The Corporation of the City of Courtenay

Briefing Note

To: Council **File No.:** 5335-20

From: Director of Infrastructure & Environmental Engineering **Date:** April 15, 2026

Subject: East Courtenay Firehall – Project Update

PURPOSE:
To provide Council with an update on the status of the East Courtenay Fire Hall project.

BACKGROUND:
Since 2005, the City has recognized the increasingly inevitable need for a new fire hall on the east side of its fire protection district. Development of this facility is driven by life safety requirements, development pressures, population growth, and the need to maintain adequate service levels.

During the 2023 Financial Plan, Courtenay Council reaffirmed the need for this facility to support the efficient and effective delivery of the City's first responder fire service and added the project to the Five-Year Financial Plan. Direction to proceed with conceptual design and the potential to accommodate colocation with potential partners was given. It is noted that conceptual designs contemplated partnership, but notwithstanding the City's best efforts, funding commitments and an agreement to partner were unable to be secured.

Located within a mixed commercial and industrial area, the East Courtenay Fire Hall is not intended to be a high-profile or flagship facility. Rather, it will be a functional, durable, and modestly scaled building that aligns with industry best practices and supports long-term serviceability.

At the July 30, 2025 Council meeting, Council approved the following resolution:

> *THAT Council direct staff to proceed with design of the East Courtenay Fire Hall; and,*
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> *THAT Council direct staff to submit a grant application for the East Courtenay Fire Hall to the UBCM Strategic Priorities Fund and confirm that Council supports the project, and is willing to provide overall grant management, and support any cost overruns. (Recommended)*

DISCUSSION:
The East Courtenay Fire Hall will include two double-length, drive-through apparatus bays, with provisions for a future third bay to support long-term operational growth. In addition to administrative and crew support areas, the facility will provide dormitory-style rooms for firefighters on shift, a health and wellness room, a training room, washrooms, and dedicated personal locker space. A designated decontamination area will allow firefighters to safely remove and clean contaminated gear, reducing the spread of hazardous materials and supporting firefighter health and safety.

The project remains on schedule, with a targeted construction start in summer 2026. Detailed design continues to advance under the guidance of the retained architect Sahuri and the Construction Manager, Kinetic Construction Ltd., which was selected through a competitive Request for Proposals process based on qualifications, experience, and proposed approach to construction management. Kinetic Construction is currently supporting the project through the pre-construction phase providing guidance on constructability, sequencing, and value-informed design decisions and will ultimately be responsible for delivering the project during construction.

This early involvement of Kinetic Construction supports proactive risk management, cost validation, and schedule planning, helping ensure that design decisions remain aligned with project objectives, budget, and available funding. The project has successfully achieved the 50% design milestone, including completion of a Class C cost estimate and schedule updates, and has recently reached the 70% detailed design milestone, which is under review. These milestones provide critical checkpoints to confirm alignment of scope, schedule, and budget prior to final design and construction readiness, reinforcing confidence that the project will remain within the approved $18 million budget.

The East Courtenay Fire Hall has been designed to reflect the City's commitment to inclusive, safe, and functional public infrastructure. A fully accessible elevator provides convenient access to the second floor, including the lunchroom and staff areas, and the facility also includes accessible washrooms to support all personnel and visitors. By integrating these features from the outset, the fire hall demonstrates the City's dedication to creating welcoming and user-friendly municipal buildings.

Energy Efficiency

The East Courtenay Fire Hall has been designed in accordance with the City's prescribe building performance standards for construction in accordance with the Official Community Plan (OCP) and Building Bylaw. Based on current design development and energy modelling completed for the project, the facility will achieve the prescribed performance levels within the BC Energy Step Code and the Zero Carbon Step Code frameworks.

These provincial standards are intended to progressively improve building energy efficiency and reduce greenhouse gas emissions from new construction across British Columbia. Based on current energy modelling, the proposed fire hall is meeting the City of Courtenay's 2026 energy performance requirements, which include Energy Step Code Step 3 and Zero Carbon Emissions Level 3 for commercial buildings.

Specifically, the portions of the building subject to the Step Code are achieving Energy Step Code Step 3 compliance, while the building's greenhouse gas emissions performance is achieving Zero Carbon Step Code Emissions Level 4, representing the highest level within the provincial framework and exceeding the City's minimum requirement.

