



DEVELOPMENT SERVICING AGREEMENTS, DEVELOPMENT SERVICES
URBAN PLANNING & ECONOMY
7th FLOOR, EDMONTON TOWER
10111 – 104 AVENUE NW
EDMONTON, AB T5J 0J4

March 23, 2022

Urban Development Institute – Edmonton Region
324 Birks Building
10113 – 104 Street
Edmonton, AB
T5J 1A1

Attention: **Kalen Anderson**

Dear Ms. Anderson:

Reference: **Approved Fire Hall Off-Site Levy Rates for 2022**

The Fire Hall Off-Site Levy rates for 2022 have now been approved by the Fire Hall Off-Site Levies Steering Committee in conjunction with a number of commitments made by the City.

The table of rates, a map of the catchment areas, and a letter that includes the commitments made by the City are attached for information.

If you have any questions or comments, please contact me at 780-446-3141 or by email at Jim.Wood@edmonton.ca.

A handwritten signature in blue ink that reads "Jim Wood".

Jim Wood, P.Eng.
General Supervisor
Development Servicing Agreements

JW/jw
Attachments



Fire Hall Off-Site Levy Rates for Year 2022

| Sr. No. | Facility | Cost (\$) | Benefitting Area (Ha) | Off-Site Levy Rate (\$/Ha) |
|---------|-----------------------------------|--------------|-----------------------|----------------------------|
| 1 | Wedgewood Fire Station | \$17,331,598 | 834 | \$20,790 |
| 2 | Riverview Fire Station | \$17,331,598 | 549 | \$31,560 |
| 3 | Big Lake Fire Station | \$17,331,598 | 1304 | \$13,296 |
| 4 | Mistatim Industrial Fire Station | \$17,331,598 | 925 | \$18,740 |
| 5 | Cumberland Fire Station | \$15,148,707 | 1252 | \$12,096 |
| 6 | EETP Fire Station | \$17,331,598 | 1279 | \$13,546 |
| 7 | Northeast EETP Fire Station | \$17,331,598 | 1855 | \$9,346 |
| 8 | Northeast Horse Hill Fire Station | \$17,331,598 | 1220 | \$14,209 |
| 9 | Horse Hill Fire Station | \$17,331,598 | 645 | \$26,884 |
| 10 | Walker Fire Station | \$14,831,598 | 964 | \$15,381 |
| 11 | Southeast Fire Station | \$17,331,598 | 1062 | \$16,319 |
| 12 | Blatchford Fire Station | \$17,331,598 | 899 | \$19,287 |

Note: The cost and construction times are based on estimates and subject to change.
All amounts are in current dollar value.

