

AMENDED

AGENDA FOR THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING TO BE HELD IN THE BOARD ROOM, CITY HALL, ON MONDAY, 2010-AUG-16, COMMENCING AT 4:30 P.M.

1. **CALL THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING TO ORDER:**

2. **INTRODUCTION OF LATE ITEMS:**

- Move Item 5 (a) – Presentations – Mr. B. E. Clemens, Director of Finance, 2011-2015 Financial Plan Priorities to Item 9 (b) 2011-2015 Financial Plan Priorities.
- Add Item 10 (c) – Information Only Items – Report from Mr. R. Churchill, Manager of Bylaw, Regulation and Security, re: Bastion Street Parkade Repairs.

3. **ADOPTION OF AGENDA:**

4. **ADOPTION OF MINUTES:**

- (a) Minutes of the Regular Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall, on Monday, 2010-JUL-19 at 4:30 p.m.

Pg. 4-7

5. **PRESENTATIONS:**

- (a) ~~Mr. B. E. Clemens, Director of Finance, to provide a presentation on 2011-2015 Financial Plan Priorities.~~

6. **DELEGATIONS PERTAINING TO AGENDA ITEMS: (10 MINUTES)**

- (a) Mr. Darren Moss, P. Eng., Tectonica Management Inc., regarding the status of the Nanaimo Train Station rehabilitation as it relates to the 10-year property tax exemption.

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7. **COMMISSION REPORTS:**

- (a) **Parks, Recreation and Culture Commission – Third Party Liquor Operator Contract – Nanaimo Clippers**

Pg. 9-12

Commission's Recommendations: That Council:

1. *approve the Nanaimo Clippers operating the City of Nanaimo Primary Liquor Licence 34369 (at Frank Crane Arena) as a Third Party Operator for a one-year trial period effective 2010-SEP-01 through 2011-AUG-31;*

AND:

2. *approve the extension of liquor sales to include the upper mezzanine and Sections 1, 2 & 3 at the discretion of the Arena Manager.*

8. **COMMITTEE REPORTS:**

9. **STAFF REPORTS:** *(blue)*

COMMUNITY SAFETY AND DEVELOPMENT:

- (a) **E&N Railway Station Tax Exemption Application – 321 Selby Street** Pg. 13-16

Staff's Recommendation: *That Council provide direction.*

CORPORATE SERVICES:

- (b) **2011-2015 Financial Plan Priorities** Pg. 17-20

Mr. B. E. Clemens, Director of Finance, to provide a presentation on 2011-2015 Financial Plan Priorities.

Staff's Recommendation: *That Council:*

1. *confirm the eleven budget priorities previously stated by Council;*

OR:

2. *provide alternate budget direction.*

10. **INFORMATION ONLY ITEMS:**

- (a) Report from Chief R. Lambert, Nanaimo Fire Rescue, re: Reallocation of Capital Funds. Pg. 21-22
- (b) Report from Mr. B. Anderson, Manager, Community Planning, re: Supportive Housing (MOU) Projects – Update. Pg. 23-24
- (c) Report from Mr. R. Churchill, Manager of Bylaw, Regulation and Security, re: Bastion Street Parkade Repairs. Pg. 24.1

11. **CORRESPONDENCE:**

12. **NOTICE OF MOTION:**

13. **OTHER BUSINESS:**

14. **DELEGATIONS PERTAINING TO ITEMS NOT ON THE AGENDA:**
(10 MINUTES)

(a) None.

15. **QUESTION PERIOD:** (*Agenda Items Only*)

16. **PROCEDURAL MOTION:**

It is moved and seconded that the following meeting be closed in order to deal with the following matters under the *Community Charter* Section 90(1):

- (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure might reasonably be expected to harm the interests of the municipality; and,
- (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the municipality if they were held in public.

15. **ADJOURNMENT:**

MINUTES OF THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING
HELD IN THE BOARD ROOM, CITY HALL,
ON MONDAY, 2010-JUL-19 COMMENCING AT 4:30 P.M.

PRESENT: Mayor J. R. Rutlan, Chair

Members: Councillor W. J. Holdom
Councillor D. K. Johnstone
Councillor J. A. Kipp
Councillor L. D. McNabb
Councillor J. F. K. Pattje
Councillor L. J. Sherry
Councillor M. W. Unger

Absent: Councillor W. L. Bestwick

Staff: D. W. Holmes, Assistant City Manager and General Manager of
Corporate Services
T. L. Hartley, Director of Human Resources and Organizational Planning
B. E. Clemens, Director of Finance
T. M. Hickey, Director of Engineering and Public Works
T. P. Seward, Director of Development
R. Kroeker, Manager, Occupational Health and Safety
Chief R. Lambert, Nanaimo Fire Rescue
A. J. Tucker, Director of Planning
R. J. Harding, Director of Parks, Recreation and Culture
J. E. Harrison, Manager of Legislative Services
L. Dennis, Recording Secretary

1. CALL THE OPEN MEETING TO ORDER:

The Regular Finance / Policy Committee of the Whole Meeting was called to order at 4:34 p.m.

2. INTRODUCTION OF LATE ITEMS:

- (a) Add Agenda Items 11 (a) and 11 (b) – Correspondence – Emails from Mr. Jim Galloway dated 2010-JUL-07 and 2010-JUL-17 regarding Staff Report - Real Estate/Construction Signs.

3. ADOPTION OF AGENDA:

It was moved and seconded that the Agenda, as amended, be adopted. The motion carried unanimously.