A key feature supporting this level of performance is that the building is being designed as a fully electric facility, meaning it will not rely on fossil fuels such as natural gas for heating or hot water. Instead, the building will utilize high-efficiency electric mechanical systems powered by British Columbia's low-carbon electricity grid. As a result, the facility will produce significantly lower operational greenhouse gas emissions compared to conventional building designs.

Energy modelling undertaken by the project's building envelope and energy consultants indicates that the proposed design will achieve approximately an 88% reduction in greenhouse gas emissions compared to a code-minimum building of similar size and function. This reduction is achieved through the combination of the all-electric design and a number of high-performance building systems, supporting overall performance that exceeds the City's carbon reduction requirements and aligns with long-term climate objectives. These efforts also align with the City's recently adopted Corporate Facility Energy Management Plan, and the recently adopted Zero Emission Vehicle Fleet Transition Plan.

Key energy-efficient design features incorporated into the building include:

- High-performance building insulation and improved air-tightness to reduce heat loss.
- Energy-efficient LED lighting with occupancy sensors to minimize electricity use when spaces are not in use.
- Energy recovery ventilation systems that capture heat from exhaust air and reuse it to pre-heat incoming fresh air.
- Demand-controlled ventilation that adjusts airflow based on occupancy levels.
- High-efficiency heat pump systems that provide heating and cooling for the majority of occupied spaces.
- EV charging stations for staff and visitor vehicles, supporting the transition to electric transportation.
- Rough-in infrastructure for future EV firetruck charging (Level 3 Chargers), enabling straightforward integration of electric emergency vehicles when implemented.

These additions support both operational sustainability and future-proofing for electrification of municipal fleets, aligning with provincial climate targets and the City of Courtenay's emissions reduction goals.

Together, these design features significantly reduce the building's energy consumption and carbon footprint while supporting a comfortable and healthy indoor environment for fire department personnel.

In addition to environmental benefits, the high-performance design is expected to provide long-term operational advantages for the City, including reduced energy consumption, lower operating costs over the life of the building, and improved alignment with evolving provincial energy and climate policies. Overall, the proposed fire hall demonstrates leadership in sustainable public infrastructure while supporting the City's broader environmental objectives.

Project Schedule

The project has successfully achieved the 50% design milestone, including completion of the Class C cost estimate and updates to the overall project schedule, and continues to remain on track. The 70% detailed design submission has now been completed and is under review by the project team. At this stage, the design is advancing in all key disciplines including civil, mechanical, electrical, and overall building performance while continuing to address site-specific conditions and updated code requirements. These efforts ensure that the facility will meet all functional, regulatory, and sustainability objectives as the project progresses toward final design and construction readiness.

Task	**2025 Q4**	**2026 Q1**	**2026 Q2**	**2026 Q3**	**2026 Q4**	**2027 Q1**	**2027 Q2**	**2027 Q3**	**2027 Q4**
Design / Cost Estimating									
Communications									
Construction									

POLICY ANALYSIS:

The City of Courtenay's Official Community Plan (OCP) identifies East Courtenay as a key area for residential and commercial growth over the coming decades. With the population in East Courtenay expected to increase significantly, the OCP calls for the timely provision of public infrastructure to support this growth and maintain a high standard of liveability and public safety.

The construction of a second fire hall in East Courtenay directly aligns with this vision and addresses several strategic objectives outlined in the OCP. First, it supports equitable delivery of emergency services across the community, recognizing that close to half of Courtenay's population now resides east of the Courtenay River. Second, it ensures that fire suppression and rescue services remain within acceptable response time standards, particularly the 10-minute response threshold used in Fire Underwriters Survey (FUS) grading and referenced in the BC Building Code. This is particularly important in mitigating insurance risk and maintaining public confidence in emergency preparedness.

Further, the proposed location at 220 Waters Place strengthens the City's overall resilience by improving access to critical infrastructure in East Courtenay, including the Comox Valley Hospital, North Island

College, and nearby commercial and residential developments. It also provides operational redundancy in the event of a natural disaster that could impact the City's two bridge crossings.

The BC Building Code requires that buildings outside of a 10-minute fire response time have additional fire suppression requirements, which can result in higher costs for housing construction. Insurance premiums are often higher for property owners outside of the 10-minute response time. A fire hall in East Courtenay will enable housing choices in this portion of the city that are more affordable, healthy, green, and appropriate for diverse needs, life stages, and aspirations.

The East Courtenay Fire Hall will help the Fire Department meet current and future community needs.

