector assent process, the following resolution would be required:

THAT Council direct Administration to complete an assent voting process (Referendum) to gain elector assent;

AND THAT the referendum costs, estimated at \$50,000, be funded from operating reserves;

AND FURTHER THAT “City of West Kelowna Loan Authorization Bylaw No. 0313, 2023”, a bylaw to authorize the borrowing of up to \$8,000,000 towards the construction of a new Fire Hall 32 building, be read a first, second and third time, by title only, on this 28th of November 2023.

STRATEGIC AREA(S) OF FOCUS

Invest in Infrastructure – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

Foster Safety and Well-Being – We will pursue through direct action, advocacy, and collaboration with local and regional service providers, investments in community health, needs-based housing, emergency preparedness, policing, and other services that foster safety and well-being in West Kelowna.

HISTORY

Through a facility assessment completed in 2012, the City of West Kelowna identified that Fire Hall #32 is reaching the end of its functional operating life. The building was constructed in 1971. Fire Hall #31 and #32 are the primary halls used by West Kelowna Fire Rescue to respond on a 24/7 basis to emergencies throughout the community. Fire Hall #33 and #34, located in Rose Valley and Glenrosa neighbourhood's, encompass our paid-on-call rural fire fighting apparatus and response. Public information has previously been issued in preparation for the replacement of Fire Hall #32 to keep the public well informed of the need and project status, such as what is outlined in Attachment C and D.

Fire Hall #32 responds within an 8-kilometer circumference to our community including response to Westbank First Nation properties in addition to back up for Fire Hall #31 coverage areas. The Fire Underwriters evaluate our fire service levels and response times to determine the insurance rates for our citizens and businesses properties. In determining how best to replace Fire Hall #32 identifying a new location was key to maintain the service levels and avoid impacts to the community by altering how the Fire Underwriters assess properties. In 2020, the City was approached by the Lakeview Heights Neighbourhood society to consider the 860 Anders Road site as an option.

Through a series of mapping exercises, it was determined that the new location for Fire Hall #32 should be as close as practical to its present location to ensure coverage for our community and our service partners (Westbank First Nation) without affecting our Fire Underwriters ratings and individual properties insurance rates. In June 2023, it was announced that the Anders Road site had been selected as the preferred location for the Fire Hall #32 replacement. In addition to the fire hall replacement, there is an added community component that will benefit the Lakeview Heights neighbourhood.

The project would include, but not be limited to, the following:

- Removing the existing Lakeview Heights Community Centre, sport court, playground, and pickleball facilities;
- Construction of a new fire hall and community centre building;
- Installation of new pickleball courts;
- Installation of a new playground area;
- Parking area for Public and Fire Hall; and

- Public green space and general landscaping.

The following is a summary of the size components of the project.

	Current	Proposed
Community Space/Utilities – Total	3,800 sq/ft	~ 4,300 sq/ft
Community Space – Hall (included in above)	1,000 sq/ft	~ 1,400 sq ft
Firehall - Total	6,000 sq ft	~ 11,500 sq/ft

A few points to note:

- There are two additional bays (~3,000 sq/ft) added to the new Fire Hall (current hall has 2 bays; proposed has 4). Currently vehicles and equipment are stored outside or at alternate locations.
- Additional space to address gear room, hose tower, SCBA room, workshop and living quarters requirements that are either non-existent or deficient.
- There is a 40% increase in useable space available for the community hall.
- There are planned improvements to the parks and recreation amenities on the site.

The replacement of Firehall #32 is a Strategic Priority of Council. Extensive preliminary work was completed by the City Project team, which included representation from Fire Rescue, Facilities, Parks, Engineering, Finance and Administration. Through this work a high-level concept plan was developed to guide the process. The concept plan was instrumental to the Progressive Design Build Process.

This report will cover four key aspects:

- Progressive Design Build Process
- Design Phase Deliverables
- Budget & Financial Considerations
- Elector Assent Options

DISCUSSION

The Progressive Design Build process has provided a technically sound project that has been value engineered to ensure we have a fiscally sustainable project. The recommendation from staff is to proceed with the Alternative Approval Process (AAP) for elector assent as this provides the most efficient method to get the project started, with shovels in the ground. The consultant information (Schematic Design and Class C estimate) is ready to move to the consultation process. However, Council needs to provide direction on how they wish to proceed with elector assent.