4. ADOPTION OF MINUTES:

It was moved and seconded that the Minutes of the Regular Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall on Monday, 2010-JUN-28 at 4:30 p.m. be adopted as circulated. The motion carried unanimously.

5. PRESENTATIONS:

- (a) Mr. A. J. Tucker, Director of Planning, gave a PowerPoint presentation regarding real estate / construction signs, and provided Council with context and background in anticipation of the upcoming sign bylaw review.

6. STAFF REPORTS:

COMMUNITY SAFETY AND DEVELOPMENT:

(a) Real Estate / Construction Signs

It was moved and seconded that Council deal with the Staff recommendations separately. The motion carried unanimously.

It was moved and seconded that Council direct Staff to reasonably enforce the existing sign bylaw during the review of the real estate / construction sign section of the sign bylaw, beginning with cautionary letters, with the goal of achieving compliance with the bylaw in four months. The motion carried.

Opposed: Councillor Kipp

It was moved and seconded that Council direct Staff to do a pictorial sign inventory of all signage in the community.

It was moved and seconded that the motion be amended to address only real estate and construction signs that exceed 32 square feet. The motion carried.

Opposed: Councillor Kipp

The vote was taken on the main motion, as amended. The motion carried.

Opposed: Councillor Kipp

It was moved and seconded that Council direct Staff to seek public input on any proposed changes to the Sign Bylaw for real estate / construction signage, specifically including input from the Vancouver Island Real Estate Board (VIREB) and the Canadian Home Builders' Association of BC – Central Vancouver Island (CHBA). The motion carried.

Opposed: Councillor Unger

It was moved and seconded that Council direct Staff to bring forward a report for Council's consideration on possible amendments to the Sign Bylaw upon completion of public consultation. The motion carried unanimously.

7. INFORMATION ONLY ITEMS:

- (a) Report from Mr. A. J. Tucker, Director of Planning, Community Safety and Development, re: Sign Bylaw.

8. CORRESPONDENCE:

- (a) Email dated 2010-JUL-07 from Mr. Jim Galloway, 6558 Groveland Drive, Nanaimo, regarding Staff Report – Real Estate / Construction Signs.
- (b) Email dated 2010-JUL-17 from Mr. Jim Galloway, 6558 Groveland Drive, Nanaimo, regarding management of signage in Nanaimo.

The meeting was recessed at 5:46 p.m.

The meeting reconvened at 6:00 p.m.

9. PROCEDURAL MOTION:

It was moved and seconded that Council move "In Camera" in order to deal with the following matters under the *Community Charter* Section 90(1):

- (c) labour relations or employee negotiations;
- (e) the acquisition, disposition or expropriation of land or improvements, if the Council
- (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
- (j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the *Freedom of Information and Protection of Privacy Act*.
- (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the municipality if they were held in public.

The motion carried unanimously.

Council moved out of "In Camera" at 6:58 p.m.

Council directed that the following items be brought out of "In Camera" for consideration in the open meeting:

6. STAFF REPORTS (CONTINUED):

CORPORATE SERVICES:

- (b) Nanaimo Dive Association Account Receivable

It was moved and seconded that Council approve the write off of the outstanding loan amount of \$48,666.64 owed by the Nanaimo Dive Association. The motion carried unanimously.

COMMUNITY SERVICES:

(c) Rotary Bowl

It was moved and seconded that Council:

1. support the School District in its application for grant funding under the Community Connections Program to resurface the track at Rotary Bowl; and,
2. reconfirm its position that funding for Rotary Bowl will be considered by the City of Nanaimo when the School District commits to multi-use at this facility as defined in the 2010-MAR-05 Memorandum to the School District.

The motion carried unanimously.

It was moved and seconded that Council direct Staff to publish the press release regarding Rotary Bowl after notification to School District #68. The motion carried unanimously.

ADJOURNMENT:

It was moved and seconded at 7:04 p.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

MANAGER,
LEGISLATIVE SERVICES

DELEGATION REQUEST

Would you please add me to the delegation list for the above council meeting. I will be providing a brief update to Council regarding the status of the Nanaimo Train Station Rehabilitation as it relates to the 10 year property tax exemption.

Thank you,

Darren

Darren Moss, P.Eng.
Tectonica Management Inc.
#201-890 Crace Street
Nanaimo, BC V9R 2T3

Tel: (250) 714-0062
Fax: (250) 714-0063
Cell: (250) 714-2580

REPORT TO: MAYOR AND COUNCIL

FROM: LARRY McNABB, CHAIR, PARKS, RECREATION AND CULTURE COMMISSION

RE: THIRD PARTY LIQUOR OPERATOR CONTRACT – NANAIMO CLIPPERS

RECOMMENDATION:

That Council approve:

- a) the Nanaimo Clippers operating the City of Nanaimo's Primary Liquor Licence 34396 (at Frank Crane Arena) as a Third Party Operator for a one-year trial period effective 2010-SEP-01 through 2011-AUG-31; and,
- b) the extension of liquor sales to include the upper mezzanine and Sections 1, 2 & 3 at the discretion of the Arena Manager.

EXECUTIVE SUMMARY:

Alcohol sales at sporting events have declined over the years. At Frank Crane Arena alone, revenues deposited to the City Reserve fund have decreased from \$16,500 in 2004 to \$1,700 in 2009.

The Primary Liquor Licence worked well in the past when alcohol sales were much higher and there were no other methods of working with our clubs and organization to provide for alcohol sales as a fundraising stream.

