

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2021 March 24

ISC: UNRESTRICTED
UCS2021-0437
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Proposed Lease (Livingstone) – Ward 03 (1248 Livingstone WY NE)

EXECUTIVE SUMMARY

Administration is seeking authorization for The City of Calgary ("The City") to enter into a new lease with a third party landlord for the property located at 1248 Livingston Way NE (the "Property"). The proposed lease is required for the Calgary Fire Department ("CFD") to operate a new temporary emergency response station that will provide effective service delivery for the north portion of the city, particularly in the Keystone Hills ASP area.

ADMINISTRATION RECOMMENDATION:

Review By Date: 2022 April 22

The Standing Policy Committee on Utilities and Corporate Services recommends that Council:

1. Authorize the Recommendations as outlined in Attachment 2; and
2. Direct the Recommendations, Report and Attachments remain confidential under Sections 23 (Local public body confidences), 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act* until the lease is executed.

RECOMMENDATION OF THE STANDING POLICY COMMITTEE ON UTILITIES AND CORPORATE SERVICES, 2021 March 24:

That Council:

1. Authorize the Recommendations as outlined in Attachment 2; and
2. Direct the Recommendations, Report and Attachments remain confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act* until the lease is executed.

PREVIOUS COUNCIL DIRECTION / POLICY

There is no previous Council direction nor policy.

BACKGROUND

The CFD planned to build a fire hall as part of an Integrated Civic Facility further to the North when the area grows and in alignment with other City facility needs and requirements:

- With the support of Facility Management ("FM"), CFD began looking for a temporary fire hall location in Livingston / Keystone in 2015.
- In the fall of 2015, CFD and FM met with Brookfield Residential, the local land developer and in Q2 2016 picked up the conversation again. Brookfield proposed a temporary fire hall within a Home Owners Association ("HOA") building that they were designing and building.
- Due to shifting budgets there was no movement with respect to the Livingston temporary firehall through 2016 and most of 2017 but was a priority in Q4 2017.
- Through 2018, CFD continued to discuss a temporary fire hall with Brookfield and preliminary design of the tenant improvement was initiated.

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- In Q2 2019, FM was assigned to the project to provide an oversight role and support CFD through the design and construction of the temporary hall. The temporary fire hall was to be and has been designed and built by the developer.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Geodemographics forecasts significant population growth beginning within five (5) years in the Keystone Hills ASP area and incidents are already occurring within the communities of Livingston and Carrington (two fires occurred in 2017). The population is expected to continue to increase in the developed areas.

Station #31 can provide limited seven-minute service into the development area, and has seen a significant increase in call volume, almost 12 per cent over the last five years, contributing to a growth in over goal calls for an effective response force at fire suppression calls (more than a minute longer than the 11-minute target). In approximately one third of these calls, the cause of response times exceed the Council-approved goal of seven minutes for existing stations in this area is 'distance in own area', how far from the station the crew had to travel to get to the call.

This station will also support other areas of the city adjacent to the Keystone area during structure fires, when more than one station crew is needed to provide adequate resources to respond to fires. The developer has indicated that they would like to start development outside of the 7-minute coverage area but within the 10-minute Alberta Building Code boundary. This station is an interim step that will allow for the development of an Integrated Civic Facility in the future when Corporate budgets and the needs from other business units align.

Valuation

The Consideration was based on an internal valuation which has been endorsed by Administration's Valuation Review Committee. The comparables analyzed are included in Attachment 4.

Stakeholder Engagement, Research and Communication

Initially the landowner was engaged as part of the exploration of sites and strategies for a temporary fire hall. The solution for putting it in the HOA came out of these discussions.

Strategic Alignment

This aligns with The City's strategic interests because it provides immediate emergency services to a growing community while reserving purchase of land and development of a site until other city services can be combined with an emergency response facility on an appropriately located and right sized site.

Social, Environmental, Economic (External)

Social

No implications were identified.

Environmental

The Property has been reviewed in accordance with The City of Calgary's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy effective 2020 January 14. Pursuant to the Sales,

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Acquisitions and Leases Environmental (S.A.L.E.) Procedure, an Environmental Review or Environmental Assessment is not required for the leasing of a commercial space.

Economic

No implications were identified

Financial Capacity

Current and Future Operating Budget:

For 2021, the planned proration budget is \$3,200,000. A budget adjustment (BG12) was submitted and awaited approval from the corporate growth pool which was approved by Council at One Calgary. The Future Operating Budget for 2022 will be \$3,400,000.

Current and Future Capital Budget:

The CFD has a capital budget of \$2,000,000 for the temporary firehall.

Risk Assessment

If the CFD does not lease the space, then the risk is it will likely produce a lower service level of emergency services and response times which are starting to exceed Council's approved goal for response times.

REASON(S) FOR RECOMMENDATION(S):

Administration recommends the approval of the proposed lease which is critical to enable CFD to continue providing adequate response times which assists CFD in maintaining The City of Calgary as a safe place to live, work, and visit.

ATTACHMENT(S)

1. Attachment 1a – Site Map
Attachment 1b – Context Map
2. Attachment 2 – Recommendations
3. Attachment 3 – Summary of Additional Property Information
4. Attachment 4 – Comparable Data Chart Lease Transactions
5. Attachment 5 – Alberta Corporation/Non-Profit Search