Should Council proceed to the next stage, future public consultation of the new fire hall and park area would occur. This includes seeking overall impressions of the design, questions or concerns about how the fire all functions (e.g., noise, traffic, fire training), multi-uses of the site and facility, park and recreation space, etc. Stakeholder-specific

consultations, such as with the Lakeview Heights Community Association and area recreation users, would focus on key elements of the project in relation to services and amenities from what's there today.

Statutory (assent process) and non-statutory communication will occur throughout this project. The statutory process has been outlined in this report and, once confirmed, the non-statutory stakeholder and public consultation would be planned as part of the next phase of the project development. Early planning has identified the opportunity to align the stakeholder and community engagement as part of the budget consultations in February 2024, which would include open houses, consultation materials (display boards, survey, handouts), newspaper and social media advertising, PSA's, e-Subscriber updates. Both statutory and non-statutory communication and engagement update will be provided to Council and the community as each stage of the project proceeds.

Progressive Design Build Process

At the July 11, 2023 Regular Meeting of Council, staff were directed to proceed with the issuance of a Request for Proposal (RFP) to secure a qualified project team to undertake a Progressive Design Build strategy.

RFP 2023-07-P175 was issued on July 18, 2023 and closed on August 18, 2023 and contained two distinct phases. The first phase is the Design Phase and the second phase is the Build Phase. The City has complete control over the Build Phase and has the option of proceeding with the contractor selected under the RFP process or taking the design document and reissuing a construction RFP.

At the closing of the RFP date, there were five (5) submissions for review. Throughout the procurement process, the Procurement Evaluation Team diligently reviewed and assessed all the proposals in accordance with the City's purchasing policy. The team carefully evaluated the bids based on the specified criteria which included total price of Design Phase services, methodology, team experience and resumes, project experience, schedule, and exceptions to the contract.

After rigorous evaluation and discussions, the Design Phase services were awarded to Chandos Construction LP at a cost of \$212,683 plus applicable building permit fees and applicable taxes. The building permit fees are estimated at \$114,000, for a total cost of \$326,683. (NOTE: the final determination of building permit fees will be established upon completion of the detailed design). Chandos Construction LP has demonstrated exceptional capabilities, expertise, and a comprehensive understanding of Progressive Design-Build Services of the Firehall 32 project.

One of the primary benefits of the Progressive Design Build process is to mitigate the risk associated with change orders during the construction phase as all parties (architects, builders, owner) are at the table as the design is completed.

A major advantage of the Progressive Design Build process is the continual evaluation and improvement of the project as it works through detailed design. The project team, which includes the experts from Architecture, Construction, Engineering and City

representatives, recently went through a “Big Ideas/Lean Practices” exercise to review the progress to date and identify any possible value engineering items in advance of this report. Of primary importance is the identification and confirmation of the significant factors of the project. These include:

- A new firehall with room for future growth;
- Improved community space (community hall);
- Improved park space (playground, pickleball court);
- Project development & design consistent with the new OCP and Council’s Strategic Priorities (accessibility).

There will be several smaller items identified as we work through to ensure we have a fiscally sustainable project.

Design Phase Deliverables

The Design Phase includes the completion of Schematic and Design Documents, Performance Specifications, Project Budget, and all related documents required to complete the Owner’s Statement of Requirements (OSR) for all noted upgrade works. The Build Phase will be initiated upon acceptance of the OSR’s, at the discretion of the City, under a CCDC14 design-build contract as per the approved OSR’s within a Guaranteed Maximum Price.

Over the past couple of years, we have seen significant cost escalation that has impacted every function of the City. The preliminary costing for this project is almost a year old and the work completed by Chandos has brought the preliminary number into the current reality. It is important to note that there is still work to be done to complete the detailed design before this project moves forward and there will be Council and public consultation to guide the final steps of this process.

The fire hall concept plans produced by Chandos in the Design Phase are attached for reference (Attachment “A”). Included are as follows:

- Lower floor - Community centre area
- Ground floor – Firehall
- Mezzanine level – Firehall
- Second Floor - Firehall

Budget & Financial Considerations

The funding strategy for the Fire Hall #32 replacement project included \$8,000,000 in Long-Term Borrowing. The strategy included an annual reserve contribution of \$520,000 to the fire hall replacement reserve, starting in 2022, and will be “converted” to cover the principal and interest payments of the long-term debt once the funds have been borrowed.

