

Community Safety Building Update

Town Council recently approved a long-term lease agreement with BC Emergency Health Services (BCEHS) for the co-location of an ambulance station at the new Community Safety Building being constructed near Eighth Street and Bevan Avenue. Mayor Steve Price stated, "Keeping the ambulance station in town to serve our residents has been one of the motivating factors in pursuing a new Community Safety Building. The Town is happy to provide a new, custom-built, post-disaster building for use by BC Emergency Health Services, knowing that they will be here for the long-term."

The lease agreement includes an initial term of 20 years, with four renewal options that could double the term to 40 years. BC Ambulance paramedics will be moving in shortly after completion of the Community Safety Building, which is scheduled for early 2019. "We're extremely excited to be moving into a facility that's built to our needs," said BCEHS's Lance Stephenson. Stephenson, BCEHS's area director for patient care delivery on Vancouver Island, says this is Vancouver Island's first purposely built joint facility for fire and emergency health services use. "It's great to see a building with the future in mind," said Stephenson. "It really is ideal." BCEHS will make annual lease payments for their portion of the Community Safety Building, ensuring cost recovery for the Town of Sidney. This contribution has always been part of the overall funding for the building.

Initial budgets estimated that the total project would cost up to \$10 million, with the ambulance portion representing \$1.2 million of that sum. The most recent budget estimate indicates an overall cost of approximately \$15 million, with \$2.5 million of that coming from BCEHS. In part, what has changed is the size and scope of the ambulance component. While this change has contributed to the overall project cost, a much more significant impact has been the local construction market, which has seen

unprecedented cost escalation due to the number of projects underway in the region.

It is important to note that despite the increases in overall project cost, there will be no increase to the amount that the Town will borrow for the project. The amount of borrowing required for the project – and the resulting impact on taxpayers – is still within the range originally projected. The Town's portion of the borrowing was estimated to be in the range of \$5 - \$8 million. That is still the case.

Most of the project overage will be covered by the proceeds from the sale of the Third Street property containing the existing fire hall, as well as the adjacent parking lot. The original budget included a very conservative estimate of the Third Street sale proceeds; adding the adjacent property to the sale will ensure that any project cost overages are covered. The Town is currently reviewing proposals for the sale of these properties, but the exact sale price will not be finalized until later this year. We are projecting, however, that the proceeds will reduce the Town's portion of total borrowing. And please note that any sale arrangement will include the protection of at least 30 public parking spaces.

While it is too early to know exactly what the Town portion of borrowing will be, the ultimate impact on the average Sidney residence will fall within the range

indicated below. With BCEHS requiring \$2.5 million of the debt funding, the upper limit for the Town portion would be the \$7.5 million shown below. \$6 million is the best estimate at this time, but, as stated, this is subject to change.

| \$ Borrowing Amount | % Tax Equivalent | \$ Impact Annual | \$ Impact Monthly |
|---------------------------|------------------------|------------------------|-------------------------|
| \$5,000,000 | 2.43% | \$34.61 | \$2.88 |
| \$6,000,000 | 2.92% | \$41.68 | \$3.47 |
| \$7,000,000 | 3.42% | \$48.75 | \$4.06 |
| \$7,500,000 | 3.67% | \$52.28 | \$4.63 |

With \$6 million being the most likely estimated borrowing amount, this means that for about \$41 per year for the average residence (half of which is already included in the 2018 budget and taxes) this investment assures that the community will have a post-disaster fire hall and ambulance station for the next 50 years. And if our tax base continues to grow, the impact will be spread across a greater number of properties, reducing the cost per household.

At the completion of this vital project, the citizens of Sidney can feel comforted by having an exceptional post-disaster facility that will withstand a significant seismic event and ensure that emergency services can be provided throughout the community no matter what the outcome. The Community Safety Building will be open within a year to serve the community for the next two generations.