FINANCIAL IMPLICATIONS:

The East Courtenay Fire Hall project represents a significant capital investment, with a total budget of $18 million included in the City's 2026 Financial Plan. The project is expected to be primarily funded through municipal borrowing.

Delivered under a Construction Management model with robust cost controls, the project is structured to maintain the approved budget through ongoing collaboration on design, scheduling, and cost validation.

The estimated costs to construct the firehall are currently estimated at $14.7M and includes estimates for utility servicing like BC Hydro connections, architectural support through construction including contract administration and site inspection, contingencies and DCC's/Building Permit Fees.

A class C Cost estimate was prepared by a Quantity Surveyor from Kinetic Construction who is well experienced in firehall construction. Kinetic Construction's class C cost estimate has ±25-40% error band. A class C cost estimate is prepared with limited site information and based on probable conditions affecting the project. A Class C cost estimate represents the summation of all identifiable project elemental costs and is used for program planning, to establish a more specific definition of owner needs and to obtain preliminary project approval.

In addition to direct construction costs, the table below summarizes the development fees that will be paid from the capital budget.

Performance Bond (Damage Deposit)	$3,000.00
DCC Fees (CVRD)	$66,852.80
DCC Fess (City of Courtenay)	$69,445.35
Building Permit Fees	$115,665.20
Total Fees	$254,963.35

The budget included in the 2026-2030 Capital plan is $18M which shows the project is still expected to be delivered within the approved budget in the capital plan. The rational for not reducing the total amount authorized by the loan authorization bylaw is to ensure that if costs exceeded expectations the City will have access to funding to complete the project. Since the project is 100% funded by debt, this limits the ability for the City to rely on other funding sources to function as a buffer for changing project costs. Due to the lengthy process to secure long-term debt, it is recommended for this project to remain in the Capital

plan at $18M and to maintain loan authorization of $18M even though the project cost is expected to be lower.

Project Cost Considerations and Evolution

In July 2025, Council was presented with a preliminary cost estimate for the East Courtenay Fire Hall based on the recently completed Dashwood Fire Hall in the Regional District of Nanaimo. At that time, the Dashwood facility was used as a reference project to establish a rough order-of-magnitude estimate using a cost per square foot approach. This resulted in a Class D estimate valued at $13,951,003 and was intended to support early financial planning.

That estimate assumed a building of approximately 11,840 square feet, similar in size and general form to the Dashwood Fire Hall, with adjustments made for inflation, location, and typical contingencies. It was also recognized at that time that the East Courtenay Fire Hall would ultimately need to be designed to meet the specific operational requirements of the Courtenay Fire Department and comply with the 2024 BC Building Code. However, the detailed implications of those requirements were not yet fully defined.

Since that time, the project has advanced through design development, and this work has resulted in a more complete understanding of the building's size, systems, and performance requirements. As a result, the current cost reflects a shift from a reference-based estimate to a site-specific design that aligns with City policies and operational needs.

A key change is an increase in building size of approximately 2,088 square feet compared to the original assumption. This increase is primarily due to the need to accommodate larger aerial apparatus, as well as the inclusion of an elevator to provide full access to the second floor. While accessibility requirements were always anticipated, the need for an elevator was not fully captured in the earlier estimate and reflects a more complete understanding of how current accessibility expectations apply to municipal facilities.

In addition to the increase in size, the project now includes a number of design elements that align with City policies. Since the initial estimate was prepared, the City has advanced key initiatives such as the Corporate Facility Energy Management Plan and the Zero Emission Vehicle Fleet Transition Plan. While some of these policies were in place previously, their application to this project has become clearer through the design process.

As a result, the building is now being designed as a fully electric facility and includes infrastructure to support future Level 3 charging for electric fire apparatus. These features were not fully accounted for in the original estimate but are now considered essential to align the project with the City's long-term objectives.

The project has also been designed to meet energy performance targets. Current modelling indicates that the building will achieve Energy Step Code Step 3 and Zero Carbon Step Code Emissions Level 4, which exceeds the City's minimum requirements.

These design decisions contribute to higher upfront capital costs but are expected to provide long-term value. The all-electric design, combined with high-efficiency systems and improved building performance,

will reduce energy consumption and greenhouse gas emissions, and are expected to lower operating costs over the life of the building. In addition, incorporating infrastructure such as EV charging at the time of construction avoids the need for more costly retrofits in the future.

