

DATE OF MEETING 2023-JUL-19

AUTHORED BY RICHARD HARDING, GENERAL MANAGER, PARKS, RECREATION & CULTURE

**SUBJECT ALLOCATION OF BC DESTINATION DEVELOPMENT FUNDS TO STADIUM UPGRADES**

## **OVERVIEW**

### **Purpose of Report**

To obtain Council approval for amending the 2023 - 2027 Financial Plan by allocating the \$1.0 M Destination Development Funding to the Stadium District projects.

### **Recommendation**

That the Finance and Audit committee recommend that Council amend the 2023 – 2027 Financial Plan to increase the Stadium District project budget by \$1.0 M funded from the successful Destination Development Fund grant application.

## **BACKGROUND**

The B.C. Destination Development Fund (DDF) is a funding program that provides \$30.0 M in one-time grants to support the development and rejuvenation of tourism infrastructure, assets and experience. The fund aims to invest in projects that foster distinct and globally competitive destinations, strengthen a year-round visitor economy, increase community vibrancy and resident support for tourism and supports sustainability, accessibility and inclusion.

In December 2022, staff submitted an Expression of Interest (EOI) to the B.C. Destination Development Fund. The EOI identified the Stadium District Development as the City's potential project. Early in January 2023 staff received notification that our project had been selected to submit a full application.

Staff submitted an application to the B.C. Destination Development Fund for the maximum available grant funding of \$1.0 M to help fund the following improvements:

- Stadium District parking lot paving and lighting
- Q'unq'inuqwtuxw Stadium bleachers
- Media and coaching booth

These phases of the project met the requirements of the funding program as they are expected to be complete by 2025-MAR-31.

The Stadium District Development project will allow Nanaimo to promote itself as a destination for sports tourism, with the potential for hosting numerous events that our current facilities cannot serve. Sports tourism is an important part of the City's local and regional economy,

allowing visitors to share in the unique character and experience of Nanaimo, raising our city's profile and supporting our prosperity

## **DISCUSSION**

In April 2023, the City of Nanaimo was advised that we were successful in obtaining a \$1.0 M grant from the BC government's Destination Development Fund as per the application.

The Nanaimo Stadium District was one of 90 projects to receive funding from the Province of British Columbia.

For the funds to be allocated to the intended projects, the 2023 - 2027 Financial Plan needs to be amended.

## **FINANCIAL CONSIDERATIONS**

The approved 2023 – 2027 Financial Plan includes funding for the three improvements identified in the grant application of:

- |  |                                    |
|--|------------------------------------|
| • Stadium District parking lot paving and lighting | \$ 380,500 budgeted in 2023        |
| • q'unq'inuqstuxw Stadium Bleachers                | \$ 1,940,059 budgeted in 2023/2024 |
| • Media and Coaching Booth                         | \$ 397,650 budgeted in 2023/2024   |

The \$1.0 M grant will be allocated to enhance the existing projects and to address continuing inflationary pressures on construction costs.

## **OPTIONS**

1. That the Finance and Audit committee recommend that Council amend the 2023 – 2027 Financial Plan to increase the Stadium District project budget by \$1.0 M funded from the successful Destination Development Fund grant application.
  - The advantages of this option: The continued improvements of the Stadium District will allow Nanaimo to host multiple sports events, at a higher level than the City is currently able to support, increasing the potential to market Nanaimo as a sports destination.
  - Financial Implications: The 2023 – 2027 Financial Plan will be amended at a later date to reflect the increased budget.
2. That the Finance and Audit Committee recommend that Council use the \$1.0 M dollars in grant funding to reduce City funding sources for the project.
  - The advantages of this option: Funding currently allocated to the project will be available for other City projects and/or priorities.
  - The disadvantages of this option: Construction costs continue to escalate due to inflationary pressures which may result in decreased scope or additional funding required to complete amenities.
  - Financial Implications: The 2023 – 2027 Financial Plan will be amended at a later date to reflect the change in funding sources.

### **SUMMARY POINTS**

- In April 2023, the City of Nanaimo was awarded a B.C. Destination Development Fund for the maximum available grant funding of \$1.0 M. The 2023 - 2027 Financial Plan needs to be amended to allocate the funds to the intended projects.
- Funds will be used for Stadium District parking lot paving and lighting, Q'unq'inuqwstuxw Stadium Bleachers, Media and Coaching Booth.
- Projects must be completed by 2025-MAR-31 to meet the requirements of the funding program

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