The Port Theatre Society operates under a City of Nanaimo Primary Liquor Licence as a Third Party Operator. Essentially, the Port Theatre oversees the sale of alcohol at the facility and ensures all Liquor Control and Licensing Branch (LCLB) rules and regulations are adhered to.

As part of the process in evaluating alcohol sales at our Parks, Recreation and Culture venues and how to best deliver the service, staff worked with the BC Liquor Control and Licensing Branch to understand what options are available and which would provide the City with the greatest assurance of license requirements.

At their meeting of 2010-JUL-28, the Parks, Recreation and Culture Commission passed a motion supporting the recommendation that Council approve:

- a) the Nanaimo Clippers operating the City of Nanaimo's Primary Liquor Licence 34396 (at Frank Crane Arena) as a Third Party Operator for a one-year trial period effective 2010-SEP-01 through 2011-AUG-31; and,
- b) the extension of liquor sales to include the upper mezzanine and Sections 1, 2 & 3 at the discretion of the Arena Manager.

☐ Council
☒ Committee *FPCOW*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: *2010-AUG-16*

BACKGROUND:

It was suggested that the City consider a third party operator similar to the Port Theatre Society. As the Nanaimo Clippers have numerous events on a monthly basis a Special Occasion Licence is not a practical option.

The following considerations have been included in the proposed agreement (attached) to ensure the safe operation of the Primary Liquor Licence at Frank Crane Arena and to ensure all user groups are able to access the service:

1. The Nanaimo Clippers must adhere to all the rules and requirements outlined by the BC Liquor Control and Licensing Branch as required to operate a Primary Liquor Licence.
2. Failure to meet all requirements, behaviour or practices resulting in fines or suspensions of the licence, or unsafe practices will result in immediate cancellation of the Third Party Operating Agreement.
3. The Nanaimo Clippers will be expected to extend the Primary Liquor Licence to other groups and organizations at, or above, terms outlined in the current Primary Liquor Licence.
4. The Nanaimo Clippers and City of Nanaimo will meet monthly to evaluate the operation and work through any issues or concerns outlined by the City of Nanaimo.
5. The Nanaimo Clippers will incur all costs associated with the Third Party Licensing and operations pertaining.

The Nanaimo Clippers are the most consistent user of the Primary Liquor Licence at Frank Crane Arena and have the longest season. Typically, the Licence is granted one year at a time and is not offered to multiple parties. For this reason, the Parks, Recreation and Culture Commission recommend that Council approve The Nanaimo Clippers operating the City of Nanaimo's Primary Liquor Licence 34396 (at Frank Crane Arena) as a Third Party Operator for a one-year trial period effective 2010-SEP-01, through 2011-AUG-31.

Recently, the Nanaimo Clippers have requested that the City extend the licensed area of Frank Crane Arena into Sections 1 thru 8 inclusive of the stands. In 2009, the City allowed the Nanaimo Timbermen the opportunity to try sales in Section 1. Due to the greater number of spectators and need for increased security, staff would be willing to allow expanded alcohol sales into Sections 1, 2 and 3 (only), after having sufficient time to evaluate the Third Party operation. The Parks, Recreation and Culture Commission recommend that Council approve the Nanaimo Clippers operating the City of Nanaimo's Primary Liquor Licence 34396 (at Frank Crane Arena) as a Third Party Operator for a one-year trial period effective 2010-SEP-01 through 2011-AUG-31; and, the extension of liquor sales to include the upper mezzanine and Sections 1, 2 & 3 at the discretion of the Arena Manager.

Respectfully submitted,



Larry McNabb, Chair
Parks, Recreation and Culture Commission

Attachment – Draft Liquor Primary – Third Party Operator Agreement

CITY OF NANAIMO
THE HARBOUR CITY

**Liquor Primary
Third Party Operator Agreement
DRAFT**

THIS AGREEMENT made this _____ day of _____, 2010

BETWEEN:

THE CITY OF NANAIMO
455 Wallace Street,
Nanaimo, BC V9R 5J6

AND:

NANAIMO CLIPPERS JUNIOR A HOCKEY CLUB
#33 – 1925 Bowen Road
Nanaimo, BC V9S 1H1

This agreement is in reference to the Primary Liquor Licence #34396 location known as the Beban Park Recreation Centre.

The Nanaimo Clippers agree to operate the City of Nanaimo's Primary Liquor Licence 34396 as a Third Party Operator for a one (1) year term effective 2010-SEP-01 through 2011-AUG-31.

Terms and Conditions of the agreement include:

- Term of Agreement is one (1) year.
- Clippers must abide by the LCLB (Liquor Control and Licensing Branch) Third Party requirements as noted in the Licensing Policy Manual as "3.2.10. Operating the establishment for the licensee: Third party operator".
- The City may terminate the agreement at any time with regard to patron safety, violation of terms of the agreement or violation of LCLB regulations and requirements.
- Clippers may be required to purchase additional insurance if required by LCLB.
- Clippers are required to submit to LCLB for approval the following documents:
 - Third Party Operator Application (LCLB026).
 - Personal History Summary and Consent to Criminal Record Search Form (LCLB004).
 - Consent for Disclosure of Criminal Record Information (RCMP GRC3584).
- Clippers must provide security for liquor control purposes only. There must be a minimum of 5 security members monitoring the alcohol service area and liquor control. Security must be onsite 15 minutes before the liquor sales open. Security must be trained and provided with a facility overview prior to start of shift. Security must be clearly identified.
- Clippers will provide to the City of Nanaimo a full listing of the Security team member's names and contact information.
- Alcohol may not be sold after the 10 minute mark of the Third Period. Clippers must work with any group or organization who request the service at their event held in the FCA.
- Clippers may determine the cost of the product.
- Servers must have a "Serving it Right" Certificate.

