




## Large Capital Projects Overview March 29 2023

*To provide Council an overview of potential large capital projects to be funded by long-term borrowing.*

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## Nanaimo Operations Centre

- Current facilities unable to fully meet the needs of the organization and the community
- Entire vision was predicted in 2021 to be \$125 million.
- An alternative NOC Phase 1 for the Fleet Maintenance Facility and infrastructure would allow Phase 1 to stand alone
- Propose to bring a report forward to proceed with an Alternative Approval Process (AAP) for approximately \$40 million – this year.

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## Nanaimo Operations Centre



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## Fleet Maintenance



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## RCMP

- Current facility does not meet operational and space needs
- A permanent solution is being developed for a new detachment adjacent to the existing facility
- Council authorized \$2.8 million to proceed with interim renovations, \$2 million for detailed design of the new facility
- An Alternative Approval Process (AAP) could be appropriate once design reaches a suitable level of maturity. Potentially 2025/2026
- The Capital cost of this project is expected to be in the range of \$80-\$100 million

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## RCMP



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RCMP

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RCMP

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## Waterfront Walkway

- Identified in three Council Strategic Plans
- In 2019 detailed plan for the walkway using a green shores approach
- Total construction costs are expected to be in the range of \$30 - \$38 million for the Departure Bay section
- Public support is high and can be gauged with a potential referendum
- Staff propose this as part of a referendum question early 2024, possibly in conjunction with the South End Community Centre

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## Waterfront Walkway – Departure Bay



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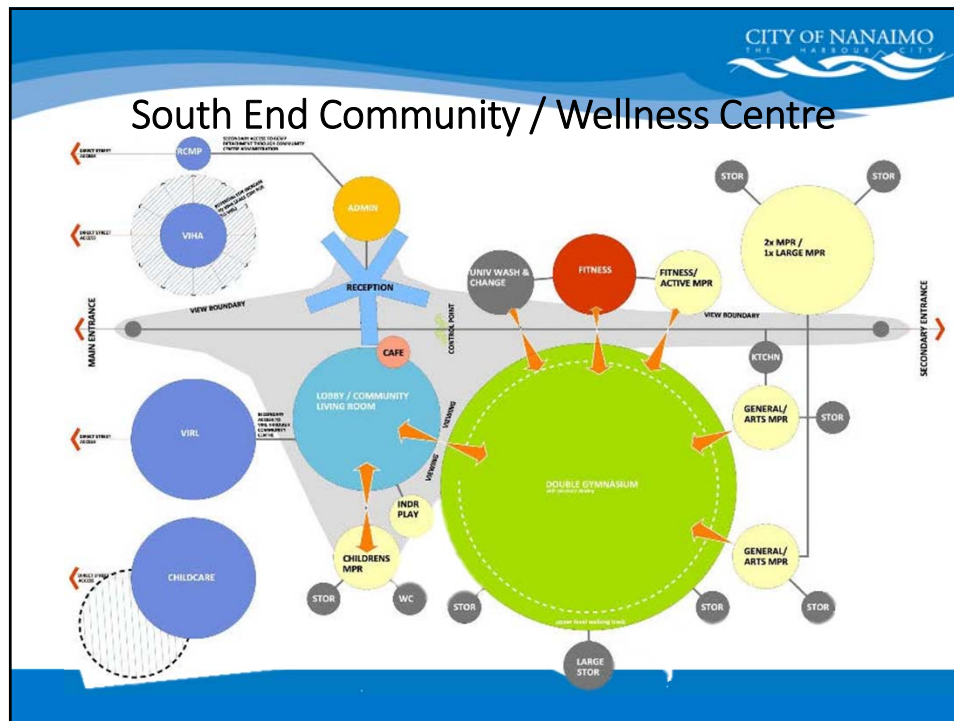


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## South End Community / Wellness Centre

- A Feasibility Study is underway
- A steering committee established key engagement sessions for potential partnerships
- Up to eight possible locations within the South End have been evaluated and filtered to establish primary and secondary site options
- Capital cost of a facility of this nature could be in the range of \$40-80 million without a concept to base the cost estimate
- Operational cost will vary depending details of partnership agreements between stakeholders

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## Other Future Needs to Consider