One of the current challenges with the borrowing strategy has been the increased interest rates over the last 12-18 months. However, as borrowing for this project, if elector assent is achieved, would not be undertaken until 2026. It is anticipated that the annual interest rate would drop to bring the annual debt payment in alignment with the current reserve contribution. The resulting impact would be no new taxation required. If the interest rates did not reduce from its current rate, Council would be provided with a report that considered options to ensure no new taxation.

The current budget includes \$750,000 (Project C2021-49) to support the design and tender drawings for the Firehall #32 replacement project. With the completion of the Design Phase of the Progressive Design Build process, Chandos has now provided the schematic design along with a Class C cost estimate. The project budget, including the Class C estimate, is as follows:

Design & engineering	\$ 1,122,885
Fire hall	6,699,610
Community hall	2,238,841
Site improvements	2,094,833
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	12,156,169
Contingency 10%	1,215,617
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	13,371,786
Project Management	150,000
Furniture, Fixtures & Equipment	100,000
Owner's contingency	693,114
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	<u>\$ 14,314,900</u>

The owner's contingency is to cover items such as costs associated from Hydro, Fortis & Telus, temporary utilities and cost escalation. With a Class C estimate, there is still an element of risk as we work to finalize the project (get to a Class A estimate).

The funding strategy to support this project is as follows:

Construction Costs:	\$ 14,314,900
Debt	8,000,000
Reserves	3,800,000
Developer contributions	150,000
Parks DCC	1,187,000
Operating surpluses	1,177,900
	<hr/>
	<u>\$ 14,314,900</u>

Elector Approval Options

The elector approval process, should Council proceed with the recommended motion, would begin in 2024. A long-term borrowing process includes a loan authorization bylaw, the process of which is governed under Sections 179 and 180 of the *Community Charter*. Elector Approval is required before a loan authorization bylaw can be adopted. Elector Approval can be obtained through elector assent (Assent Voting) or by an alternative approval process (AAP). The following table summarizes the key attributes of each option.

Attribute	Assent Voting	AAP
Administration	<ul style="list-style-type: none"> • Chief Election Officer (CEO) • Administered as a vote under election-like rules 	<ul style="list-style-type: none"> • Corporate Officer (CAO/CO) • Administered as a petition-like process
Elector Eligibility	<ul style="list-style-type: none"> • Resident electors and non-resident property owners living within the area for which the vote is being held <p><i>NOTE: Residents living on Westbank First Nations IR #9 or IR#10 are NOT eligible to vote</i></p>	<ul style="list-style-type: none"> • Resident electors and non-resident property owners living within the area for which the AAP is being held <p><i>NOTE: Residents living on Westbank First Nations IR #9 or IR#10 are NOT eligible to participate</i></p>
Geographic Area	<ul style="list-style-type: none"> • Conducted on a municipal wide basis. 	<ul style="list-style-type: none"> • Conducted on a municipal wide basis.
Notice	<ul style="list-style-type: none"> • Notice must be published in the public notice posting places and either in a locally circulated newspaper once each week for two consecutive weeks (default) or by the alternative methods specified in a public notice bylaw 	<ul style="list-style-type: none"> • Notice must be published in the public notice posting places and either in a locally circulated newspaper once each week for two consecutive weeks (default) or by the alternative methods specified in a public notice bylaw
Timing	<ul style="list-style-type: none"> • Generally, 80 days after Inspector of Municipalities approval of the bylaw 	<ul style="list-style-type: none"> • AAP must allow for a minimum 30-day period in which response forms can be submitted • Can be as short as 32 days
Threshold	<ul style="list-style-type: none"> • Majority rules (50% + 1) 	<ul style="list-style-type: none"> • 10% threshold (need 10% of eligible voters to reject proposal; counter petition)
Voting Opportunities	<ul style="list-style-type: none"> • Special and advance voting • General voting day • Mail in ballot (if allowed by bylaw) 	<ul style="list-style-type: none"> • Electors have at least 30 days to sign and then submit
Costs	> \$50,000	< \$10,000

Source: [Alternative Approval Process: A Guide for Local Governments in British Columbia](#)

There are several benefits to choosing the AAP route. Specifically, an AAP is more cost efficient compared to a referendum and the time to receive the assent of the electors is much shorter. Additionally, this statutory process will only require staff's time and minimal resources such as one newspaper advertisement and photocopying the elector response forms for the community. The referendum process provides an affirmative response (i.e. majority agree to move forward) while the AAP requires a negative response (i.e. a determined threshold to those who opposed moving forward).

