

HALIFAX

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Item No. 14.1.9
Halifax Regional Council
September 6, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

John Traves, Q.C. Acting Chief Administrative Officer
Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: August 10, 2016

SUBJECT: Fire Stations Numbers 62 and 63

ORIGIN

Halifax Regional Council, November 10, 2015, Item 11.1.7, Recommendation 1: Direct staff to prepare for Regional Council's consideration, a detailed capital/land/operating costs for the consolidation of Station Nos. 62 (Harrietsfield) and 63 (Sambro) in a new centralized location and 2) Direct staff to initiate the process to decommission Station No. 62 (Harrietsfield) and to initiate settlement discussions with the insurer for a cash settlement based on the estimated cost of repair for Station No. 62.

LEGISLATIVE AUTHORITY

The Halifax Regional Municipality Charter, Chapter 39, Section 61 (5) (a); The Municipality may acquire property, including property outside the Municipality, that the Municipality requires for its purposes or for the use of the public.

RECOMMENDATION

It is recommended that Halifax Regional Council

1. Direct staff to initiate the site selection process to acquire the land required to build the new consolidated fire station subject to final approval of the purchase by Regional Council; and
2. Direct staff to include the funding for the new consolidated fire station the decommissioning of Fire Station No. 63, in compliance with the terms and conditions of the current lease with the Province of Nova Scotia, in the deliberations of the 17/18 Proposed Capital and Operating budgets.

BACKGROUND

On November 10, 2015, Regional Council directed staff to prepare detailed capital/land/operating costs for the consolidation of Fire Station No. 62 (Harrietsfield) and Fire Station No. 63 (Sambro) in a new centralized location.

On January 1, 2015, Fire Station No. 62 (1070 Old Sambro Road, Harrietsfield) was heavily damaged by fire and is currently out of commission. A structural engineer deemed the building unsafe for use as a fire station, including the storage of apparatus and equipment. An insurance claim in the amount of \$213,990 has been received and was transferred to Q103 – Capital Surplus.

Fire Station No. 63 (180 West Pennant Road, Sambro) is designed to accommodate only two career firefighters, a minimal number of volunteers and two fire apparatus. With Fire Station No. 62 no longer in use, both volunteer and career firefighters were relocated to Fire Station No. 63. To accommodate the increased number of staff, Halifax Regional Fire & Emergency (HRFE) have been leasing a 60 foot trailer. Even with the temporary facilities, the facility has several functional and operational limitations.

The following two options were presented in the November 10, 2015 report to Regional Council:

- Option 1 (recommended) – Consolidate Station Nos. 62 (Harrietsfield) and 63 (Sambro) in a centralized location
- Option 2 - Consolidate Station Nos. 62 (Harrietsfield) and 63 (Sambro) in a new station located on the current 63 location

Regional Council approved the recommendation to direct staff to prepare detailed capital/land/operating costs for the proposed new facility in a centralized location (Option 1).

DISCUSSION

The following costing analysis for a proposed new Fire Station No. 62 includes costs for land acquisition, site development, building construction and decommissioning of the current Fire Station No. 62 and Fire Station No. 63. Also included is a comparison of operating costs for a combined fire station compared to the current operating costs for Fire Station No. 62 and Fire Station No. 63. An analysis of staffing costs and fire apparatus costs are not included in this report; however, it is anticipated these will not change when compared to a combined fire station.

Capital Cost Estimate

The proposed new consolidated fire station costing is based on a four bay design located on a 2 acre rural site. The capital cost estimate was compiled by a cost consultant and based on recent fire station builds (Fire Station No. 60 – Herring Cove and Fire Station No.65 - Tantallon). Historical costs from these stations were also used to validate the current cost estimate.

The cost estimate is based on the following factors:

- Similar design to Fire Station No. 65 - Tantallon
- Design-build procurement delivery
- Project award 2017/18
- Moderate level of site preparation
- Contingency of 15 percent

Capital Cost Estimate : \$3,450,000 (net HST included)

Land Cost Estimate

In a preliminary review, HRFE have so far considered three potential locations on Old Sambro Road having been identified by HRFE as suitable locations to provide optimal fire response from one centralized location in the Harrietsfield/Sambro communities. The general market value for land in the desired area and size suitable to HRFE's needs would be expected to be in the \$100,000 to \$200,000 value range, subject to final negotiations on specific options.

Operating Cost Estimate

Operating costs were compiled based on two year historical data for similar fire stations. Historical cost data was also compiled for Fire Station No. 62 and Fire Station No. 63 which would no longer be realized in the consolidated fire station scenario.

Operating Cost of Consolidated Fire Station:	\$66,000 per year (net HST included)
Less Fire Station No. 62 Operating Costs:	\$27,000 per year (net HST included)
Less Fire Station No. 63 Operating Costs:	<u>\$22,000 per year (net HST included)</u>
Net Increase to Operating Costs:	\$17,000 per year (net HST included)

Decommissioning Cost Estimate

- Fire Station No. 62 (Harrietsfield): Decommissioning this fire station is expected to include demolition of the existing structure, slab and footings as well as environmental clean-up as required. An environmental site assessment has not been performed as part of this report. It is anticipated that the land would be declared surplus under Administrative Order No. 50. The potential proceeds of a land sale have not been included in this analysis. The recommended cost allowance for demolition is \$80,000 (net HST included).
- Fire Station No. 63 (Sambro): This property is leased from the Province of Nova Scotia. The lease requires that HRM return the property to its original condition at the end or cancellation of the lease. Contaminated soil is expected due to a furnace oil leak discovered in 2005. The recommended cost allowance for demolition and soil remediation is \$209,000 (net HST included).

Decommissioning Cost Estimate: \$289,000 (net HST included)

Cost Estimate Summary

The cost estimate for the proposed new consolidated fire station is \$3,625,010 (net HST included), detailed as follows:

Capital Cost Estimate:	\$3,450,000 (net HST included)
Land Cost Estimate:	<u>\$100,000 (net HST included)</u>
Subtotal Capital and Land Cost Estimate:	\$3,550,000 (net HST included)
Decommissioning Cost Estimate:	\$289,000 (net HST included)
Less Insurance Claim:	<u>-\$213,990 (net HST included)</u>
Total Capital Cost Estimate:	\$3,625,010 (net HST included)

Net Increase to Annual Operating Costs: \$17,000 (net HST included)

FINANCIAL IMPLICATIONS

There are no budget implications with this report. Staff will be returning to Regional Council for approval on the acquisition of land for the station and the consideration of the capital and operating cost of the new station will be included as a budget request in the 17/18 Proposed Capital and Operating Budgets.

RISK CONSIDERATION

The following risks have been identified:

- Higher decommissioning costs due to significant site contamination
- Higher capital costs due to significant change in staffing or functional requirements
- Higher capital costs due to non-competitive construction market

These risks will be mitigated through the Project Management delivery of the Project.

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

There are no Environmental Implications with this report.

ALTERNATIVES

1. Not to combine Station No. 62 and No. 63 and instead, to initiate renovations/repairs to each station; however this is not recommended by HRFE, as it does not improve the service delivery response times.
2. Not to pursue a more centrally located location and instead to use the existing Station No. 63 location. HRFE does not recommend this approach as it does not improve the service delivery response times for the entire fire response area.

ATTACHMENTS

N/A

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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