

NO: R184

COUNCIL DATE: October 7, 2024

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **October 2, 2024**

FROM: **Fire Chief, Fire Services
General Manager, Finance**

FILE: **3150-01**

SUBJECT: **10-Year Capital Infrastructure Plan for Fire Services Facilities**

RECOMMENDATION

The Fire Services and Finance Departments recommend that Council:

1. Endorse the 10-Year Capital Infrastructure Plan for Fire Services; and
2. Authorize staff to bring forward for Council's consideration amendments to the *Development Cost Charge Bylaw* to include a Development Cost Charge rate for Fire Services Facilities.

INTENT

The purpose of this report is to present the 10-year Capital Infrastructure Plan for Fire Service Facilities to inform amendments of the Development Cost Charges ("DCC") Bylaw, to create a Fire DCC component to fund the growth portion of additional fire facility infrastructure.

BACKGROUND

Fire Services has traditionally been funded from general tax revenue, with some support from Community Amenity Contributions ("CACs"). These funding sources have competing needs with other City programs and services. Consequently, there has not been a dedicated or reliable source of funding to meet the growing needs of Surrey Fire Service.

DISCUSSION

In late 2023, the Provincial Government introduced Bill 46 – 2023 Housing Statutes (Development Financing) Amendment Act, which expanded the powers of the *Local Government Act* to allow the collection of DCCs for new or expanded Fire Services Facilities. This marks a shift from utilizing CACs and other general revenue sources to collecting DCCs directly from development to support new or expanded fire facilities that are required to service growth.

Fire facilities are complex operational buildings that should be built to post-disaster standards and support around-the-clock use. Planning and construction of these facilities also need to be considered with more lead time, especially where property acquisition is needed.

The Fire Services have developed a 10-year Capital Infrastructure Plan based on its current immediate needs, to support and expand the current 15 fire halls in Surrey with:

- Acquisition of land, for the relocation and expansion of one fire hall;
- Acquisition of land for one additional new downtown fire hall;
- Replacement and expansion of two existing fire halls; and
- Provision of additional truck bays for four other fire halls.

The proposed capital infrastructure plan is summarized in the following table, and a map of the fire halls is provided as Appendix “I”:

Fire Hall No.	Location	Estimated Project cost	Land Acquisition	Facility Cost	DCC Eligible Total
3	City Centre (New Fire Hall)	\$41,000,000	\$11,000,000	\$30,000,000	\$41,000,000
4	Guildford Park (Rebuild on existing land)	\$30,000,000	-	\$30,000,000	\$19,700,000
6	9200 152 St (Relocate)	\$41,000,000	\$11,000,000	\$30,000,000	\$26,214,000
8	Cloverdale (Rebuild and acquire land)	\$41,000,000	\$11,000,000	\$30,000,000	\$28,286,000
11	Panorama Ridge (Bay expansion)	\$2,000,000	-	\$2,000,000	\$2,000,000
13	South Surrey (Bay expansion)	\$3,000,000	-	\$3,000,000	\$3,000,000
15	Clayton (Bay expansion)	\$2,000,000	-	\$2,000,000	\$2,000,000
18	Fleetwood (Bay expansion)	\$3,000,000	-	\$3,000,000	\$3,000,000
Total		\$163,000,000	\$33,000,000	\$130,000,000	\$125,200,000

Costs in the 10-year plan are developed with 2024 estimates. The plan cost estimated would be inflation protected up to the inflation rate changes applied to future DCC’s.

As can be seen from the table above, four new facilities are planned for the growth areas of City Centre, Guildford, Fleetwood, and Cloverdale, and additional capacity planned for parts of South Surrey, Clayton, Panorama and Fleetwood. A Fire DCC with funding to address growth needs will cover a majority of the project costs. With \$18,250,000 already allocated in the 5-year Capital Budget, additional funding of \$19,550,000 over the remainder of the 10-year plan is required.

The collection of DCCs is dependent on the timing of development. Once a DCC rate has been adopted by Bylaw in May 2025, it would be applied to new development applications as early as

May 2026. Therefore, new DCC revenue for Fire Services will likely materialize in 2027, and it will take as long as five years to develop a more steady and reliable annual contribution.

Financial Impact

The financial impact of the proposed 10-year Fire Services Infrastructure plan is proposed to have the growth portions be borne by DCCs, lessening the impact to general revenue which is still required to fund a portion of the non-growth infrastructure needs. The proposed plan would result in a Fire Services DCC, similar to the cost for sanitary sewers and similar to a recent DCC rate established in the City of Burnaby for Fire Services. Adoption of the 10-year plan would allow further diversification of the funding sources for Fire Services and would reduce the overall demand on taxpayers.