Clippers are responsible to purchase the product in accordance with the Liquor Primary guidelines and policy. (Please see Liquor Primary Policy Manual on the LCLB website.)

- Clippers must provide to the City of Nanaimo a full product line with retail pricing.
- City of Nanaimo is not responsible for maintenance or repair of taps, refrigerators or equipment purchased for Primary Liquor operations.
- Liquor may only be served and consumed in City of Nanaimo approved locations.
- Liquor may not be placed "on sale" for marketing purposes.
- Clippers will provide a quarterly accounting of operation expenses and revenues.
- Clippers will reimburse the City by December 31st for the Renewal Fee of the licence, as set by the Liquor Control Licensing Branch.
- The Clippers will pay all fees associated with the Third Party Operator application and renewal process through Liquor Control Licensing Branch.
- Clippers will operate the Primary Liquor Licence at the request of community or organization booked into the Frank Crane Arena only.
- Clippers will operate the Primary Liquor Licence for community groups and organizations with the current 5% and 10% net revenue return on product unless otherwise negotiated.
- Client request for Liquor service will be submitted to the City first for approval then forwarded to the Clippers for Operation upon approval. A minimum of 2 weeks' notice will be provided.

This agreement is subject to approval by the BC Liquor Control and Licensing Branch.

Bound by this agreement, the City and the Clippers each have executed this agreement on the respective dates written below:

by its authorized signatories)	
)	
)	
)	
CITY OF NANAIMO)	DATE
)	
CITY OF NANAIMO)	
)	
by its authorized signatories)	
)	
)	
NANAIMO CLIPPERS JUNIOR A HOCKEY CLUB)	DATE
)	
NANAIMO CLIPPERS JUNIOR A HOCKEY CLUB)	
)	
SIGNED, SEALED AND DELIVERED in the)	
presence of:)	
)	
)	
WITNESS (please print))	WITNESS SIGNATURE
)	
ADDRESS)	DATE
)	
OCCUPATION)	

STAFF REPORT

REPORT TO: ANDREW TUCKER, DIRECTOR OF PLANNING,
COMMUNITY SAFETY & DEVELOPMENT

FROM: BRUCE ANDERSON, MANAGER OF COMMUNITY PLANNING,
COMMUNITY SAFETY & DEVELOPMENT

RE: E&N RAILWAY STATION TAX EXEMPTION APPLICATION – 321 SELBY STREET

STAFF'S RECOMMENDATION:

Council's direction is sought.

EXECUTIVE SUMMARY:

An application under the Downtown Residential Conversion Tax Exemption Program has been submitted by the Island Corridor Foundation for the E&N Railway Station (321 Selby Street) to rehabilitate and adapt the existing building. The goal of the Tax Exemption Program is to incent property owners to retain and upgrade heritage buildings to undertake seismic, Building Code, sprinkler, and building façade improvements. Such upgrades usually result in a substantial increase in the property taxes (from \$7,000 to \$30,000 for this property) which the applicant is asking to be waived for 10 years, to help offset the capital cost of upgrading (\$2.372 Million for this project). The building is proposed to be used for a new restaurant (main and second floors) and VIA Rail passenger waiting room (main floor). The request for tax exemption is due to the proposed commercial use of the train station which would trigger taxation.

The estimated value of the proposed tax exemption for the train station property is approximately \$30,000 annually for the 10-year period. To date, the City of Nanaimo has provided a \$40,000 capital fund contribution to the project through the Downtown Nanaimo Business Improvement Area, and recently approved a \$10,000 Heritage Façade Grant for the Station's exterior rehabilitation.

Staff believes there are four options Council may wish to consider regarding this request for a tax exemption for the E&N Railway Station:

- a) provide a full tax exemption, as requested by the applicant (approximately \$30,000/year for 10 years, totalling \$300,000) - *option recommended by staff*;
- b) provide a partial tax exemption of 50% of the estimated taxes (approximately \$15,000/year for 10 years, totalling \$150,000);
- c) provide a tax exemption of \$30,000/year for a 5-year period (totalling \$150,000); or
- d) provide no tax exemption for this project.

Staff has reviewed and evaluated the project proposal and confirms that it satisfies all requirements and objectives of the Tax Exemption Program.

☐ Council
☒ Committee of the Whole
☐ Open Meeting
☐ In-Camera Meeting
Meeting Date: 2010-AUG-16

BACKGROUND:

The Downtown Residential Conversion Tax Exemption Program was created by the City in May, 2002 with two primary goals: one, to encourage residential conversion of existing heritage commercial buildings, and two, to encourage the preservation of heritage buildings in the downtown core.

In 2004, Council approved broadening the scope of the program to include non-residential projects which satisfy the following objectives:

- 1) Interior improvements will fill vacant and/or underutilized commercial spaces (i.e. a specific tenant can be identified). Furthermore, the proposed use of the buildings and tenancy must provide clear and substantiated benefit to a revitalized downtown neighbourhood.
- 2) The total cost of the project represents a significant investment by the property owner in relation to the total value of the property (i.e. in excess of \$200,000 or 25% of the total pre-renovation value of the property).
- 3) Exterior building improvements meet or exceed the City's Heritage Building Design Guidelines and Parks Canada's "Standards and Guidelines for the Conservation of Historic Places in Canada", and will enhance the streetscape.
- 4) Structural and building code improvements will enhance the building's condition, safety and ongoing commercial viability.