The Inspector of Municipalities must approve the borrowing bylaw after the bylaw receives first, second and third reading before Council can proceed with an assent vote or an AAP. The draft bylaw is attached as Attachment "B." After which the bylaw will be forwarded to the Inspector of Municipalities for approval.

Once approval is received from the Inspector of Municipalities, the AAP process would include staff bringing a report to Council in January 2024 seeking Council's approval on the assent form and closing date of the AAP. Once the appropriate advertising is done early spring according to the Public Notice Bylaw, the AAP could begin as early as February 2024 and close after the 30 days required. The certificate of sufficiency from the Corporate Officer on the AAP may be presented to Council in early March.

If it's Council's wish to proceed with a referendum, this process will occur much higher costs and the end time to obtain results will take longer. Costs include potential facility rentals, renting voting machines, training & hiring election officials to work at the polls, advertising, ballot printing, and creation of voter books. The Chief Election Officer will determine the general voting day for the assent voting, and it must be a Saturday, no more than 80 days after the Inspector approves the loan authorization bylaw receives third reading. Just like conducting a local general election, a referendum requires local governments to meet the legislation from the *Local Government Act*, *Community Charter*, *LECFA* and the *Interpretation Act*.

The cost considerations of the two processes are summarized as follows:

AAP (<\$10,000):

- Staff wages
- Printing of Assent Forms
- 1 newspaper ad

Assent Voting (>\$50,000):

- Renting voting machines and training
- Printing ballots
- Multiple newspaper advertising for the referendum
- Newspaper advertising call for poll workers
- Training of poll workers
- Staff wages (internal overtime and poll workers)
- Printing Voter Registration Books

- Stationary supplies

It should also be noted that should the AAP process be unsuccessful, Council can choose to go with the Voter Assent process to seek elector assent. However, if a Voter Assent is chosen first, the project would have to change substantially before attempting the AAP process or Voter Assent process again.

The following table summarizes the approximate timeline for each option, based on the time to complete the successive steps and uses November 28 Council meeting as an example starting date. The bylaw introduction is necessary to start the process but every process after that is dependent upon when we get the Inspector approval and when Council is prepared to start the process.

	Assent Voting	AAP
Bylaw introduction	Nov 28, 2023	Nov 28, 2023
Inspector approval	(4-6 weeks)	(4-6 weeks)
Council Report (Dates and form)	(1-2 weeks)	(1-2 weeks)
Elector Assent	(10-12 weeks)	(4-5 weeks)
Certification process	(2-4 weeks)	(2-4 weeks)
Council report (adopt bylaw)	(1-2 weeks)	(1-2 weeks)
Quashing Period	(4 weeks)	(4 weeks)
Certificate of Approval	(2-4 weeks)	(2-4 weeks)
TOTAL TIME (estimated)	34 weeks	27 weeks

When Council is presented with the certification results from the process (adopt bylaw), this is where Council has the final confirmation of the project. Should Council want to stop the project at that point, they would not approve the borrowing bylaw. It should be noted that there are potential implications of stopping the project after having just gone to the public seeking their approval. Also of critical importance is the ability to start construction earlier in the year.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
July 11, 2023	THAT Council direct staff to initiate the next steps in advancing the replacement of Fire Hall #32 by supporting a Progressive Design Build strategy for the design and construction of the new relocated Fire Hall #32 at 860 Anders Road; and THAT Council authorize staff to issue a Request for Proposal to secure a qualified project team	C267/23
June 13, 2023	THAT Council confirm the Fire Hall #32 replacement be located at 860 Anders Road.	IC048/23

REVIEWED BY

Warren Everton, Director of Finance / CFO

Corinne Boback, Legislative Services Manager / Corporate Officer

APPROVED FOR THE AGENDA BY

Trevor Seibel, Deputy CAO

Powerpoint: Yes No

Attachments:

Attachment "A" – Fire Hall #32 – Concept Plans

Attachment "B" – Fire Hall #32 – Loan Authorization Bylaw

Attachment "C" – Fire Hall #32 – Public Information – June 2023

Attachment "D" – Fire Hall #32 – Public Information – March 2022