Based on the proposed capital plan, the DCC revenues for Fire Services is estimated to take some time before it will begin to be charged to new developments. It is more likely that the funding for this capital plan would be achieved over a period of about 12 -15 years rather than 10 years.

Fire Services will work closely with Finance to ensure adequate funding is in place, in light of possible timing issues related to Fire DCC's accumulating at a rate that is not aligned with the Capital requirements.

CONCLUSION

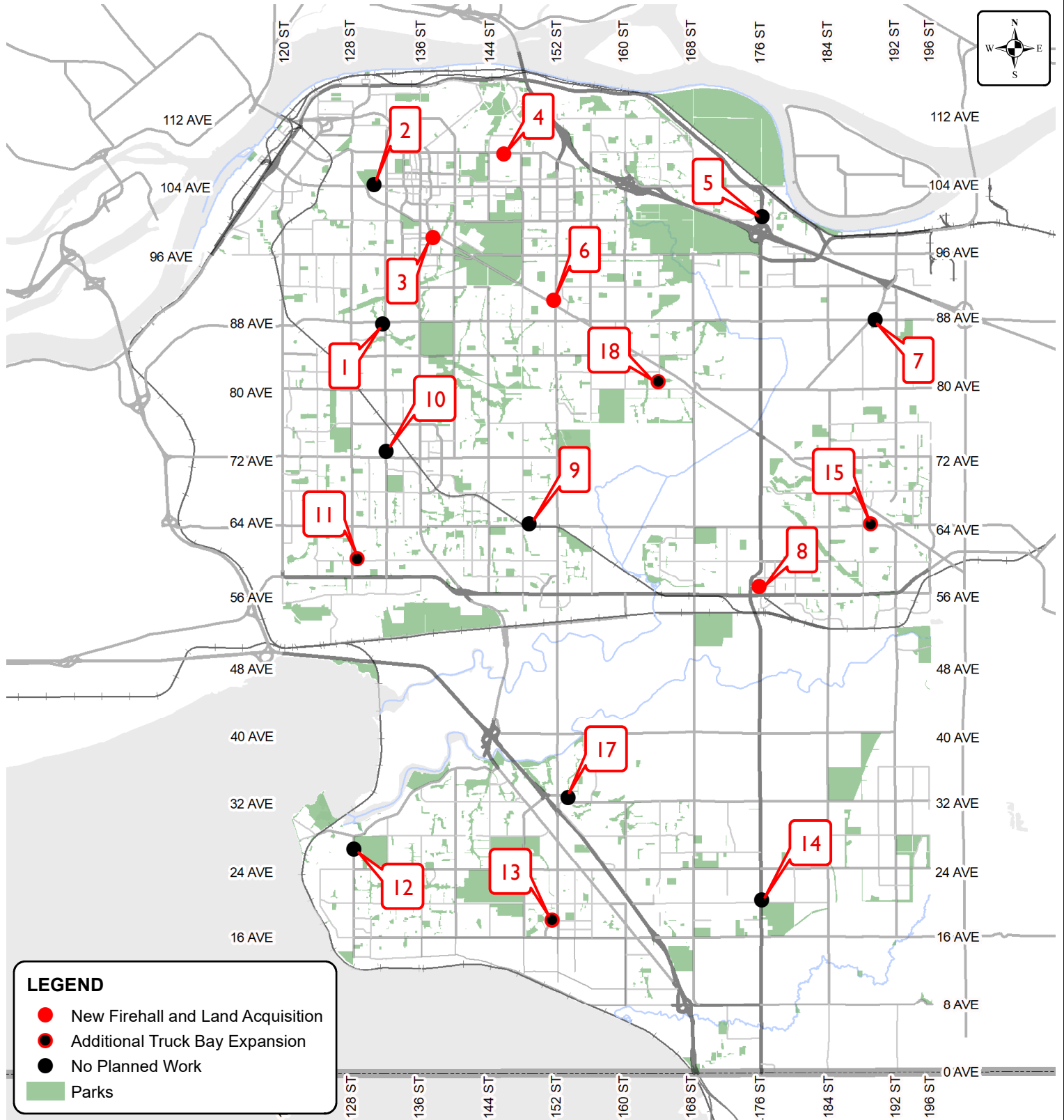
The amendment of the DCC bylaw is needed to include Fire Services Facilities, to allow for development to fund the fire service infrastructure growth requirements. This 10-year capital infrastructure plan if endorsed will allow staff to plan accordingly for the future growth needs of the fire service.

Larry Thomas
Chief,
Fire Services

Kam Grewal, CPA, CMA
General Manager,
Finance

Appendix "I" Location Map

APPENDIX "I"



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Scale: 1:125,000 0 1,000 M



Fire Services Capital Plan

ENGINEERING
DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.