

ATTACHMENT A



Staff Report for Decision

DATE OF MEETING FEBRUARY 15, 2023
AUTHORED BY PHIL STEWART, MANAGER, ENGINEERING PROJECTS
SUBJECT TERMINAL AVENUE CORRIDOR UPGRADES PHASE 1

OVERVIEW

Purpose of Report

To seek Council direction to allocate funds to increase the budget for the Terminal Avenue Corridor Upgrades Phase 1 project and to advise council of a budget transfer to complete park upgrades at Italian Square Park & Pioneer Square Park.

Recommendation

That the Finance and Audit Committee recommend that Council:

1. Authorize the Mayor and Corporate Officer to enter into a Cost Share Agreement with the Ministry of Transportation and Infrastructure for the Terminal Avenue Corridor Upgrades Phase 1.
2. Increase the budget for the Terminal Avenue Corridor Upgrades Phase 1 project by \$1,371,178 in 2023 funded by \$805,054 from the General Asset Management Reserve Fund, \$346,124 from the Water Asset Management Reserve Fund and \$220,000 in private contributions.

Terminal Avenue Phase 1

Terminal Avenue is an important gateway to Nanaimo's downtown core. Over a number of years, community engagement efforts, including Terminal-Nicol Re-imagined, have consistently highlighted the need for redevelopment along Terminal Avenue. Phase 1 of the Terminal Avenue Corridor Upgrades project was planned and budgeted for construction in 2022, however delays in the project design, coordination with stakeholder agencies and adjacent projects combined with saturated construction market conditions led to this project being delayed to 2023.

The Project consists of rehabilitation of existing utilities and street upgrades between Esplanade and Commercial Street including the replacement of water mains, storm sewer, sidewalks and street lighting.

A significant part of the project is to enhance the pedestrian experience on Terminal Avenue by rebuilding sidewalks away from the vehicle lanes on the north side of the road and improving pedestrian crossing facilities at Commercial Street, Gordon Street and Esplanade with street lighting levels throughout the corridor also being improved. The pedestrian facilities on the south side of the road will be upgraded in the future with the redevelopment of the Jean Burns property and future development of the transit exchange on Terminal Avenue.

The City is also partnering with the Ministry of Transportation and Infrastructure (MOTI) to resurface the road. The resurfacing provides the opportunity to replace the existing median with a landscaped median reflecting the feedback received from multiple public engagement sessions for different downtown initiatives that improvements within downtown include trees and landscaping.

Financial Implications

The cost estimate that was used to create the budget for the Terminal Avenue Corridor Upgrades Phase 1 project was prepared in early 2021, and did not anticipate the inflationary environment we are currently in. In addition to the cost increase due to inflation, additional water main that required replacement was added to the project. The City has \$2,657,873 available within the project budget to complete the project, and the updated estimate to complete the City funded portion is \$3,809,051. The additional \$1,151,178 in 2023 is proposed to be funded by \$ 805,054 from the General Asset Management Reserve Fund and \$346,124 from the Water Asset Management Reserve Fund. Both reserve funds have sufficient funding available to accommodate the request.

In addition to the items above, the MOTI will be providing funding for resurfacing the road as part of the project. MOTI originally committed \$980,000 in 2022, however due to cost escalation the commitment has been increased to \$1,200,000. This commitment is subject to the City and MOTI entering into a cost share agreement for the project. The local branch of the Ministry of Transportation and Infrastructure has advised the project team that the funding committed is part of their 2023 resurfacing budget and their 2024 resurfacing budget is completely allocated at this time and would not be able to guarantee funding availability if the project is delayed to 2024.

Italian Square Park & Pioneer Square Park

Italian Square Park located at 626 Terminal Avenue and Pioneer Square Park located at 28 Nicol Street are key historical parks within Nanaimo's downtown. Italian Square Park features Italian Centennial Fountain; the landmark structure was dedicated to Canada's Centennial by the local Italian community in 1961 featuring hand carved granite salmon and historically significant Italian tile. The fountain is surrounded by grass and a few recently planted trees.

Pioneer Square Park is located at the site of the old entrance to the "New Douglas Mine" which opened in 1881. The Park was dedicated to the memory of Nanaimo's pioneers by the Nanaimo Pioneer's society in 1938. The park features a memorial cairn surrounded by annual plantings complemented by a variety of mature trees. Both parks are highly visible from Island Highway at the southern entrance point into Nanaimo's downtown core.

