

Background Information

Project Background

This attachment provides some background information on both the construction of the Public Safety Building and acquiring the Outlook Village properties. Section 3 provides some commentary on the provincial legislation that affects the City's ability to borrow money and when the approval of the electorate is required. Section 4 provides some information as to the short and long term plans for the existing City Hall and Welton Common properties.

1. Public Safety Building

a. Purpose

The purpose of this project is to combine a Fire Hall, the Mission Search and Rescue (MSAR), and Emergency Operation Center (EOC) services, enhancing emergency response times, supporting long-term growth in the Cedar Valley and providing improved fire protection services to the North Mission areas.

b. Background

In June 2024, the City acquired, at a cost of \$10, a 2-acre parcel of land at Dewdney Trunk Road and Ihles Avenue for the future development of the Public Safety Building. This site was selected based on its suitability to improve emergency response times and accommodate long-term growth in the Cedar Valley area, as identified by the 2023 Mission Facilities Expansion Study and Fire Master Plan.

MSAR currently leases a very old building from the City on Mission's waterfront. The building is at the end of its useful life and suffers from building envelope failure, rodent infestation and is located in the floodplain. MSAR has outgrown the space and requires proper space for storing its fleet of expensive equipment and for proper training of its volunteers.

In September 2024, Council approved a budget of \$200,000 for the initial engineering and planning work. ISL Engineering was retained as a consultant, and planning sessions were held with Mission Fire Rescue staff, MSAR personnel and internal Engineering staff.

c. Discussion and Analysis

Since September 2024, there has been collaboration between City staff, ISL Engineering, StudioHub Architects, and Mission Fire Rescue staff, which has been instrumental in developing a well-rounded solution for the upcoming project. Through multiple in-person meetings, all parties worked closely together to tackle the various challenges to ensure that the project's needs were met.

These preliminary design meetings fostered productive discussions, allowing for valuable input from each group. ISL Engineering provided technical expertise, StudioHub Architects added their depth of experience from their involvement in many other municipal firehall projects, and Mission Fire Rescue staff contributed their operational insights. MSAR was also consulted and communicated with during the preliminary design process.

A comparative analysis was completed on several local municipal firehalls that have been constructed within the past five years to ensure the proposed preliminary design, construction methods, size requirements, and budget were in line with current practices.

The design currently includes a 22,500 square foot (sqf) building, with 13,700 sqf designated for Fire Hall functions, 4,700 sqf for MSAR operations, and 4,100 sqf designated for the EOC. Functional elements will include truck bays, offices, training rooms, staff facilities, and dedicated spaces for emergency operations. Additional considerations include separate entrances for Fire Hall and MSAR and adequate parking for staff and the public. Co-location takes advantage of shared design and construction, creating efficiencies. Forestry staff will also operate out of this new facility.

d. Estimated Project Timeline and Milestones

Below is a table of the probable project timeline and milestones for this project. This timeline is based on current limited information and is subject to change as the project progresses to design.

Milestone Date	Milestone	Detailed Description
Completed	Building Site Acquisition	The City of Mission has acquired 8750 Dewdney Trunk Road as the location to build the proposed Firehall #4 and SAR Facility.
Completed	Project Option/initial planning and investigation	Council endorses a project building option and directed staff to proceed with project design and initial funding is approved to hire the project team and conduct site investigation, engineering/architectural conceptual design and analysis.
July/August 2025	RFP for project team	Develop procurement documents with purchasing and issue an RFP to hire a project design team, including contractor and design firms.
July 2025	Borrowing Bylaw	Borrowing Bylaw process initiated.

Summer/Fall 2025	Design Phase	Complete a detailed design. Design approved and final design begins, permits applied for. Borrowing bylaw process completed.
January 2026	Final Design Acceptance and Funding Approval	A final report is presented to Council outlining final budget estimates and building design for approval.
April 2026	Construction Commencement	Construction on the new facility begins.
Spring 2027	Substantial Completion	Project deliverables are accepted, and the project is substantially completed.
Summer 2027	Public Safety Building Commissioning and Grand Opening	New Public Safety Building starts servicing Mission residents.

e. Financial Implications

The estimated project cost is \$39,000,000, with the following proposed funding sources:

- Long-Term Debt: \$36,000,000
- Forestry Legacy Reserve: \$3,000,000

Staff are also seeking out grant funding opportunities and financial contributions from MSAR. A more detailed Class B cost estimate will be presented to Council as part of the final design package.

