



Municipality of Port Hope

Staff Report

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Report Title: Fire Station 2 Replacement Project Update

Report to: Committee of the Whole

Date of meeting: April 1, 2025

Report Author:

Jason Williams, Director of Protective Services/Fire Chief

Department responsible:

Protective Services

Report Number: PS-05-25

Recommended Motion:

1. That Council receive Report PS-05-25 regarding the Fire Station 2 replacement project.
2. That Council support and approve the Municipality of Port Hope's application to the Ontario Government's Skills Development Fund (SDF) grant to assist in the partial funding of the Fire Station 2 replacement project.
3. That Council commit to funding the construction costs associated with the Fire Station 2 replacement project starting in 2026.

Highlights:

- Staff recommend the Municipality's application to the Ontario Government's SDF grant to financially support the training aspects related to the Fire Station 2 construction project.
- The SDF grant which is currently available could partially fund approximately \$3.5 million of the total construction cost of the project.
- \$2.5 million in annual Provincial and Federal infrastructure funding programs could be applied to this project, however there are other projects that will need to be considered for funding as well
- Completing the project over a 2-3 year period will provide more flexibility for funding as the project is estimated to take 18-24 months to complete.
- This project is also eligible for the use of approximately \$4.1 million in Development Charge funding, but funding is not currently available.
- A debenture will be required to interim fund the Development Charge eligible portion and likely for remaining funding requirements, which is preferable for a large project than multiple debentures for smaller projects.

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- The Municipality has already committed \$535,000 in design, study and site plan approval work.
- The project has reached the 40 percent design point, and a Class B estimate has been provided with projected construction costs of approximately \$11.1 million.
- This project has achieved Site Plan Approval from the Municipality's Planning Department.

Background:

In December 2013, Council authorized the purchase of the land at 55 Fox Road for a joint police/fire station project. In February 2014, the Joint Police/Fire Facility Working Group was established and identified 55 Fox Road as the location for the new joint facilities project.

In 2014, Council appointed Barry Bryan Associates (BBA) to supply architectural and engineering services. The project was to commence on or about September 15, 2014 and was scheduled for completion in 12 months. Gerr Construction Ltd. was contracted to perform the construction of the project for an amount of \$4,388,298.

The construction of the joint police/fire facility at this location was reassessed and the construction of the Port Hope Police Station at 55 Fox Road proceeded in late 2014. The fire station aspect of this project was removed at the direction of Council with amendments made to the site plan, architectural drawings and overall design.

In 2021, Council approved a capital project for the sum of \$150,000 to cover costs of potential environmental assessments, architectural drawings and space allocation assessments prior to land acquisition and construction. This project was to be initiated after the Fire Master Plan was completed and Council reviewed recommendations and approved the site location for Station 2.

On January 10, 2023, Council approved, in principle, the location of the Fire Station 2 replacement project as 55 Fox Road, and requested that community engagement be conducted, and a report brought back to Council for review. On February 21, 2023, a report to Council was prepared and submitted providing a summary of the community engagement efforts, which confirmed the strong support for the proposed Fire Station 2 replacement project.

In 2022, the Fire Master Plan (FMP) for the Municipality of Port Hope was created by the Loomex Group, along with the comprehensive Community Risk Assessment (CRA).

The FMP identified that the current Fire Station 2, located at 4366 County Road 22 was constructed in 1978 and is currently at the end of its life cycle, and Council needs to prioritize the replacement of the facility. The Plan made recommendations that Fire Station 2 be replaced with a facility that would include all the required functionality for providing fire suppression and include an administrative area.

The replacement of the station at a new location was also recommended since the current station cannot be expanded upon due to its location in a flood plain, which was confirmed by correspondence from the Ganaraska Conservation Authority on March 16, 2022.

As part of the FMP, a strengths, weakness, opportunity and threat analysis (SWOT) was performed which included engagement sessions with fire service management, officers and firefighters. This SWOT analysis identified items/areas of organizational priority, one being the replacement of Station 2.