- An update to the City’s Asset Management Plan and 20 Year Investment Plan is underway
- The City’s funding gap is growing, in particular with facilities

Other Capital-intensive investments to consider :

- Beban Park Sustainment, Master Plan and Facility Implementation Plan
- Stadium District
- Culture Venues in the Downtown
- Parks and Trails
- Water Supply Dam
- Future Emergency Services
- Other Facilities


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## Illustrative Timeline

Project	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
NOC – Phase 1		█								
RCMP					█					
NOC – Phase 2, 3, 4						█				
Future Fire Station								█		
Major Recreation Facility Renovation						█				
Waterfront Walkway – Departure Bay			█							
South End Wellness Centre		█								

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## Financial Implications

- All projects assumed to be funded by debt
- The pay back can be 30 years or less
- Borrowing decisions now impact financial flexibility for the City for decades
- Due diligence prior to setting a budget and receiving approval of the electorate is important as it is difficult to adjust the budget later on

Project	Potential range \$M	Potential time frame	Level of confidence
NOC – Phase 1	\$35 – 40	2024 – 2027	Moderate
NOC – Phase 2, 3, 4	\$100 - 115	2028 – 2032	Low
RCMP	\$80 – 100	2027 – 2029	Low
Future Fire Station	\$20 – 30	2030 – 2032	TBD
Facility Renovations	\$30 +	2028 – 2029	TBD
Waterfront Walkway – Departure Bay	\$30 – 38	2026 – 2028	Low
South End Wellness Centre	\$40 – 80	2025 – 2027	Low
Other potential facilities	TBD	TBD	TBD

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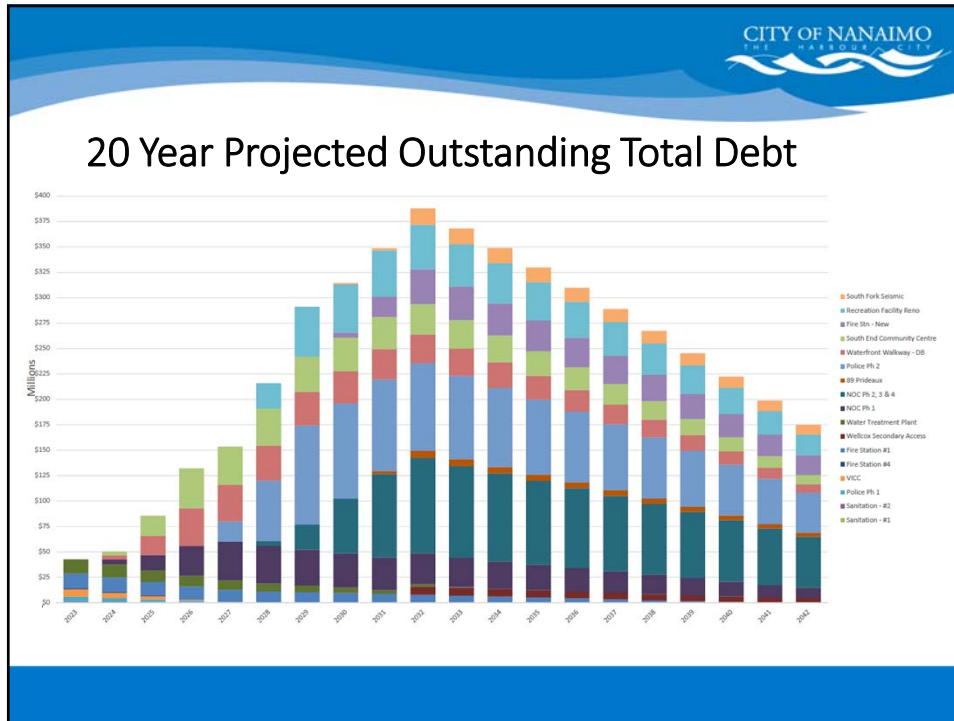