Schedule A - Fire Halls with Catchment Boundaries

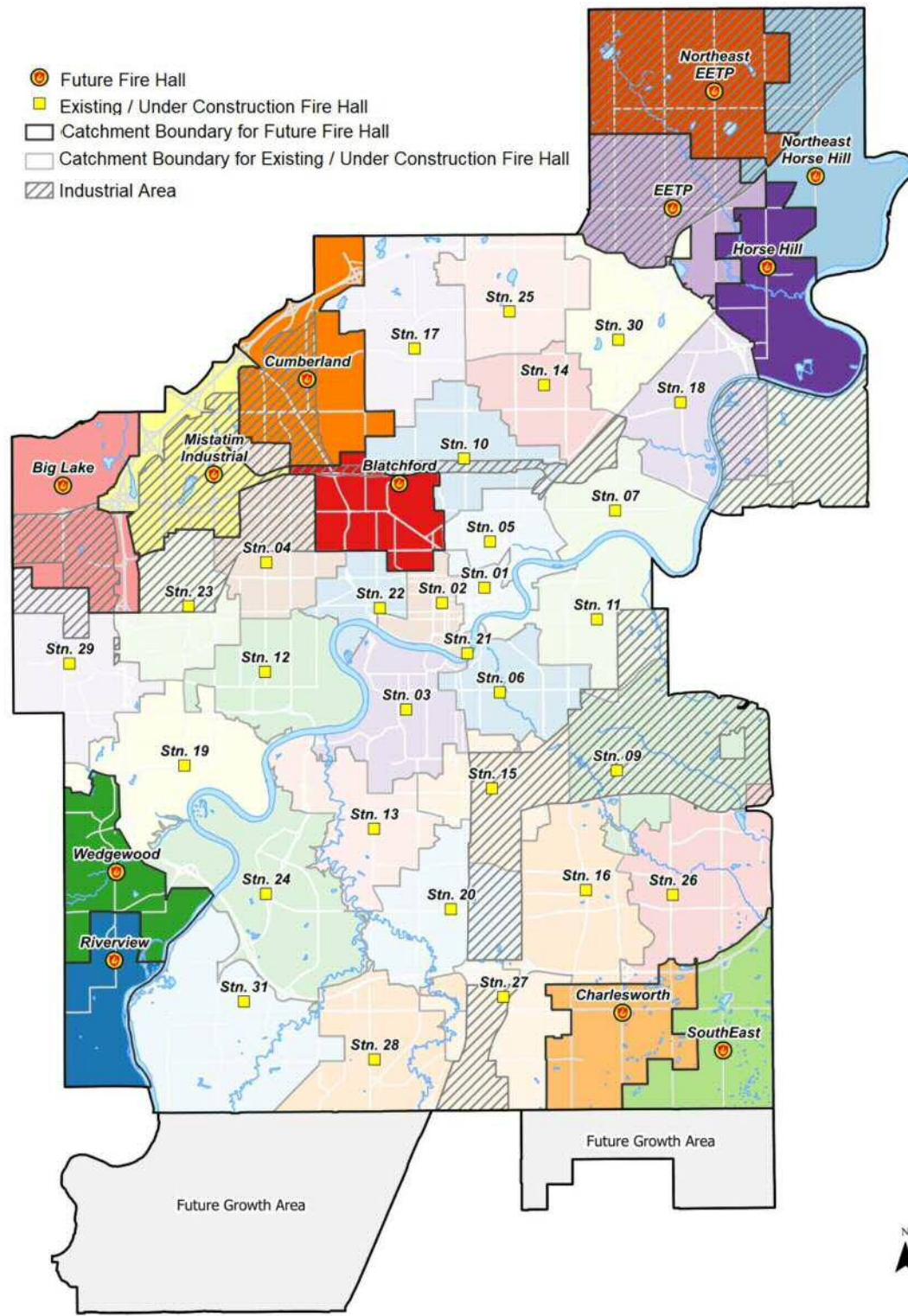
● Future Fire Hall

■ Existing / Under Construction Fire Hall

□ Catchment Boundary for Future Fire Hall

□ Catchment Boundary for Existing / Under Construction Fire Hall

▨ Industrial Area





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March 23, 2022

To: Land Development Industry Stakeholders

Re: City of Edmonton Commitments Regarding Fire Hall Off-Site Levies

In conjunction with the approval of the Fire Hall Off-Site Levy Rates for 2022, the City of Edmonton has made the following commitments:

1. The City will not impose the Fire Hall Levy on developments which do not include a condition in the subdivision LDA (Land Development Application) to pay the Fire Hall Levy. The City is expecting to undertake a review of the practice of allowing extensions to subdivisions which have been approved, but which have lapsed. Until that review has taken place, the City will not impose a new condition to pay the Fire Hall Levy on a subdivision LDA as a condition of authorizing an extension. However, the LDA change requests will trigger the addition of a new condition to pay the Fire Hall Levy for subdivisions falling within a Fire Hall Levy catchment area.
2. The City of Edmonton acknowledges that catchment boundaries for some of the proposed future fire stations warrant further review. Fire Rescue Services has agreed to review the Station Location Master Plan and the proposed catchment boundaries. Fire Rescue Services has committed to complete this review by August 31, 2022. If any catchment boundaries change, the City Administration agrees to pursue an amendment to the Facilities Off-Site Levies Bylaw 19340 as soon as reasonably practicable thereafter to reflect the changes to the catchment boundaries.
 - a) If any catchment boundaries change, City Administration agrees to pursue an amendment to the Facilities Off-Site Levies Bylaw 19340 as soon as reasonably practicable thereafter to reflect the changes to the catchment boundaries.
 - b) If the catchment boundaries change, the Off-Site Levy rates will be recalculated, and if found to be lower than those collected or anticipated to be collected in 2022 Servicing Agreements, such that a developer has overpaid based on the initial levy rates, the City will refund any overpayment, or if the payments are staged, adjust the payment amounts to reflect the updated rates. If any of the levy rates increase, the City will not require the developer to make up the difference.

c) This commitment to refund any overpayments is intended to be a temporary one time commitment for 2022 Servicing Agreements if and when the catchment boundaries for the various catchments are reviewed, and if it is determined that they need to be corrected. This commitment to issue refunds will then be discontinued thereafter.

d) The City is not prepared to remove or revise the conditions of subdivision that have and will be approved by the Subdivision Authority for the subdivisions that fall within Fire Hall Levy catchment areas, but will include clauses in the Servicing Agreements to reflect the commitment to reduce the payment amounts or to refund any overpayments.

3. In accordance with the legislation (MGA and Off-Site Levies Regulation), the City is committed to providing transparency on the factors used to calculate the levy rates, including policies, costs, assumptions, etc.. Additional clarification on the cost information is available in the attached document (Fire Halls Cost Breakdown).

4. Given the following:

- that the proposed Off-Site Levy rates are based on the costs of the Windermere Fire Station, which is the most recent fire station that is under construction;
- that the Windermere Fire Station was the first fire station to be built to a net zero standard, which is comparable to the emissions neutral standard required under the new [Climate Resilience Policy C-627](#); and
- there were lessons learned that will potentially reduce the project management and administrative costs for future fire stations;

the City will review the project management and administrative costs with a view to reducing those costs for the 2023 and future off-site levy rates.