Applications for non-residential projects are to be considered exceptions to the regular Tax Exemption Program, and be evaluated on a case-by-case basis with due consideration to the merits of the business case and the rehabilitation work proposed.

Since 1997, Council has approved three applications for tax exemptions.

- 1997 – Great National Land Building – 17 Church Street
Building is occupied by a real estate company. Tax exemption was provided for 10 years and waived taxes for the value of improvements associated with the heritage upgrade.
- 2005 – Painted Turtle Guesthouse - 121 Bastion Street
Building includes a guesthouse and commercial space. Tax exemption was provided for five years (five-year exemption reflected cost of upgrades undertaken).
- 2007 – Gusofa Block – 120 Commercial Street
Building includes residential units, restaurant and retail use. Tax exemption was provided for 10 years.

E&N Railway Station Application

An application under the Downtown Residential Conversion Tax Exemption Program has been submitted by the Island Corridor Foundation for the E&N Railway Station (321 Selby Street) to rehabilitate and adapt the existing building to accommodate a new restaurant (main and second floors) and VIA Rail passenger waiting room (main floor).

The estimated total project cost is approximately \$2,372,000 of which \$1,379,000 will be devoted to seismic, building code, sprinkler and external building façade improvements. Based on the estimate provided of \$1,379,000 in eligible work and the property tax formula used by the Tax Exemption Program, the applicant would qualify for the maximum tax exemption term - 10 years.

The 2010 property tax levy was \$5,318.56 for the VIA Rail portion of the train station. There is a 2010 permissive tax exempt portion of the property in the amount of \$1,940.81.

Staff Evaluation

Staff has reviewed and evaluated the project proposal and note that it satisfies all requirements and objectives of the Tax Exemption Program. Regarding the specific downtown revitalization objectives of the Tax Exemption Program:

- 1) The proposed interior improvements to the train station will fill vacant and/or underutilized commercial space with the inclusion of the proposed restaurant use.
- 2) The total cost of the project is in excess of \$200,000; the total project cost estimate is \$2,372,000.
- 3) The exterior building improvements will satisfy the City's Heritage Building Design Guidelines and Parks Canada's "Standards and Guidelines for the Conservation of Historic Places in Canada".
- 4) The proposed structural and building code improvements will significantly enhance the building's condition, safety and ongoing commercial viability.

Consequently, staff recommends that Council give approval-in-principle to a 10-year full property tax exemption for 321 Selby Street. Should Council provide approval-in-principle for tax exemption, staff recommends that the following conditions apply:

- 1) The project must be completed prior to introduction of the required tax exemption bylaw. Project completion is anticipated for spring, 2011. Consequently, a property tax exemption bylaw must be adopted by Council no later than 2011-Oct-31, in order for the 10-year tax exemption to commence the following year.
- 2) The owner must agree to the placement of a Heritage Conservation Covenant on the property title to ensure the building's long-term protection and maintenance.
- 3) During the term of the tax exemption bylaw, the tax exemption amount received by the owner must be repaid to the City if the heritage building is destroyed or altered without proper authorization under the requirements of the Heritage Conservation Covenant (other than by natural disaster), or if the heritage conservation covenant is rescinded by Council at the request of the owner.
- 4) The proposed upgrades must comply with all City bylaws and policies. A Heritage Alteration Permit is required where upgrade work results in exterior structural alterations to the building. The external improvements must follow the guidelines set out in the City's Heritage Building Design Guidelines as well as Parks Canada's "Standards and Guidelines for the Conservation of Historic Places in Canada".
- 5) All outstanding property taxes, business license fees, and user fees must be paid in full before the tax exemption bylaw is adopted.

- 6) The building alterations must be substantially underway within six months of the tax exemption approval-in-principle and completed within one year.

Heritage Commission Recommendation

The tax exemption proposal was reviewed by the City's Heritage Commission on 2010-Mar-03 and the following motion passed:

"that the Commission recommend Council support the tax exemption application for the E&N Station, given the significance of the station to Nanaimo's history."


Budget Considerations

As with any tax exemption, there is no impact on the City's budget. Instead, the taxes are foregone for both the municipality and for other taxing agencies. The estimated value of the tax exemption for the property is approximately \$30,000 annually. The tax exemption calculation is based on an estimated assessment value of \$1,250,000 (post rehabilitation/reconstruction) and a 2010 Class 6 (business class) tax rate.

The request is for a Permissive Tax Exemption (PTE) for 2012. The property would be permissively exempt in 2011 during construction. Once the use changes to commercial, that portion of the building cannot be exempted as a PTE and could only receive an exemption through the Heritage Exemption Program. If the applicant is successful in proceeding with an exemption under the heritage program, Council will ultimately have to approve a bylaw by 2/3rds majority in the fall of 2011.

To date, the City of Nanaimo has provided a \$40,000 capital fund contribution to the project through the Downtown Nanaimo Business Improvement Area, and recently approved a \$10,000 Heritage Façade Grant for the Station's exterior rehabilitation.