## Projected Property Tax Impact

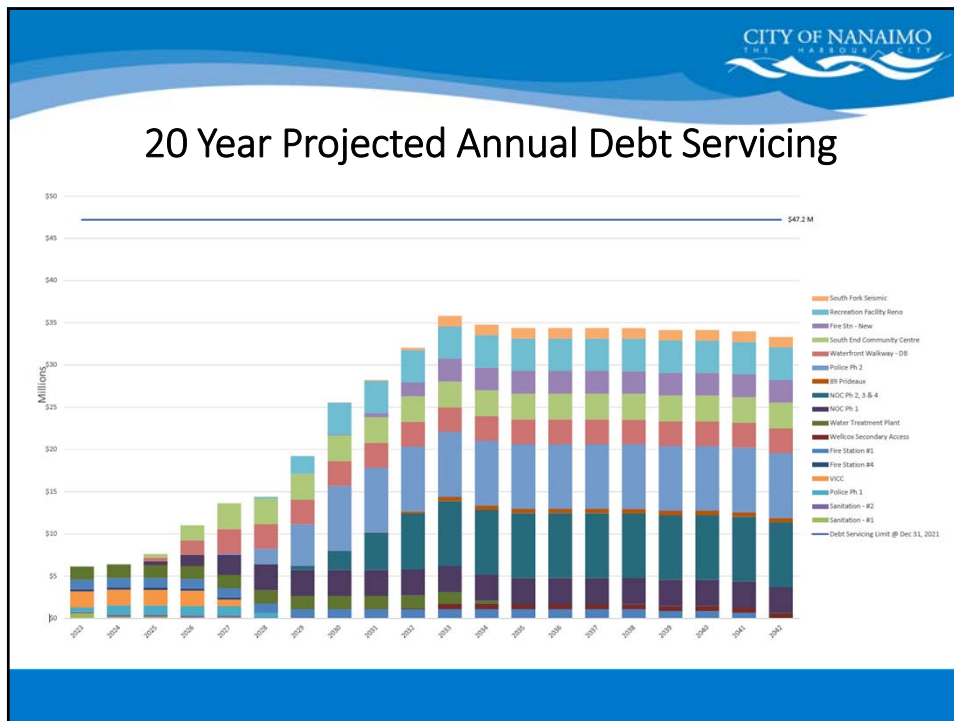
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Projected Borrowing</b>										
Nanaimo Operations Centre (NOC) - Phase 1		5,000,000	10,000,000	15,000,000	10,000,000					
Nanaimo Operations Centre (NOC) - Phase 2, 3 & 4 89 Prideaux						5,000,000	20,000,000	30,000,000	30,000,000	15,000,000
Police Operations Building Space Issue Resolution					20,000,000	40,000,000	40,000,000		3,000,000	4,000,000
Waterfront Walkway - Departure Bay Section				4,000,000	15,000,000	19,000,000				
South End Community Centre			10,000,000	20,000,000	30,000,000					
Fire Station - New								5,000,000	10,000,000	10,000,000
Major Recreation Facility Reno						25,000,000	25,000,000			
<b>Total Long Term Borrowing: Property Taxes</b>		5,000,000	20,000,000	39,000,000	75,000,000	89,000,000	85,000,000	35,000,000	43,000,000	29,000,000
Police Operations Building Space Issue Resolution - Short Term Borrowing	4,993,150									
<b>Total Short Term Borrowing: Property Taxes</b>	4,993,150									
South Forks Seismic - Funded From Water								1,057,900	1,057,900	14,105,000
<b>Total Projected Borrowing</b>	<b>4,993,150</b>	<b>5,000,000</b>	<b>20,000,000</b>	<b>39,000,000</b>	<b>75,000,000</b>	<b>89,000,000</b>	<b>85,000,000</b>	<b>36,057,900</b>	<b>44,057,900</b>	<b>43,105,000</b>
<b>Projected Debt Servicing Cost Funded by Property Taxation**</b>										
New Borrowing - Long Term		38,800	561,100	2,559,300	5,772,100	11,958,900	19,144,100	25,850,600	28,544,500	31,920,500
New Borrowing - Short Term	94,400	1,132,400	1,132,400	1,132,400	1,132,400	1,038,000				
<b>Current Debt</b>										
Port of Nanaimo Centre	1,864,600	1,864,600	1,864,600	1,818,700	764,300					
Fire Station #4	287,100	287,100	287,100	287,100	275,000					
<b>Total Property Tax Funded Debt Servicing Cost</b>	<b>2,246,100</b>	<b>3,322,900</b>	<b>3,845,200</b>	<b>5,797,500</b>	<b>7,943,800</b>	<b>12,996,900</b>	<b>19,144,100</b>	<b>25,850,600</b>	<b>28,544,500</b>	<b>31,920,500</b>
Estimated increase in Debt Servicing Costs		1,076,800	522,300	1,952,300	2,146,300	5,053,100	6,147,200	6,706,500	2,693,900	3,376,000
Estimated property tax increase		0.91%	0.44%	1.64%	1.81%	4.25%	5.17%	5.64%	2.27%	2.84%

