

DATE OF MEETING OCTOBER 18, 2023

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**SUBJECT GROWING COMMUNITIES FUND ALLOCATIONS**

## **OVERVIEW**

### **Purpose of Report**

To provide the Finance and Audit Committee with allocation options for the Growing Communities Fund.

### **Recommendation**

That the Finance and Audit Committee recommends that Council allocate the Growing Communities Fund monies to:

a. Design Commercial Project	\$3,985,000
b. Maffeo Sutton Park Washrooms	\$3,000,000
c. Land Purchase – South End Community Centre	\$2,500,000
d. Westwood Lake Park Improvements - Phase 2	\$1,180,000

## **BACKGROUND**

On 2023-FEB-10, the Province announced the Growing Communities Fund (GCF) to support building stronger BC communities. The fund was created to provide a one-time total of \$1 billion in direct grants to all 188 municipalities and regional districts in BC. The GCF will help local governments to prioritize local infrastructure and amenity projects to enable community growth. Some of the eligible infrastructure project categories include:

- Public drinking water supply, treatment facilities and water distribution;
- Storm water management;
- Development finance portions of infrastructure costs that support affordable/attainable housing. These may include DCC's or subdivision servicing charges payable or similar costs;
- Public safety/emergency management equipment and facilities not funded by senior level government;
- Local road improvements and upgrades;
- Sidewalks, curbing and lighting;
- Park additions/maintenance/upgrades including washrooms/meeting space and other amenities; and
- Recreation related amenities.

On 2023-MAR-24 the City received \$16,088,000 under the GCF. As a requirement of the funding the municipality must place the GCF grant in a separate dedicated reserve fund and provide annual reporting on how the funds have been spent. Interest earned on the GCF fund must be

tracked and allocated back to the fund and may only be used for eligible purposes related to the GCF program. The funds must be fully expended by 2028-MAR-31.

At the 2023-APR-03 Regular meeting of Council, the Growing Communities Reserve Fund Bylaw 2023 No. 7361 received first three readings with adoption on 2023-APR-17. Once the statutory reserve fund was created, the grant funds were allocated there.

To date, the funding allocations are as follows:

Date	Amount	Balance	Notes
<b>2023-MAR-31</b>	\$16,088,000	\$16,088,000	Funding Received
<b>2023-MAY-01</b>	\$ (3,000,000)	\$13,088,000	Allocation to Harewood Artificial Turf Field Project
<b>2023-JUL-24</b>	\$ (2,100,000)	\$10,988,000	Allocation to Midtown Water Supply Upgrade Project

At the 2023-OCT-18, the remaining balance available in the Growing Communities Fund Reserve Fund is \$10,988,000.

## **DISCUSSION**

Now that the GCF grant has been received and the funds have been allocated to the new Growing Community Fund Reserve Fund, Staff have compiled a list of potential allocations for consideration. The list consists mainly of Parks, Recreation and Culture and Engineering and Public Works projects with detailed descriptions of each project below.

### **Design Commercial Project**

**\$3,985,000**

Project	Current Budget	Proposed Budget	Additional Funding Required	Level of Confidence
<b>Design Commercial</b>				
<b>Phase 1</b>	\$ 1,834,259	\$ 3,639,022	\$ 1,804,763	Moderate – Design complete
<b>Phase 2</b>	\$ -	\$ 2,180,237	\$ 2,180,237	Moderate – Design complete

The concept plan endorsed by Council in 2021 sees improvements to Commercial Street integrated with other projects such as the redevelopment of 1 Commercial Street (former A&B Sound building), 6 Commercial Street (former Jean Burns property) and transit exchange improvements along the 500 block of Terminal Avenue.

