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**Subject: Final Design and Financing – Joint Fire Station 5-2 & Paramedic Response Station at 4902 Aurora Road**

**Staff Report No. CS-013-24**

**Department/  
Commission: Community Services Commission**

**Date: December 11, 2024**

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**Recommendations:**

- 1) That Council approve in principle, the final joint fire station 5-2 & paramedic response station at 4902 Aurora Road design as outlined in Attachment #1 to this Report; and
- 2) That Staff be authorized to move forward with the tender package for construction services for the new joint fire station 5-2 & paramedic response station at 4902 Aurora Road.
- 3) That Council authorize the Commissioner of Finance / Treasurer to enter into an agreement with The Regional Municipality of York and Infrastructure Ontario for the provision of construction loans and long-term debenture financing to the Town of Whitchurch-Stouffville for an amount not to exceed \$9.75 million, on terms as determined by the Treasurer; and
- 4) That Council direct staff to bring forward a by-law to authorize the submission of an application to Ontario Infrastructure and Lands Corporation (“OILC”) for financing capital works; to authorize temporary borrowing from OILC to meet expenditures in connection with the construction of Fire Station 5-2; and to authorize long-term borrowing for capital works through the issue of debentures by The Regional Municipality of York; and
- 5) That the Mayor, Clerk and Treasurer be authorized to execute any agreements required; and
- 6) That Council declare the existing lands at 15400 ON-48 as surplus property to the needs of the Town; and.
- 7) That Council authorize staff to list the subject lands in accordance with By-law 2008-057-LA and report back with any proposals for council’s consideration.

**Report Highlights**

- Seeking Council approval of the proposed design for the joint fire station 5-2 & paramedic response station at 4902 Aurora Road
- Design encompasses historical significance of the surrounding area
- Proposed design seeks to attain LEED Silver designation and is expected to fall within budget expectations
- Seeking construction financing from Ontario Infrastructure and Lands Corporation through York Region
- Seeking Council direction to declare 15400 ON-48 as surplus property to the needs of the Town

**1. Purpose:**

Staff are informing Council of the process used to develop a final design for the new joint fire station 5-2 & paramedic response station at 4902 Aurora Road and seek Council's adoption of the proposed design. Staff are further confirming the 2025 Capital Budget for the project along with the appropriate source funding. Should Council adopt the proposed design, staff seek authorization to proceed with the associated tendering of the construction work.

Staff are also seeking authorization from Council to allow the Town to obtain debt financing, in the form of a construction loan, to support the construction of Station 5-2. The annual cost of debt is projected to be well below the 12.5% Annual Repayment Limit (ARL) established by Council.

Staff are seeking council direction to declare 15400 ON-48 as surplus property to the needs of the Town and to list the subject lands in accordance with By-law 2008-057-LA. A report will be brought back to council with any proposals for council's consideration.

**2. Background:**

At the Council Meeting on June 15, 2022, Council adopted the Fire and Emergency Services Master Plan and directed staff to consider the recommendations held within. Based upon a recommendation from a Station Location Study, the plan outlined future location needs and identified the current Station 5-2 as a potential facility for relocation within 1 to 3 years given its requirement for major upgrades identified in a 2019 facility review.

At the Special Council meeting on November 30, 2022, Council approved the acquisition of 4902 Aurora Road, 29 & 31 Ballyview Court for the purposes of building a new joint fire station and paramedic response station to replace the current facility at 15400 ON- 48.

In partnership with the Regional Municipality of York (Region), staff initiated the process to retain a Project Consultant and an Architect to design and coordinate the construction of a new joint Fire Station and Paramedic Response Station. After cooperatively developing the scope of work with members of the Region's project team, a Request for Proposal was released through Bids & Tenders on July 6, 2023. On September 13, 2023, Council approved Thomas Brown Architects as the recommended partner for facility design and contract administration.

Over the past year, Thomas Brown Architects consultants have worked with staff from the Town and the Region in developing a functional floor plan that satisfies the needs of both parties, ensuring that the project meets very specific objectives including all necessary fire servicing applications, budget limitations, LEED Silver criteria, all civil services, landscape, mechanical and electrical systems, and an exterior design that aligns with the architectural tone for development in the Ballantrae area.

A construction budget of \$9,750,000 is approved in the 2025 Capital budget for the Fire Station. The Region has an approved capital project for the Paramedic Station and will reimburse costs directly to the Town when invoiced for their share.

### **3. Analysis:**

As a growing, rural municipality, it is crucial that we ensure the Town's emergency services infrastructure meets the growing needs of our residents while also respecting the unique characteristics of our environment. The design process has been a collaborative effort, engaging fire service personnel, Town and Region staff, and our architectural consultant to create a functional and aesthetically appropriate facility that will serve our community for generations.

The design development focused on several key priorities: functionality, sustainability, community integration, and adaptability to future needs. The joint fire station and paramedic response station is intended not only to provide a base for emergency response operations but also to serve as a community asset that blends seamlessly with the surrounding area.

The building is a blend of modern functionality and historic charm. The main structure is a post disaster, steel framed building clad in traditional red brick, a nod to the area's heritage. As a sophisticated work environment for highly trained staff, the facility houses state-of-the-art equipment and quarters for firefighters and paramedics. The station's design prioritizes efficiency and safety, with spacious bays for emergency vehicles. The extensive use of finely detailed brick and cornice detailing is combined with simple geometric forms to create a community facility that is a nice balance of traditional building elements and high performance construction techniques. This innovative facility not only serves as a vital hub for public safety but also stands as a symbol of the community's commitment to progress while honoring its past.