5. The City will provide copies of the Issued for Tender Drawings and Specifications and consultant request for proposal of the Windermere Fire station to anyone wishing to see them.
6. The City is making an effort to identify potential sites for future fire stations earlier in the process than has been done historically. This will allow for a better selection of potential sites and could result in lowering the costs.
7. The City agrees to engage with industry stakeholders in future updates to the building standards for Fire Stations (City of Edmonton Fire Station Functional Program) similar to how engagement is done for other types of public utilities and infrastructure in the City's Design and Construction Standards Manual.

If you have any questions or comments, please contact me at 780-446-3141 or by email at Jim.Wood@edmonton.ca.



Jim Wood, P.Eng.
General Supervisor
Development Servicing Agreements

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Fire Halls Cost Breakdown

The proposed off-site levy rates are based on the fire hall's estimated cost of \$17.3M with the breakdown shown in column 5 of the following table. This is a planning stage estimate and is based upon the historical cost. The Industry has requested a detailed breakdown of the estimated cost but that detail is not available as such estimates are prepared at the design stage. However, the City has shared the [detailed cost breakdown of the under-construction Windermere fire](#) hall for reference purposes (column 4 of the following table). The estimated cost used for levy purposes is in the approximate range of Windermere fire hall with some major differences as mentioned below;

- The Windermere 'design and construction cost' for the building and associated civil works is \$14.4M or \$1.2 million more than the amount used for the levy purpose. This difference is due to the fact that the Windermere cost is based on actual tender price that came higher than the estimate because of the on-going high inflation. Additionally, the Windermere fire hall has higher internal project management and design cost because of the fact that it is the first net-zero facility built by the City.
- Although the City is expecting some reduction in the internal cost of future fire halls, we are not anticipating any significant decrease in the design costs because of the city design policies and requirements.
 - Site factors such as shape of the lot, adjacent roadways and access to the site, utility connection points and other constraints influence the design and form of the building while still required to meet the Edmonton Fire Rescues Services station program requirements.
 - All new City of Edmonton facilities are subject to Edmonton Design Committee review and approval as part of the Development Permit process. The Edmonton Design Committee mandate is to improve the quality of urban design in the City of Edmonton.
 - Fire Stations are considered Public Buildings with opportunities such as drop off for food bank, fire prevention programs, and school tours as some examples. As such being considered a public building, the 1% for Art Policy applies to this facility.
 - As the City of Edmonton will maintain and operate these facilities for 50+ years before undergoing significant renovations, the lifecycle costs of materials and systems are important elements in the design. Fire Stations are operated and occupied 24/7 with heavy equipment and vehicles. In addition, the City of Edmonton must maintain these facilities for the lifecycle of the building and therefore systems and materials are selected to reduce operational and maintenance costs. A higher initial investment in quality systems and materials will result in much lower maintenance and operational costs over the life of the facility, offering a better value for tax-payers.
- The Windermere fire hall includes two fire trucks; however, only one fire truck is considered for off-site levy rate calculations. The additional trucks are not considered for levy purposes as they might be shared between the stations.

- No land cost is shown for the Windermere fire hall; however, \$2.5M is considered for future fire stations where the land has not been acquired yet.

| 1 | 2 | 3 | 4 | 5 |
|---|---------------------------------------|-------------|-------------------------|--------------|
| | | Windermere | For Off-Site Levy Rates | |
| Design & Construction of Building and Civil Works | Internal Project Manager and Overhead | \$1,013,575 | \$14,467,711 | \$13,239,038 |
| | Design Costs | \$1,518,576 | | |
| | Construction Cost | 10,999,995 | | |
| | Project Contingency | \$935,565 | | |
| | Impact of C-627 | -- | | |
| Equipments | FF&E | 262,183 | 362,183 | 197,450 |
| | Traffic Signaling | 100,000 | | |
| Fire Trucks | Fire Truck 1 (Pumper truck) | | 1,200,905 | 1,248,261 |
| | Fire Truck 2 (Rescue truck) | | 1,069,902 | -- |
| Land | | -- | | \$2,500,000 |
| Percent for Art | | | 100,026 | 171,848 |
| TOTAL | | | \$17,200,727 | \$17,356,597 |

The following table compares the cost of Windermere fire hall and the estimates used for the off-site levy after accounting for the cost of land and additional trucks. The estimate used for levy purposes is \$1.2M lower than the Windermere cost.

| Description | Windermere | Off-Site Levy | Difference |
|---|---------------------|---------------------|----------------------|
| Total Cost | \$17,200,727 | \$17,356,597 | |
| Subtract land | | -\$2,500,000 | |
| Subtract one fire truck | -\$1,069,902 | | |
| Comparable Total (with 1 truck and no land cost) | \$16,130,825 | \$14,856,597 | (\$1,274,228) |