Key features of the concept plan include:

- flush curb street
- widened sidewalks
- contrasting colours in the public realm
- improved lighting
- greenery, street trees and natural elements
- on-street flex zones
- redistribution of space and integration of plazas and parks into the street
- public art

The redevelopment of Commercial Street will be phased over a number of years with Phase 1 beginning in 2023. Phase 2 is currently budgeted in 2025/2026 however, a portion of it could be accelerated to be completed in conjunction with Phase 1. The budget for the 2025/2026 work is mainly funded from general taxation and therefore a new funding source would be needed to undertake the Phase 2 work in 2024. These 2 phases would refresh Commercial Street from Diana Krall Plaza to the Great National Land Building. The project is integrated into Councils Strategic Framework as a project that contributes to the redevelopment of the downtown.

This project connects with the five goals of the City Plan framework (A Green Nanaimo, A Connected Nanaimo, A Healthy Nanaimo, An Empowered Nanaimo and A Prosperous Nanaimo).

**Maffeo Sutton Park Washroom**

**\$ 3,000,000**

Project	Current Budget	Proposed Budget	Additional Funding Required	Level of Confidence
<b>Maffeo Sutton Park Washroom</b>				
Replacement	\$ -	\$ 3,000,000	\$3,000,000	Low – Design in progress

Council has identified upgrading the washrooms at Maffeo Sutton Park as an immediate priority action (0-4 years) in the corporate Integrated Action Plan.

Maffeo Sutton Park is Nanaimo’s premier waterfront park and is a destination for recreation, waterfront access and community gathering. It is Nanaimo’s busiest park, and hosts hundreds of special events each year. Public desires for improved and additional washroom facilities along the waterfront have come up through numerous public engagement processes. In 2008, when the Maffeo Sutton Park Spirit Square was designed and built, a new amenity building was always expected to meet evolving community needs for the park. Utility corridors were included in the Spirit Square construction for future park improvements.

The existing washroom building was originally constructed in 1988 and is a solid concrete structure. The fixtures and pipes are aging and wear because of high use. As well, the ventilation is poor and structure is not earthquake proof. The existing building is also too small for the current park usage and blocks the flow of the Spirit Square because it was expected to be removed in 2011.

Conceptual design work is budgeted in 2023 however, nothing is included in the 2024-2028 Draft Financial Plan for detailed design and construction. A range of \$2,000,000 to \$4,000,000 is estimated to complete the project and costing is dependant on what is included in the final design. In addition, Council has also identified improving the Lions Pavilion as a priority action. Through this design process, staff will also assess any potential synergies between the two projects.

**Land Purchase – South End Community Centre \$2,500,000**

Project	Current Budget	Proposed Budget	Additional Funding Required	Level of Confidence
<b>South End Community Centre</b>				
<b>Land Purchase</b>	\$ -	\$ 5,000,000	\$5,000,000	High

Council has identified the construction of the South End Community Centre as one of their key capital projects for the 2022-2026 term. A feasibility Study is currently underway with one of the primary objectives being to determine the most appropriate site for the Centre.

The South End Community Centre has the potential to meet demand and intergenerational needs in the community as well as a variety of community amenities and services such as:

- Health (primary care other levels of care such as physiotherapy)
- Childcare space (day and night potential)
- Cultural spaces for visual and performing arts
- Various recreational and sport spaces with two gyms proposed, as well as other active and multi use spaces
- Library services
- Central meeting space (community living room)
- And various intergeneration community use opportunities.

An appropriate site will need to be purchased to locate the centre on and currently no budget is allocated for the purchase of land for the site. The proposed funding for this purchase would be \$2.5 million from short-term borrowing and \$2.5 million from the GCF. Under Section 178 of the *Community Charter*, the City has the ability to obtain short-term borrowing for the purpose of a capital nature without electoral approval. A municipality can borrow up to a maximum of \$50 per capita and this equates to \$4,993,150 for the City of Nanaimo. This debt would count towards the City's Liability Servicing Limit and would be repaid over five (5) years with funding coming from taxation.