Based on a loan of \$36 million over a 30-year term with an interest rate of 4.08%, the annual debt servicing cost for the Public Safety Building will be \$2,166,168. Development Cost Charge revenue will cover 36% of the debt servicing costs. Should an increase in property taxes be used to service the remaining 64% of the debt (\$1,386,348), a tax increase of 2.75% will be required.

f. Communication

A communications strategy will be developed under the direction of the Manager of Communications and Public Engagement. This strategy will include a multi-channel campaign that highlights the community benefits of this project for the City of Mission now and into the future. Regular updates will be provided to the community and Council until construction is complete.

2. City Hall / Community Space @ Outlook Village

a. Purpose

The purpose of this project is to acquire several properties at Outlook Village (Wren Street and Lougheed Highway) to bring City Hall, Development Services and Engineering staff together, again, in one campus in order to provide improved, fully accessible and centralized service to the public and to accommodate expected future growth of the community. This acquisition will also provide space for community meetings, small events and display space for various community groups.

b. Background

The City has seen considerable growth in terms of population and, as a result, the number of staff employed. This growth pressure is expected to continue with the development of the Cedar Valley, Silverdale, and the Waterfront areas. Renovations to City Hall were completed in 2016 and in April 2019 Engineering and Development Services staff moved into the Welton Common building.

Development Services and Engineering again find themselves with no space to grow with some staff currently sharing desks or without office space. There is also a shortage of meeting room space at Welton Common at peak meeting times. City Hall has limited room left for growth for Finance, Corporate Services and Forestry.

Public Works and Parks, Recreation and Culture also have space issues at the current time but have yet to explore solutions in detail.

The growth in personnel has reached a point now where another expansion is needed.

From October 2022 to 2025, seven reports were considered by Council with many options for expanding office space to meet needs. The options ranged from leasing additional office space in the downtown and elsewhere, using portable or modular structures at City Hall & Welton Common and occupying a City owned building that is currently leased out to a private company. None of these options would have improved the co-location of staff and

would have resulted in further reduced service for the public and clients. Further, leasing office space and acquiring portables would not provide any return on investment.

The City has been using a flexible working environment since Covid-19 whereby staff, that can, are able to work from home for several days a week and share workspace when required in the office. This arrangement will be efficiently incorporated into the Outlook Village planning and will free up additional space over what is being inefficiently used now.

The three properties that are proposed for acquisition include:

- 31999A Lougheed Highway – 3 storey office building
- Unit 12 31946 Lougheed Highway – small commercial unit
- 31999E Lougheed Highway – new Council Chambers/Community Space

All three properties are located within the new development at Wren Street and Lougheed Highway. With the proximity of the RCMP building and the development of Mission's waterfront and the Silverdale Comprehensive Planning area, Outlook Village becomes a convenient and central location for a civic campus.

The value in owning facilities and real property can be demonstrated through the City's purchase of the Welton Common building at 7337 Welton Street. That property was purchased in 2014 for a price of \$1.9 million. A recent Opinion of Value has assessed the 2025 value at approximately \$9.72 million.

It is expected that the tenant improvements would be completed in early 2026 and staff would move in spring-summer 2026.

c. Floor Space Comparison

Table 1 shows the square footage of the proposed acquisition at Outlook Village. The table does not include any of the tenant improvement allowances or moving costs.

Table 1: Area of Outlook Village Proposal

<i>Building</i>	<i>Square Footage</i>	<i>Cost</i>
Unit 12	1,594	
Office	26,800	
Council Chambers	3,984	
Total	32,378	\$19,300,000

Table 2 provides a comparison of square footage in Welton Common and City Hall as the spaces are used today.