Respectfully submitted,


for Bruce Anderson,
Manager, Community Planning
Community Safety & Development


for Andrew Tucker,
Director of Planning
Community Safety & Development

CS/rt/hp

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Committee Date: 2010-AUG-16


for Ted Swabey, General Manager
Community Safety & Development

STAFF REPORT

REPORT TO: D.W. HOLMES, ASSISTANT CITY MANAGER/
GENERAL MANAGER, CORPORATE SERVICES

FROM: B. E. CLEMENS, DIRECTOR OF FINANCE

RE: 2011-2015 FINANCIAL PLAN PRIORITIES

STAFF'S RECOMMENDATION:

That Council:

1. Confirm the eleven budget priorities previously stated by Council; or
2. Provide alternate budget direction.

EXECUTIVE SUMMARY:

Staff has already begun the process of preparing the 2011-2015 Financial Plan. While doing so, staff will be taking into account the eleven budget priorities previously established by Council. If Council no longer supports these priorities, it is critical that new direction be provided to staff as soon as possible so that the budget that will be presented to Council in November will reflect Council's priorities.

BACKGROUND:

Although Council has just adopted the 2010-2014 Financial Plan and the 2010 Tax Rates Bylaw, staff is about to begin working on next year's financial plan. Throughout the summer, departmental staff will be preparing budgets based on direction provided by Council and building on the 2010-2014 Financial plan approved by Council last month. The draft budget will be assembled by Finance staff, reviewed by senior management and revised before being presented to Council in mid-November 2010. Although this may seem like a very long process, there is a considerable amount of work and discussion involved in preparing a budget this complicated, and it is not practical to materially shorten this phase.

As a reminder, the recently adopted Financial Plan contains the following property tax increases:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Blended	2.0%	4.7%	3.5%	2.3%	3.6%
Residential	3.1%	5.7%	4.5%	2.3%	3.6%
Commercial	2.0%	4.7%	3.5%	2.3%	3.6%
Industrial	-15.4%	-15.9%	-21.0%	2.3%	3.6%

☐ Council
☒ Committee *F/PCOW*

☒ Open Meeting

☐ In-Camera Meeting

Meeting Date: *2010-JUN-28*

2010-AUG-16

The larger increases in 2011 are due to staffing increases already made by Council (police and fire) and the capital project at Quarterway Bridge/Bowen Road.

Staff will, as always, be looking for ways to limit increases and reduce the budget where possible, but if Council wishes to make major reductions to the proposed tax increases, this cannot be achieved without implications for staffing and service levels.

Council has previously provided staff with a list of eleven budget priorities. Below is a list of these priorities and a brief description of some of the ways in which these priorities have been supported in the 2010-2014 Financial Plan.

Budget Priorities:

1. *Maintain safe and adequate water supply and sewer services.*

The Five Year Financial Plan contains adequate funding for the operation and maintenance of the City's sewer and water distribution systems. Over the next decade, expenditures will increase substantially for water supply. This is expected to include a new water treatment plant, improvements to existing water storage facilities at the No. 1 Reservoir, and increased storage at Jump Creek (i.e. a new dam or raising the existing dam). Water supply is projected to be the largest increase in expenditures over the next 5-10 years, and it will be funded through borrowing, DCCs and increased water rates.

Staff is also considering making recommendations related to improvements to the sewage collection network. Council has already initiated community consultations related to providing sanitary sewer to the Green Lake neighbourhood.

2. *Develop a strategy for increased energy self-sufficiency (including energy production)*

The City is considering building a hydro electric generating facility in conjunction with the construction of the water treatment plant.

BC Hydro has announced that there are grants available in 2010 for the hiring of a community energy manager (hired for 2010) and for feasibility studies for district energy systems. Staff will be considering how these initiatives could fit into the City's long-term plans.

Significant expenditures are committed in the plan to projects that lower energy consumption.

3. *Economy/ability to pay, support green industry*

The budget generally reflects a "status quo" budget. The only staffing increases and related service level enhancements are in Protective Services (as previously directed by Council). Budgets are only increased for known factors, such as collective agreements and known increases such as electricity.

Supporting and encouraging green industry will be one of the Economic Development Office's responsibilities (this direction may be modified by the new Economic Development Commission).

4. *Downtown Hotel*

There are no resources to pursue a developer for a downtown hotel adjacent to the Port of Nanaimo Centre as Council declined to authorize additional spending to support this priority. Unsolicited enquiries are responded to through the Economic Development department.

5. *Recreation facility replacement/sports recreation centre*

The 2010 capital plan contains funds to upgrade Beban Park Centre, including a \$1 million grant from the RINC program. There is also funding each year for maintenance and minor upgrades to recreation facilities. There is a second artificial turf field budgeted for 2011.

6. *Public transportation*

Public transportation is mostly a regional function. City staff will work with Regional staff on opportunities to improve regional transit within the City.

Responses to initiatives such as a fast/foot ferry are handled through the Economic Development department and can be funded within the budget as presented.

7. *Environmental protection*

With partial funding from BC Hydro, the City hired an Energy Manager in 2009 and 2010. Over the next few years, the City will be undertaking several projects that are designed to reduce energy consumption and/or greenhouse gas emissions. Projected expenditures from the sustainability reserve in 2010 are \$353,000.

8. *Growth management*

One of the Higher Service Levels approved in 2010 is a comprehensive plan of the Assembly Wharf Lands area downtown.

Continued implementation of the OCP is a priority as is continuation of neighbourhood planning processes currently under way.

9. *Engage in long-term strategic planning*

There are long-term plans for water supply, fire/rescue, policing and some City infrastructure. Through implementation of new capital asset accounting rules and plant maintenance software (SAP) there will be better data to facilitate more long-term capital asset planning. Staff has undertaken a strategic planning exercise as part of its organizational structure review.