In 2022-2023, Council approved a total of \$535,000 to fund the design, site plan and study work associated with the project. This work has been carried out since the approval date, and the project has reached the 40 percent design threshold, as well as successfully receiving site plan approval from the Development Services Department. In February 2025, an updated Class B estimate for the project was obtained, and the estimated total project cost is now approximately \$11.1 million.

As previously discussed in prior reports to council, the Fire Station 2 replacement project will include Fire Service Administration, Dedicated Training Spaces and Facilities, and the Emergency Operation Centre for the Municipality of Port Hope. A large percentage of the project is dedicated for multi-use for emergency services including the Port Hope Police Service and our local Northumberland County Fire Services. While not a dedicated training centre, this project includes various aspects related to emergency services training including dedicated training rooms, training tower, training bay and other aspects that will be utilized to facilitate training to numerous staff across a variety of disciplines.



(BBA Rendering- West Elevation Fire Station 2)



(BBA Rendering-East Elevation Fire Station 2)

Discussion:

The Skills Development Fund (SDF) Capital Stream was originally launched in June 2023, by the Provincial Government to offer funding support to eligible organizations to:

- build new training centres
- upgrade existing training centres
- convert an existing building into a training centre

These centres will train people for emerging and in-demand jobs in critical sectors of Ontario's economy, such as:

- the skilled trades
- healthcare
- information technology
- other sectors experiencing recruitment challenges (including Fire Departments)

Recipients can use funding for:

- facility renovations
- retrofits
- expansions
- repairs
- building conversion
- new building construction

In the second round of the SDF grant, over \$73 million in funding became available in the fall of 2024, and staff have initiated researching and the collection of required documentation to prepare for the application process.

An example of the success of this project related to the financial support of Fire Services is the over \$2 million investment through the SDF grant program to help fund the Clarington Fire and Emergency Services Training Centre which was announced in 2024.

A requirement for the application for the SDF grant is a financial commitment by the Municipality or organization applying to fund the remaining amounts not covered by the grant funding. Staff are seeking Council to agree to commit to funding the project, which will begin as part of the 2026 Municipal budget. Below is the Class B Budget summary provided by BBA which is required for the SDF grant submission to support funding for training related costs of the project. For additional details, please refer to Attachment 1.

Class B Budget – Summary

Building	1,424 sqm	15,328 sqft	% Building Area for Training	33%
Site	5,327 sqm	57,339 sqft	% Site Area for Training	31%

	Baseline	Training – Cost by Percentage	Remaining – Cost by Percentage
Total Construction Cost	\$11,175,254.00	\$3,618,946.79	\$7,556,307.21

As outlined in previous reports to Council, and the recommendations made in the Council approved Fire Master Plan, the replacement of Fire Station 2 is required to maintain the current level of services provided by Port Hope Fire and Emergency Services.

Any future development or significant changes or investments into the community such as the potential Ontario Power Generation (OPG) site in Wesleyville, would impact future requirements related to fire and emergency services such as potential additional fire stations, equipment and staffing resources.

Fire Station 2 is required to be replaced today and has been considered for replacement for 20 years. This project is required to ensure the efficient and effective delivery of fire and emergency services to the Municipality of Port Hope, and to ensure the fire service continues to be able to provide the levels of service as outlined in the current Establishing and Regulating By-law 43-2023 which outlines the levels of service offered by the fire service as approved by Council.

Financial Considerations:

In 2023, a Class D estimate was produced as part of the project proposal, with an estimated construction cost of approximately \$8.8 million.

In February 2025, as part of the ongoing project design project and potential grant application process a Class B (+-10%) estimate (Attachment 2) was obtained for the project. The total project budget currently is approximately \$11.1 million, this is an approximate \$2.3 million increase since the initial Class D (+-20-25%) estimate provided two years ago in 2023 but also is a more detailed overview and analysis of construction costs, which comprise a Class B estimate. The current cost estimate contains a 10 percent contingency budget and has also taken into consideration a potential cost increase of 6 percent between February 2025 and April 2026, the potential start date of the project.