Table 2: Area Specifications for City Hall & Welton Common

Building	Square Footage
City Hall	15,240
Council Chambers	1,174
Welton	10,843
Total	27,257

d. Growth Accommodation

Staff have completed an estimate on how long the acquisition of the three new buildings could serve the City's growing needs. The City evaluated its growth at City Hall and Welton Common over the last several years and it ranges from 4% to 6% in any given year. Accounting for less required common space (meeting rooms, lunch rooms), smaller work spaces, desk sharing and improved space planning, it is estimated that the existing staff complement could be housed in a single building that is about 18,000 square feet in area. Assuming a staff growth rate of 4% to 6%, it is expected that Outlook Village acquisitions would allow for 10 to 15 years of growth. With the numerous strata units at Outlook Village, the City could possibly acquire additional units over time to develop a true civic campus and accommodate growth for a longer period of time.

The City is in the middle of undertaking detailed space planning but that will not be finalized until mid-August. The Purchase and Sale Agreement requires that the City is satisfied with the growth accommodation, among other things, before the acquisition completes.

e. Parking Accommodation

The Outlook Village acquisition comes with a secured underground parking level below the building with 26 spaces which can be utilized for City fleet parking. For staff and visitors, there are 57 spots available in surface and rooftop spots. With Unit 12, there are an additional 37 underground parking spots available bringing the total to 120 parking spots. This is a mix of traditional, accessible and EV charging spots.

Currently there are 89 and 66 parking spots at Welton Common and City Hall, respectively, for a total of 155 parking spots for staff, visitors and staff. On any given day there are about 20 unused parking spots at City Hall and about 10 spots are leased to third parties at Welton Common leaving the parking at Outlook Village at a deficit of about 5 parking stalls. There are many other spots available for visitors at Outlook Village that can be used by visitors.

f. Financial Implications

The estimated project cost is \$25,000,000, with the following proposed funding sources:

- Long-Term Debt: \$16,339,945
- Capital Reserve: \$7,564,125
- Amenity Cost Charges: \$1,095,930

Staff are also seeking out grant funding opportunities.

Based on a loan of \$16,339,945 over a 30-year term with an interest rate of 4.08%, the annual debt servicing cost for the Outlook Village Project will be \$983,196. Should an increase in property taxes be used to service the debt, a tax increase of 1.95% will be required to service the debt.

No projects within the existing capital plan are being delayed or cancelled.

Purchasing a ready-to-occupied building removes the risk of cost overruns often associated with construction projects and preliminary indications suggest that the construction cost to build a similar building today would be about 25% higher than the price the City has negotiated for all three buildings. As with Welton Common, it is entirely reasonable to expect that these assets will continue to increase in value for the foreseeable future.

g. Communication

A communications strategy has been developed under the direction of the Manager of Communications and Public Engagement. This strategy will include a multi-channel campaign that highlights the community benefits of this project for the City of Mission now and into the future. Regular updates will be provided to the community and Council until construction is complete.

3. Comment on Borrowing Capacity of City

Under provincial legislation City Council can adopt a loan authorization bylaw, provided the borrowing is also approved by the Province, without approval of the electors as long as the total principal and interest costs will not exceed 10% of the City's annual operating revenue. The City's annual operating revenue for this calculation is \$102.3 million.

Currently the City's debt servicing costs are \$1.4 million or 1.38% of annual revenue. This permits the City to borrow an additional \$148.5 million, resulting in \$8.8 million in new debt servicing costs, before requiring the approval of the electorate. The debt servicing costs of the two contemplated borrowings is \$3.15 million.

Under provincial legislation, the City is able to borrow up to a maximum of \$414.2 million. Currently the City has \$12.6 million of debt. With the two borrowings contemplated for building the Public Safety Building and acquiring the Outlook Village properties, the total debt will increase to \$65 million, which is well below the total threshold of \$414.2 million and the threshold requiring approval of the electors of \$161.2 million.

4. Comment on Status of Welton Common and City Hall Property

At this time, both properties will remain under City ownership with lease opportunities being explored in the short term. Highest and best use scenarios will be evaluated and a decision as to whether the properties should be liquidated with the sale proceeds going to reduce the debt will be made in the coming months. Before any long-term decision is made, the community will be engaged in a robust consultation process.