10. *Public safety (police and fire protection)*

Public safety is the largest, and fastest growing segment of the City of Nanaimo's operating budget. The financial plan contains the costs associated with the 10 year fire plan. Council has approved the hiring of 24 new RCMP officers plus support staff over the next five years. Fire Hall No 4 was increased to 24/7 staffing in June 2010 and planning for the next fire hall on Hammond Bay Road begins in 2012, which will open in 2014.

11. *Create strong pride of place*

There are a number of parks projects in the five year financial plan, including public art, Diana Krall Plaza, Maffeo-Sutton Park and Piper Park. There are also ongoing expenditures to add sidewalks, pave roads and maintain similar infrastructure.

Destination marketing and destination development carried out by the Economic Development Office has a side benefit of promoting "pride of place" among city residents. Continued support of downtown development also helps to satisfy this objective.

Staff has been directed to keep these priorities in mind as they prepare their submissions for the 2011-2015 Financial Plan. If Council wants to provide alternate direction, staff recommends that Council do so as soon as possible so that staff can adjust their planning and budgets accordingly. The more clearly that Council communicates its direction, the more likely it will be that the budget presented in November will meet Council's objectives. Council can do this by passing resolutions that do one or more of the following:

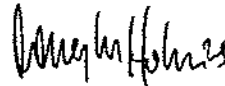
- confirm or amend the existing eleven budget priorities;
- provide new direction on budget priorities;
- set target property tax increases.

In conclusion, staff is seeking to confirm whether or not Council is still comfortable with the eleven budget priorities that were previously established, or if Council wishes to provide alternate direction. If alternate direction is desired, then the sooner it is established, the more likely it will be that the budget currently being prepared by staff will reflect Council's new direction.

Respectfully submitted,



B. E. Clemens,
Director of Finance



D. W. Holmes,
Assistant City Manager/
General Manager, Corporate Services

FOR INFORMATION ONLY

TO: RON LAMBERT, FIRE CHIEF

FROM: CRAIG RICHARDSON, DEPUTY CHIEF - ADMINISTRATION

RE: REALLOCATION OF CAPITAL FUNDS

STAFF'S RECOMMENDATION:

That Council receive this report for information.

EXECUTIVE SUMMARY:

In 2009 the initial provisional capital budget included \$150,000 to supplement the current capital reserve for renovations and HVAC upgrades to Fire Station 1. Given Council's mandate to address taxation pressures within the economic downturn, this capital project was not funded and deferred into the future.

In addition to the ongoing Station 1 upgrade initiative, in June 2007 Council directed staff to plan for future renovations of Fire Stations 2 and 3 to accommodate a diverse workforce. This July, one of eleven successful candidates for the position of Firefighter was female creating some urgency to complete Council's 2007 directive. Staff will reallocate \$150,000 in the current Capital plan to fund renovations to Fire Stations 2 and 3 to upgrade these facilities. Staff will also reallocate approximately \$50,000 remaining from the 580 Fitzwilliam project back to Fire Station 1 to fund the planning necessary for floor plan alterations, HVAC and electrical requirements. This is within the funding available in the current Financial Plan for capital projects.

BACKGROUND:

Over the past number of years funding was slowly being aggregated into a reserve to upgrade Fire Station 1. When the Department's Command and Business Centre was relocated from 575 Fitzwilliam to accommodate regional RCMP functions funds were reallocated from the Station 1 project to ensure sufficient funding was available. A residual of approximately \$50,000 currently exists that will be reallocated back to the Station 1 project for planning and engineering consultation for a revised floor plan, HVAC and electrical requirements.

While not the immediate priority Station 1 will still require attention in the future. Moving on-call members in from the 4th Street station (#5) has created some dysfunction and it is also in need of a major interior facelift with respect to finishes, fixtures, and space utilization. More important is life safety requirements through separating internal stairwell and providing a second means of egress. The main boiler and electrical system are near the end of their usable life without upgrades. Station 1 warrants a coordinated planning and design process that addresses the many challenges from a holistic viewpoint. This work will provide an accurate cost estimate that can be used for financial plan purposes.

In June 2007 Council directed staff to plan for future renovations of Fire Stations 2 and 3 to accommodate a diverse workforce. This is now the priority project as females have entered the career workforce requiring washroom and dormitory modifications in those stations. Planning and design work has been completed and approximately \$150,000 of the Station 1 current capital plan will be reallocated to complete the required renovations.

In summary, given current taxation pressures and the economic downturn have placed larger capital projects on hold and that any HVAC upgrades to Fire Station 1 must take into account the future

requirements of the facility; staff will reallocate and \$50,000 remaining from 580 Fitzwilliam project to fund design work for future Station 1 renovations, and will reallocate \$150,000 in the current Capital plan to fund renovations to Fire Stations 2 and 3 meeting Council's 2007 direction to upgrade these facilities to accommodate a diverse workforce. Any residual from either project will fund the reserve for future renovations at Station 1. This is within the funding available in the 2009 – 2013 Financial Plan for Capital projects.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Craig Richardson', written in a cursive style.

Craig Richardson

FOR INFORMATION ONLY

REPORT TO: ANDREW TUCKER, DIRECTOR, PLANNING

FROM: BRUCE ANDERSON, MANAGER, COMMUNITY PLANNING

RE: SUPPORTIVE HOUSING (MOU) PROJECTS - UPDATE

STAFF'S RECOMMENDATION:

That Council receives the report for information.