To further break down the price increase, the project cost has increased 26 percent over the past two years (13% per annum), which is approximately \$95,000 a month.

Due to the increasing escalation of construction costs, the overall project budget includes a 10 percent escalation contingency as well as an 8 percent construction contingency. This is to provide some capacity to mitigate against actual estimate versus the tendered pricing for the work which is not scheduled to occur for at minimum one year or potentially more, as well as provide an allowance for unknowns which commonly arise during construction.

This project is anticipated to require a debenture upon completion and would likely utilize a construction loan during the construction process. Any loan interest during the construction process is required to be included in the construction costs. This would be in addition to the identified construction budget identified, if required.

Funding Strategy

Staff are seeking Council approval and support for the Municipality's application to the current SDF Capital grant. Based on calculations performed by Barry Bryan Associates, approximately \$3.5 million could potentially be funded to support the training aspect of the Fire Station 2 replacement project.

The approval and support for the grant application would commit the Municipality to fund the remaining portion of the project not covered by the grant funding if obtained. A second requirement of the SDF grant is the fact that construction must commence within 12 months of the funding agreement being put in place. If the Municipality is successful in the SDF grant application in 2025, the project would have to commence in 2026 and would have to be included in the 2026 budget.

The total construction time for this project is approximately 18 months, and the cost associated with the construction of the project not covered by potential grant funding could be carried over the 2026-2028 fiscal years, which would limit the annual financial impact to the Municipality.

The current (2024) Municipal Development Charge report highlighted the replacement of Fire Station 2 as a capital project for the Municipality that would directly be impacted by future development in our community. The current information indicates that approximately \$4.1 million of this project could potentially be funded through development charges, and this amount of the funding would not impact the tax levy. While this project is eligible for Development Charge funding, the Municipality has not

collected this money as it is received as growth occurs. As a result, this would need to be interim financed through a loan or another source.

In 2021, the Canada Community-Building Fund (CCBF) included fire station construction in the eligible projects category and the funds associated with this program can be utilized towards the costs associated with the construction of replacement Fire Station 2. The inclusion of fire station construction and repair to the CCBF was after extensive lobbying by fire services throughout Canada for the Federal Government to assist with funding.

The annual amount of the CCBF allocation for Port Hope in 2025 is \$566,380.67 and \$566,380.67 in 2026 (based on rate of fund inflation index). The Municipality receives this funding on an annual basis and can be utilized towards funding for this project as of 2021. CCBF is not a new source of funding for the Municipality and is regularly utilized to fund required capital projects on a yearly basis.

Ontario Community Infrastructure Funding (OCIF) is also now permitted to be utilized to financially support the construction of Fire Stations in the Province of Ontario. Based on the funding formula for the OCIF the Municipality of Port Hope is anticipating receiving approximately \$2 million in 2026. This could be a potential funding source for this project.

Utilization of these grant funding sources limits the ability to fund other projects and must be considered as part of the funding strategy. Completing the project over a 2-3 year period will provide more flexibility for funding. The remaining amounts of the project that are not funded through grants, development charges or other funding sources would require to be fulfilled by means of a debenture (long-term debt).

Total Construction Cost	Development Charges Funding	Canada Community-Building Fund	Ontario Community Infrastructure Funding	Skills Development Fund	Remaining Balance
\$11,175,254	\$4,100,000	\$566,381	\$2,000,000	\$3,618,947	\$889,926

The further delay in initiating the tender, contract award and construction start will likely further affect the project costs as a projected inflationary impact would have to be considered by Council and would also impact the potential grant funding opportunity that is currently available to subsidize the project cost, and impact on the tax levy.

