

Salt Spring Island Fire Protection District (SSIFPD)

Staff Report

Date: August 17, 2023
 Subject: New Fire Hall Project Update
 To: Board of Trustees
 From: Rodney Dieleman, CAO

Issue: The New fire Hall Project is progressing on schedule and on budget on July 31, 2023.

Background:

In May 2023, the Architect developed plans and a construction schedule for the new fire hall project. As of August 8th, we are two weeks away from completing the working drawings, which will enable final pricing, building permits, and construction tendering. The project is on schedule; drawings are 75% complete, and final decisions on materials, colors, flooring, and mill work are underway.





The Architect has readied the tender documents, while the Construction Manager has nearly completed a precise cost estimate relying on the finalized drawings (75% confidence). Earlier projections were anchored in square footage approximations (30% confidence). The conclusive pricing will emerge from the tender process utilizing the completed construction drawings (95% confidence).

As of July 31st, the project budget, though facing financial constraints, remains within the stipulated referendum limit of \$9.7 million for borrowing. The initial projected building cost stands at \$9 million per square foot, and we anticipate competitive tender results to drive down this estimate. An imminent "take-off" estimate, grounded in actual materials and construction techniques, is on the horizon.

New Fire Hall Budget at July 31, 2023

	Original	At July 31, 2023
Site Permits/Insurance	\$ 370,000	\$ 370,000
Off Site Work	\$ 500,000	\$ 500,000
Owners Representative	\$ 400,000	\$ 190,911
Construction Costs	\$ 8,938,100	\$ 9,000,083
Architect	\$ 670,358	\$ 399,201
Other Consultants	\$ 714,594	\$ 492,555
Construction Manager	\$ 715,048	\$ 562,225
Financing	\$ -	\$ 770,882
Contingency	\$ 1,391,900	\$ 336,163
Total Project Cost:	\$ 13,700,000	\$ 12,622,020
Funding		
Reserve Funds	\$ 3,000,000	\$ 1,850,130
Grant Funds	\$ 1,000,000	\$ 1,000,000
Short Term Bank Loan	\$ 9,700,000	\$ 9,435,727
Contingency		\$ 71,890
Borrowing Contingency		\$ 264,273
Total Funding	\$ 13,700,000	\$ 12,622,020

Discussion:

A risk register has been employed throughout the project to pinpoint and address potential project risks. The Project Steering Committee is proactively pursuing cost-effective measures for mitigating concerns related to sewer line installations, potable water, water storage, and rising financing expenses. To this end, Memorandums of Understanding (MOU's) have been formulated to facilitate these mitigation strategies in collaboration with the adjacent property owner, Community Services, and the North Salt Spring Water District.

Next steps:

- The Project Steering Committee will complete the design process with the Architect and receive final drawings for sign off.
- Once approved, the Architect will obtain a building permit while the Construction Manager begins the tender process.
- Work on the land itself can begin with the levels and locations provided by the final drawings. This will involve removing the topsoil from the property to an ALR site. Some topsoil will be stored and returned for final landscaping.
- The Communications Committee has been making preparations for a project sign, construction event and grand opening.
- Communications and project updates to the community will become increasingly important.
- The property site is now surveyed and staked. Tangible site work is imminent.

Risks:

Financing costs have risen 10 times since the project began. It is difficult to determine the working rate of interest in this environment. Estimates for financial costs are at 7.5%, up from 2%. The Project Steering Committee have been exploring alternative financial sources.

Site work must begin before it gets too wet, but it cannot begin while it is so dry. Timing, planning and preparation will be the key to a workable construction site.

Community support is essential. The Project Steering Committee will prepare a new fire hall picture board at the planned Town Hall event in September.

Recommendation:

That the Board of Trustees receive the staff report regarding the New Fire Hall Project Update and reiterate support for the New Fire Hall Project and the New Fire Hall Project Steering Committee.

Submitted By,

Rodney Dieleman,
Corporate Administrator