To manage the cash flow requirements of the Station 5-2 construction project, and in consideration of the other active capital projects currently in progress, the use of construction financing is being proposed to offset the availability and timing of internal funding sources. The most flexible form of financing is through construction loans as they are ideal for infrastructure projects where the contractor is paid following the approval of each progress claim submitted. Typically, this occurs only once per month or less frequently depending on the stage of the project. Ontario Infrastructure and Lands Corporation (OILC) is a preferred source of construction financing as the terms integrate well with two-tier municipal governance and the rates are very competitive. OILC advances only the necessary funds for the costs incurred and interest is calculated based on short-term rates.

Should 15400 ON-48 be declared as surplus property to the needs of the Town, staff will initiate the process to list the subject lands in accordance with By-law 2008-057-LA and a report will be brought back to council with any proposals for council's consideration.

It is staff's expectation that the funds provided by OILC for the construction of Station 5-2 will be repaid through internal sources (including proceeds from the sale of the existing Station 5-2 property) and the need to convert the financed amount to long-term debentures will not be necessary.

All debt financing for the local municipalities must be arranged through the Region; the Treasurer will seek construction financing from OILC through the Region. This process is expected to be completed by the end of March, early April 2025.

Ontario Regulation 403/02 of the Municipal Act, 2001 requires that the Treasurer provide an updated limit calculation to Council before authorizing new debt. The table below shows that on an estimated basis, the total debt charge as a percentage of Own Source Revenues (OSR) of 4.62% is well within the resolution established by Council of 12.5% and the prescribed limit set by the Province of 25%. The table below assumes that the entire \$9.75 million approved construction budget will be debt financed, though as discussed, this is not the intention.

Table 1: Estimated Annual Repayment Calculation

<b>Adding \$645,000 annual debt repayment</b>	
<b>Loan amount</b>	9,750,000.00
<b>Interest Rate</b>	4.38%
<b>Amortization</b>	25 years
Net Revenue (from 2024 ARL)	78,709,404
12.5% of Net Revenue (as prescribed by the Town policy)	9,838,676
Less Debt charges on existing Debt	(2,987,506)
Estimated ARL before new debt	6,851,170
New Debt Service	(645,000)
Estimated Adjusted ARL (available debt repayment room after new debt)	6,206,170
Estimated Adjusted Debt Servicing Ratio	4.62%

*\*2024 Annual Repayment Limit as prescribed by the Ministry of Municipal Affairs and Housing is \$16,689,845*

#### 4. Options:

##### 4.1 Option 1 (Recommended)

That Council authorize the Commissioner of Finance/Treasurer to enter into an agreement with The Regional Municipality of York and Infrastructure Ontario for the provision of construction loans and long-term debenture financing to the Town of Whitchurch-Stouffville for an amount not to exceed \$9.75 million and authorize staff to bring forward the borrowing by-law for the submission of an application to Ontario Infrastructure and Lands Corporation (“OILC”) for financing capital works.

That Staff be authorized to move forward with the tender package for construction services for the new joint fire station 5-2 & paramedic response station at 4902 Aurora Road.

That Council declare the existing lands at 15400 ON-48 as surplus property to the needs of the Town and authorize staff to list the subject lands in accordance with By-law 2008-057-LA and report back with any proposals for council’s consideration.

#### 5. Financial Implications:

The process followed when applying for debt from OILC is identical whether the Town requires long term debentures or short-term construction financing. To secure debt, the Town must work with and receive approval from the Region. Once Regional Council has approved the debt issuance, the Town and the Region will jointly apply to OILC for the construction loan. While the Town intends to repay the construction loan through internal sources and not convert the debt to a long-term debenture, the process followed by OILC

will provide the Town approval for the construction loan and the option to convert to a long-term debenture if required.

The construction loan operates like a line of credit where the Town only pays for what it uses. This is a flexible method to manage a construction project as payments are made based on progress billings. OILC only advances funds on the request of the Town, thus allowing internal funding sources to be used when available. The Town plans to apply for up to \$9.75 million dollars in construction financing from OILC. The application to OILC will be made after Regional Council approval is granted, which is expected in February 2025. The application and approval process with OILC is anticipated to take 4-6 weeks.

As noted in section 3 Table 1, if the entire construction project budget of \$9,750,000 was debentured over 25 years, the annual repayment amount is estimated at \$645,000 and would increase the Town's ARL to 4.62% from the current level of 3.8%.

## **6. Broader Intergovernmental Impacts and/or Considerations:**

The Regional Municipality of York is the Town's partner in this initiative and have taken an active role in participating throughout the design process. Representatives of the Region's project team have agreed that the design will be solely determined by the Town.

## **7. Communication:**

No communication has been transmitted to any outside agencies to this point. Following Council's direction, the design may be shared on social media as a part of the summary of the December 11<sup>th</sup> council proceedings.

## **8. Alignment with Strategic Plan:**

1. A Town that Grows  
A Town that grows in support of complete communities
2. A Safe Town  
Make our community safer
3. Good Governance  
Provide Good Governance

## **9. Attachments:**

Attachment No. 1 – Conceptual Renderings of the Proposed Fire Station 5-2

## **10. Related Reports:**

September 13, 2023 - WS-RFP-23-51 – Architectural Design, Consulting and Contract Administration Services for a Joint Fire Station and Paramedic Response Station

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