Due to concerns for public safety and infrastructure due to loitering and vandalism, the City fenced Italian Square Park from public use in March of 2021. Similar issues also include matters relating to increased vandalism and theft of public and private property stemming from the park that led the City to also fence Pioneer Square Park in August of 2021.

Both parks have remained closed since these dates with the intention of undertaking a design process to develop new landscape elements which will allow the parks to be reopened as a gateway feature into downtown. The upgrades to both Parks bring forth an opportunity to revitalise Nanaimo's downtown and within themes of enhanced community and livability.

With both Pioneer Square Park and the Italian Square Park being adjacent to the limits of this project, there is an opportunity to incorporate both parks into the overall vision for the corridor which is to provide a more human scale experience.

The draft design of these two parks have been completed using a combination of crime prevention through environmental design (CPTED) principles and aesthetically pleasing elements to create a pleasant pedestrian experience adjacent to and through both parks, which intended to discourage long term gathering and provide naturalized spaces within the downtown.

Pioneer Square Park presents an excellent opportunity to provide a gateway to the downtown core. Proposed Pioneer Square Park Improvements generally consist of:

- Removal of the sidewalk along Terminal Avenue, instead connecting pedestrians to the sidewalk on Victoria Crescent
- Planting perennial shrubs as a gateway feature
- Removal of all grass and replacement with low growing grass and hardy shrubs to maintain sight lines through the park
- Shifting of the sidewalk away from the business frontage

Italian Square Park presents an opportunity to be visually appealing from Terminal and provide a pleasant pedestrian gateway into the Nanaimo Casino and Port Place Mall. Italian Square Park Improvements generally consist of naturalized plantings along the boulevard and under the existing mature trees. By pushing the sidewalk, completing pedestrian scale lighting around the north side of the Fountain, and adding mounded plantings the new installations will effectively frame the fountain for the traveling public. Further, having the northbound terminal rapid bus bay utilizing the same space will activate the area and give passengers comfortable access to Port Place Mall.

Financial Implications

To complete the scope outlined above, improvements to Pioneer Square Park and Italian Square Park are anticipated to cost \$279,278 and \$497,896 respectively. The funding allocated for the Downtown Transit Exchange Plaza (Public Realm Improvements) is no longer required as the intent was to construct a public plaza at the former Jean Burns property, however this site is now planned for redevelopment. Funding is available to be reallocated from the Plaza to the Italian Square and Pioneer Square Park projects. Given the magnitude of the budget reallocation, specific disclosure to Council is warranted. |

OPTIONS

1. That the Finance and Audit Committee recommend that Council:
 1. Authorize the Mayor and Corporate Officer to enter into a Cost Share Agreement with the Ministry of Transportation and Infrastructure for the Terminal Avenue Corridor Upgrades Phase 1.
 2. Increase the budget for the Terminal Avenue Corridor Upgrades Phase 1 project by \$1,371,178 in 2023 funded by \$805,054 from the General Asset Management Reserve Fund, \$346,124 from the Water Asset Management Reserve Fund and \$220,000 in private contributions.
 - The advantages of this option: The additional funding will allow the Terminal Avenue Corridor Upgrades Phase 1 to move forward this year, enhancing the pedestrian experience in the downtown and replacing aging underground infrastructure. Completing this project in 2023 allows the City to partner with MOTI on the project, including financial contribution.
 - The disadvantages of this option: Additional funding from Water Asset Management Reserve Fund and General Asset Management Reserve Fund are required to complete the project.
2. That the Finance and Audit Committee recommend that Council do not increase the budget for the Terminal Corridor Upgrade project and cancel the project.
 - The advantages of this option: Funding will be available for other priority projects.
 - The disadvantages of this option: The Terminal Avenue project will not be able to proceed without additional funding and will need to be cancelled. Cancelling the Terminal Project will likely provide additional pressures on other initiatives in the area.
3. That Council provide alternative direction. |

SUMMARY POINTS

- The costs for the Terminal Avenue Corridor Upgrades Phase 1 have increased by \$1,451,178 due to inflation and an additional water main being added to the project.
- Upgrades to Italian Square Park and Pioneer Square Park are being added to the project, and costs are anticipated to be \$279,278 and \$497,896 respectively with funding being reallocated from a cancelled project.
- The City is partnering with MOTI on the project who are committing \$1.2M to the project.
- Construction is planned to begin in the summer of 2023.

ATTACHMENTS:

Attachment A – Presentation |

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