The progression from the July 2025 estimate to the current project cost reflects the normal evolution of a complex capital project. Early estimates are based on limited information and comparable projects, while later-stage estimates reflect detailed design, confirmed scope, and full alignment with regulatory and policy requirements.

Overall, the current project cost represents a more complete and accurate reflection of the facility the City intends to build. While this has resulted in an increase from the initial estimate presented in 2025, it also delivers a fire hall that is better aligned with Council direction, more responsive to operational requirements, and positioned to provide long-term value to the community.

Indigenous Procurement

The City's Procurement Policy supports participation by K'ómoks First Nation in municipal procurement opportunities. For the East Courtenay Fire Hall project, Directed Procurement Opportunities may be utilized to support K'ómoks First Nation economic interests. These may include direct awards or select competitive procurements, provided they meet fair market value, qualification, safety, and performance requirements, and are delivered by K'ómoks First Nation Designated Businesses. The City will endeavor to allocate up to 10% of the construction budget through these opportunities, while adhering to applicable trade agreement thresholds, supporting capacity building while maintaining fairness and value in project delivery.

SPF Grant Application

The City's Strategic Priorities Fund (SPF) grant application continues to move through the provincial review process. Capital project submissions are currently being evaluated by a technical team at the Province, and all projects remain under consideration. Successful applicants are expected to be announced in June or July of 2026, although this timeline has not yet been confirmed. Building Permit fees are not eligible for reimbursement through the grant. DCC fees are not noted in the application guide but will be confirmed if the grant is approved.

Construction Manager Considerations

The project is being delivered using a Construction Management (CM) model, which provides strong cost transparency and allows for flexibility during design and construction. However, the total project cost is not fully fixed at the outset, creating some exposure to market variability. To address this, it is standard practice to transition to a stipulated sum or guaranteed maximum price once the design is sufficiently advanced. At that stage, the City will negotiate with the Construction Manager to establish a more defined and predictable project cost.

ADMINISTRATIVE IMPLICATIONS:

This project has been a collaboration between the Courtenay Fire Department and the Capital Projects Division of Infrastructure and Environmental Engineering.

A team of experts, including architects, engineers, and communications consultants with technical knowledge specific to this work, will be utilized to develop the design of the fire hall.

STRATEGIC PRIORITIES REFERENCE:

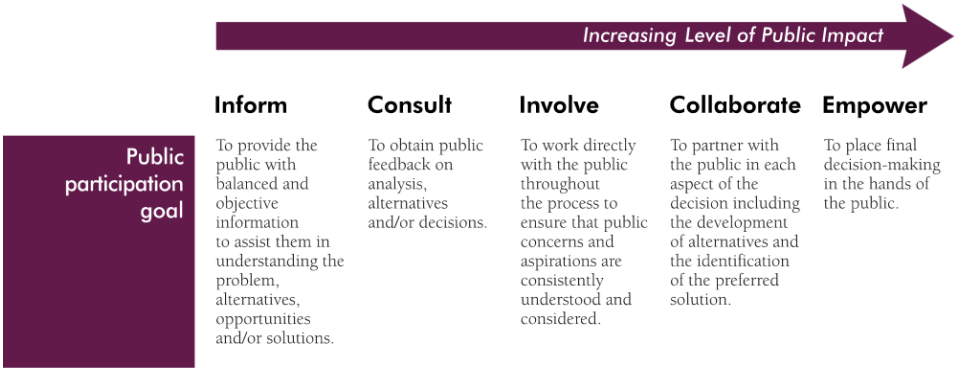
This initiative addresses the following strategic priorities:

- Public Safety - East Side Fire Hall: Update design and consider potential partnerships
- Public Safety - East Side Fire Hall: Construction
- Public Safety - Build capacity for emergency planning and local response

PUBLIC ENGAGEMENT:

Recognizing the importance of this project in supporting public safety for residents of Courtenay and the properties served through the Courtenay Fire Protection District in the Electoral Areas, as well as accommodating the continued growth and development of the City in alignment with the Official Community Plan and Provincial housing legislation, the City will continue to provide updates to the community as the project progresses. Communication tools and outreach activities will be undertaken throughout the project to ensure residents and stakeholders remain informed. These communications will be included within the project budget and delivered with the support of City communications staff and external consulting resources as required.

Staff would inform the public based on the IAP2 Spectrum of Public Participation:



RECOMMENDATION:

THAT Council receive the East Courtenay Firehall – Project Update briefing note.

ATTACHMENTS:

1. East Courtenay Firehall Renderings
2. Council Presentation

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