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## Municipal Comparison

	Debt Servicing Limits				
	2017	2018	2019	2020	2021
Kamloops	44,590,765	45,613,405	48,992,036	47,983,763	49,638,937
Kelowna	70,309,126	79,457,574	81,643,095	74,141,942	82,304,903
Ladysmith	3,588,988	3,865,710	4,218,062	4,224,355	4,532,646
Maple Ridge	32,359,610	33,714,975	35,965,266	36,683,133	38,436,615
<b>Nanaimo</b>	<b>40,133,329</b>	<b>43,120,716</b>	<b>44,839,046</b>	<b>44,370,220</b>	<b>47,198,318</b>
Parksville	5,306,651	5,646,788	6,476,439	6,477,091	6,977,432
Saanich	48,279,619	50,681,673	53,519,092	53,623,777	56,603,503
Victoria	57,248,034	62,102,416	64,465,215	61,120,784	63,755,199


  

	Debt Servicing Cost % of limit				
	2017	2018	2019	2020	2021
Kamloops	30.4%	27.9%	34.9%	22.9%	21.0%
Kelowna	46.4%	45.7%	23.0%	20.3%	15.4%
Ladysmith	59.9%	37.9%	25.5%	40.7%	37.5%
Maple Ridge	18.3%	37.6%	20.9%	22.6%	18.4%
<b>Nanaimo</b>	<b>12.1%</b>	<b>11.0%</b>	<b>14.6%</b>	<b>15.5%</b>	<b>13.4%</b>
Parksville	8.1%	7.8%	6.2%	7.7%	7.0%
Saanich	7.6%	10.1%	10.2%	11.6%	10.4%
Victoria	9.5%	9.6%	9.2%	10.1%	10.2%

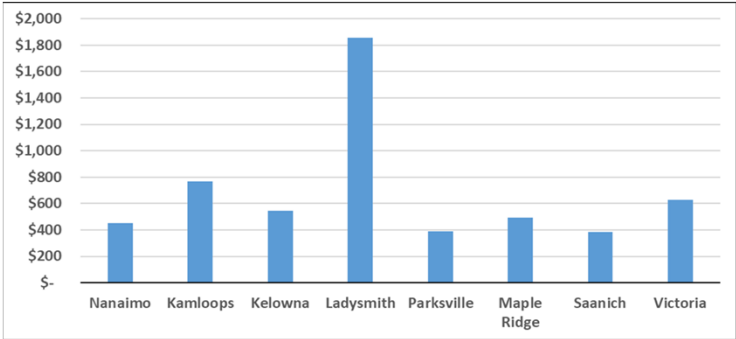
Source - BC Stats: 602.1 Liability Servicing Limit

*Draft Debt Policy*

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## Municipal Comparison 2021 Debt per Capita



Municipality	2021 Debt per Capita (Approximate)
Nanaimo	\$450
Kamloops	\$750
Kelowna	\$550
Ladysmith	\$1,800
Parksville	\$400
Maple Ridge	\$500
Saanich	\$400
Victoria	\$600

Source - BC Stats: 601.1 Total Debt and Financing Costs; 201 General Statistics

*Draft Debt Policy*

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## Next Steps

- NOC Phase 1 will be brought to Council to receive direction on electoral assent
- Once the RCMP project has reached an appropriate level of maturity, it will be brought forward to Council for an update
- Updated costs for the Waterfront Walkway to be resolved before an electoral assent sought
- Planning will continue regarding the South End Wellness Centre and a report back to Council with progress at milestones
- A referendum process could be combined for the Waterfront walkway and other related Recreation and Culture Priorities in 2024