Communication and Public Engagement:

During the research and creation of the Municipal Fire Master Plan and Community Risk Assessment (2022) members of the Municipality and public were engaged in the process and they provided valuable information that was relied upon for the Plan's creation. This includes, but not limited to, fire fighting personnel and fire service management, along with industry experts in the fields of Municipal Fire Services and Emergency Management.

The Fire Master Plan, once created and approved by Council was provided as a public document for review and supports the communication process through this project. Volunteer Firefighting personnel were consulted in relation to the proposed location of the replacement station along with members of the Municipal Senior Leadership Team.

On January 10, 2023, the Protective Services Committee supported, in principle, the location of 55 Fox Road for the replacement of Fire Station 2 and directed staff to undertake community engagement efforts related to this new location; and to further provide a report to Council regarding the replacement of Fire Station 2.

The community engagement efforts that were undertaken by staff were as follows:

Date	Community Engagement
January 6	Details of the community open house shared on the Mayor's Corner
January 12	Port Hope website updated with community feedback page and project information. This will be updated throughout the course of the project Newspaper advertisement regarding the Open House and Public Information session circulated
January 13	Community engagement and open house information shared on Port Hope's social media pages, community engagement news page and the Mayor's Corner
January 16	Radio advertisement regarding the Open House and Public Information session
January 18	Open House and Public Information session held in Canton
January 19	Open House presentation made available online
February 8	Community feedback page closed, and comments reviewed

On January 18, staff held an open house public information session that was widely publicized at the Port Hope Community Hub between 6:00 p.m. and 8:00 p.m. The open house was attended by approximately 38 people, including members of the public, municipal staff, and a member of council as well as members of Port Hope Fire and Emergency Services. A presentation regarding the Fire Station 2 replacement project and proposed location was presented to those who attended the event, which was followed by an interactive question and answer period.

The Fire Station 2 project online comment form was opened on January 12 and closed on February 8. As part of the project page, information regarding the project and proposed location was provided which included:

- Staff Report PS-09-22 Fire Station 2 Replacement Project
- Open House Presentation

- Proposed Fire Station Site Plan
- Proposed Port Hope Fire Station Building Plan

This forum allowed residents to review all applicable and related information, including the Fire Master Plan, and provided a mechanism for comments to be made regarding the project. Several directed questions were posed as part of the community engagement aspect of the project site, as well as a frequently asked questions section which provided information to common questions posed regarding the proposal.

In total there were 163 visits to the project page, with 42 comments regarding the relocation proposal. 69% of total respondents indicated they were residents of Ward 2, with 21.4% being residents of Ward 1 and 9.5% being neither.

Of the 42 respondents, 36 (86%) were in full support of the project and proposed relocation of Fire Station 2.

In Summary, of those who participated in the engagement there is strong public support for the replacement and relocation of Fire Station 2. The community was provided with the opportunity to attend an open house which was publicized through social media, the Municipal website, radio and newspaper advertisements. The project page, including all relevant project data (reports, drawings, etc.) was created on myporthope.ca, and offered the community a chance to comment on the project. Through all means of community engagement, the replacement and proposed location of Fire Station 2 has seen strong support from the community.

Conclusion:

In conclusion, the Fire Station 2 replacement project was first conceptualized in 2005 when it was identified that there were numerous factors requiring its replacement. Twenty years later, the Municipality has invested over \$542,000 in the design and site plan approval work to support the construction of the project and there is currently a grant funding opportunity to potentially partially support the construction of this high priority Municipal project. There is a substantial risk to the Municipality of not proceeding with the project as outlined due to the issues with the current Fire Station 2, the future lack of available grant funding and the continued increase in construction costs. Staff are seeking Council approval and support for the Municipality's application to the SDF Grant, as well as a commitment to fund the construction costs associated with the initiation of the Fire Station 2 replacement project in the 2026 Municipal budget.

Attachments:

Attachment 1: BBA Class B Budget Summary

Attachment 2: A.W. Hooker Class B Estimate