EXECUTIVE SUMMARY:

On 2010-JUN-15, BC Minister of Housing, Rich Coleman, announced additional capital funding for construction of the remaining 140 units (of a 160-unit total) of housing for the homeless in the city of Nanaimo. City staff continues to work with the Province (BC Housing) toward the provision of supportive housing in Nanaimo, and is preparing for the selection of non-profit operators for the remaining housing unit allocation.

The City's agreement with the Province (MOU) identified three City-owned sites which would be made available for these supportive housing projects. Staff, through neighbourhood and service provider consultation, has identified the need to consider an additional fourth site to deliver on the total 160-unit target for supportive housing.

Recently, City staff, with RCMP and VIHA colleagues, met with residents of the hospital area neighbourhood regarding one of the sites; 1598 Townsite Road (Chinese Cemetery). After listening to feedback from the neighbourhood and consulting with service providers in the community, staff is of the opinion that, of the 70 units currently allocated to the Townsite Road site, 35 units should be designated to a fourth site in the community. In accordance with our commitment to distribute these kinds of social service facilities across the community, it is staff's opinion that the fourth site be located in the north part of Nanaimo, close to a major service centre such as Woodgrove or North Town Centre malls. A review of potential sites is currently underway and a recommendation for consideration is intended to be brought forward for consideration this fall.

BACKGROUND:

On 2008-JUL-14, Council adopted "*Nanaimo's Response to Homelessness Action Plan*" which identified targets for the creation of new supportive affordable housing units in the City of Nanaimo. In October 2008, Council approved an MOU with the Province in which the City of Nanaimo would provide the land and the provincial government would provide the capital and operational funding for the housing projects. In discussions leading to the signing of the MOU, the municipal sites were provisionally allocated the following unit count: 35 units at 437 Wesley Street, 35 units at 1400-1500 Bowen Road (Quarterway bridge) and 70 units at 1598 Townsite Road (Chinese Cemetery). The Wesley Street site has proceeded through non-profit operator selection and is currently in the design phase. In addition to the municipal sites, 18 units are being constructed at 477 Tenth Street

☐ Council
☒ Committee of the Whole
☒ Open Meeting
☐ In-Camera Meeting
 Meeting Date: 2010-AUG-16

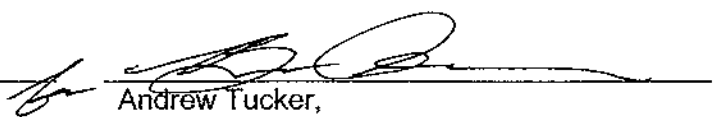
for Tillicum Letum Aboriginal Friendship Society and 10 units are allocated to a provincially-owned site at 3515 Hillside Avenue.

With the announcement by Minister Coleman of the remaining capital funding commitment for supportive housing in Nanaimo, City staff and the Province (BC Housing) are working on the provision of the remaining supportive housing unit allocation for Nanaimo. The intent for the remaining housing projects is to proceed with the selection of non-profit operators in the fall and move forward on the design phase and toward construction in 2011.

Respectfully submitted,



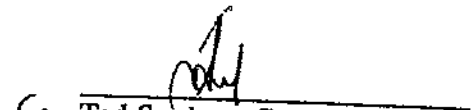
Bruce Anderson,
Manager of Community Planning
Community Safety & Development Division



Andrew Tucker,
Director of Planning
Community Safety & Development Division

JH/rt

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Committee Date: 2010-AUG-16



for Ted Swabey, General Manager
Community Safety & Development

FOR INFORMATION ONLY

REPORT TO: ANDREW TUCKER, DIRECTOR OF PLANNING

FROM: RANDY CHURCHILL, MANAGER OF BYLAW, REGULATION AND SECURITY

SUBJECT: BASTION STREET PARKADE REPAIRS

STAFF'S RECOMMENDATION:

That Council receives the report for information.

EXECUTIVE SUMMARY:

At the meeting of 2010-May-10, Council received a report providing information on the proposed engineering and repair works to the deteriorating waterproof membrane coatings on Levels 7 and 8 of the Bastion Street Parkade.

A structural condition evaluation of the Bastion Street Parkade has been completed by Read Jones Christoffersen. They recommended repairs costing an estimated \$828,000 be spent over a three-year period. Repairs for 2010 are estimated at \$250,000 - \$300,000.

BACKGROUND:


The scope of the repair work for 2010 is to remove and replace the membrane and complete structural repairs of concrete deterioration due to corrosion of reinforcing steel on levels 7 and 8 including the access ramps and installation of post tension recesses in the slab soffit of levels 3 and 4. Completion of this work will prevent:


- further deterioration of the top deck concrete and reinforcement; and
- further damage, revenue loss and associated claims with water leaching down the covered decks onto vehicles.

The repair work is in the process of being tendered and will be funded from the Parking Reserve.

Further analysis will take place to determine the work, cost and timing for the remainder of recommended repairs planned for over the next number of years.

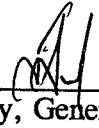
Respectfully submitted,


for Randy Churchill
Manager of Bylaw, Regulation and Security


for Andrew Tucker
Director of Planning

File: Reports/2010/Bastionrepairs(2)
FPCW: 2010-Aug-16

☐ Council
☒ Committee *FIPCW*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: 2010-AUG-16


for Ted Swabey, General Manager
Community Safety & Development