

DATE OF MEETING JUNE 19, 2023

AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE

**SUBJECT NANAIMO OPERATIONS CENTRE PHASE ONE BORROWING BYLAW**

## **OVERVIEW**

### **Purpose of Report**

To introduce “Nanaimo Operations Centre Phase One Borrowing Bylaw 2023 No. 7362”, for first, second and third readings.

### **Recommendation**

That:

1. “Nanaimo Operations Centre Phase One Borrowing Bylaw 2023 No. 7362” (To authorize the borrowing of up to \$48,500,000 for the construction of the Nanaimo Operations Centre and the required supporting facilities), pass first reading;
2. “Nanaimo Operations Centre Phase One Borrowing Bylaw 2023 No. 7362” pass second reading; and.
3. “Nanaimo Operations Centre Phase One Borrowing Bylaw 2023 No. 7362” pass third reading.

## **BACKGROUND**

The City of Nanaimo’s borrowing activities are guided by provisions of the Community Charter (Part 6, Division 3, sections 179 and 180 provide guidance on process of undertaking a municipal borrowing), Local Government Act (Section 86, 94, and 169-177 guide the process of Elector approval), and BC Regulation 254/2004 (Provides liability limits).

At the 2020-SEP-16 Finance and Audit Committee meeting, Council provided funding for development of an architectural concept and cost estimate for the Public Works facility. Subsequently, Staff engaged an architect, experienced in operations yards, to examine the facility and space needs. The goal being to develop the project to the point it could support a business case and budget planning for a functional, fit-for-purpose operations centre.

At the 2021-SEP-22 Finance and Audit Committee meeting, Staff presented a master plan vision for the Nanaimo Operations Centre (NOC) and a supporting business case. The report included architectural renderings for the site, split into multiple phases. The NOC is envisioned to be a utilitarian facility that would allow the City to continue to provide reliable services to a growing community. The buildings are designed to be durable and able to withstand a modest earthquake

allowing for the City to respond in a post disaster scenario. The business case analysis for this project is attached to this report for reference (Attachment A).

On 2022-JUN-20, at the Finance and Audit Committee meeting, Council directed Staff to undertake a NOC Alternative Phase 1 feasibility assessment that included an engineered wetland, storm sewer and multiuse trail and complete the stage 2 environmental work. The Alternate Phase 1 plan has been developed to address the most urgent needs of the operation and allow further financial flexibility.

At the 2023-MAY-01 regular Council meeting, Council received and considered a report for approval to proceed with the NOC Phase One project (Attachment B). The cost of the project is estimated at up to \$48,500,000 and includes:

- \$40,000,000 to construct a Fleet and Maintenance Facility, a truck wash and dump facility, and site servicing for 2020 Labieux Road
- \$4,500,000 to construct storm water management facilities at 2300 Bowen Road for storm water from 2020 Labieux Road
- \$1,500,000 to retrofit an existing fire training apparatus located at 2020 Labieux Road to facilitate the required additional sit utilization;
- \$2,750,000 to construct a multi-use pathway at 2300 Bowen Road in lieu of frontage improvements normally associated with development at 2020 Labieux Road.

Council directed Staff to proceed with the Nanaimo Operation Centre Phase One project and prepare a borrowing bylaw to begin an Alternative Approval Process (AAP) in support of the project.

Borrowing will be undertaken through the Municipal Finance Authority of BC (MFA BC). Based on a 20 year term and the MFA BC's twenty year indicative lending rate of 4.62% at 2023-JUN-05, annual debt service costs are estimated at \$3.9 million. Impacts to the City's property taxes will be included in the 2024-2028 Financial Plan upon electoral approval of the borrowing.

In compliance with applicable legislation, the City is required to secure approval by the electors for this borrowing to be consummated. Staff is recommending that the City undertake an AAP as provided in the legislation. This process will start from 2023-SEP-27 and be run by the City's Corporate Officer. The AAP is a defined process within legislation, which provides an opportunity for elector engagement and participation opportunity. |

## **OPTIONS**

1. That "Nanaimo Operations Centre Phase One Borrowing Bylaw 2023 No. 7362" (To authorize the borrowing of up to \$48,500,000 for the construction of the Nanaimo Operations Centre and the required supporting facilities), pass first reading;

"Nanaimo Operations Centre Phase One Borrowing Bylaw 2023 No. 7362" pass second reading; and,

"Nanaimo Operations Centre Phase One Borrowing Bylaw 2023 No. 7362" pass third reading.

2. That Council table this report and request additional information from Staff. |

### **SUMMARY POINTS**

- In September 2020, Council provided funding for the development of an architectural concept and cost estimate for the Public Works facility upgrade project.
- In September 2021, Staff presented a master plan vision for the Nanaimo Operations Centre (NOC) and a supporting business case.
- In June 2022, Council directed Staff to undertake a NOC Alternative Phase 1 feasibility assessment that included and engineered wetland, storm sewer and multiuse trail as well as complete the stage 2 environmental work.
- At the Regular Council meeting on 2023-MAY-01, directed Staff to proceed with the Nanaimo Operation Centre Phase One project and prepare a borrowing bylaw to begin an Alternative Approval Process (AAP) in support of the project.

### **ATTACHMENTS:**

Attachment A: Nanaimo Operations Centre Project – Business Case

Attachment B: 2023-MAY-01 Nanaimo Operations Centre Phase One Project - Approval to Proceed Report

Attachment C: “Nanaimo Operations Centre Phase One Borrowing Bylaw 2023 No. 7362” |

#### **Submitted by:**

Laura Mercer  
Director, Finance |

#### **Concurrence by:**

Bill Sims  
General Manager, Engineering and Public  
Works

Sheila Gurrie  
Director, Legislative Services |