**Westwood Lake Park Amenity, Access and Beach Improvements – Phase 2    \$1,180,000**

Project	Current Budget	Proposed Budget	Additional Funding Required	Level of Confidence
<b>Westwood Lake Park Improvements – Phase 2</b>				
Amenity Building	\$ 1,701,691	\$ 1,901,691	\$ 200,000	Moderate
Beach Improvements	\$ 708,839	\$ 1,608,839	\$ 900,000	Moderate
Old Washroom Repurposed	\$ -	\$ 150,000	\$ 150,000	Moderate

Council has identified improving amenities at Westwood Lake Park as an immediate priority (0-4 years) in the corporate Integrated Action Plan. Westwood Lake Park is a highly used park with a diverse user base. Providing public access to waterfront areas and amenities that meet evolving community needs are clear goals of City Plan.

An engagement process and phased design concept to improve park access at Westwood Road, First beach and park amenities began in 2021. Phase 1 of the improvements was completed in 2022 and focused on the main parking lot, universal access, stormwater capture, and conflict reduction between users.

Detailed designs for Phase 2 are underway and include a new inclusive amenity building, expansion of beach area, shade options, and universal water access. No formal cost estimate has been delivered however the design team anticipates additional funding will be needed.

The anticipated additional budget needed is \$1,250,000. Funding from Parks DCC will be \$70,000 leaving \$1,180,000 to be funded from the Growing Communities Fund.

**Nanaimo Aquatics Centre Water Feature    \$ 1,852,700**

Project	Current Budget	Proposed Budget	Additional Funding Required	Level of Confidence
<b>Nanaimo Aquatics Centre Water Feature</b>				
Replacement	\$ 500,000	\$ 2,352,700	\$ 1,852,700	Moderate

The Nanaimo Aquatic Centre (NAC) is home to one of the largest wave pools in western Canada and is one of the Island’s busiest 50-metre Olympic-length swimming pools. It houses three water slides, a fun, interactive fishing boat water feature with a slide and a climbing net, a large hot tub, sauna & steam room, a lazy river, and a 1 & 3 metre diving board.

The interactive fishing boat water feature has been removed as it was at end of life and needed to be replaced. Council has identified this project as an immediate priority (0-4 years) in the Integrated Action Plan to support access for all. Design work has been completed for enhanced and inclusive water feature upgrades and an amount has been included in the budget for replacement. However, the current budget is insufficient to fund the replacement.

**Loudon Park Improvements (Activity Centre and Boathouse) \$3,000,000**

Project	Current Budget	Proposed Budget	Additional Funding Required	Level of Confidence
<b>Loudon Park Improvements</b>				
<b>All Improvements</b>	\$ 4,915,660	\$ 7,915,660	\$ 3,000,000	Moderate

Loudon Park and Walkway is a popular spot year round for swimming, various paddling sports, walking, and fishing. The park is the home base for the Nanaimo Canoe & Kayak Club as well as Nanaimo Rowing Club

The revitalization of Loudon Park project includes a new playground, re-naturalization and improved accessibility. In partnership with Rotary Club of Nanaimo North and Long Lake Flatwater Training Centre Society, a new paddling & rowing centre, including public washrooms, will be constructed to replace the current aging facility.

The new facility will accommodate the needs of many user groups and provide amenities to the public. Public engagement for this project is complete and the identified improvements meet evolving community needs. The additional funding identified is based on cost estimates for the current design layout. This project is also identified as an immediate priority (0-4 years) in the Integrated Action Plan for Nanaimo City Plan.

**E & N Trailway Lighting \$1,000,000**

Project	Current Budget	Proposed Budget	Additional Funding Required	Level of Confidence
<b>E &amp; N Trailway Lighting</b>				
<b>All Improvements</b>	\$ -	\$ 1,000,000	\$ 1,000,000	Low

Lighting of the E&N Trail between Bowen Road and Northfield would support increased active transportation for commuting. Particularly in the early morning and evening hours as this is a dark stretch of provincial highway. The project has previously been submitted for grant funding but has so far been unsuccessful.

**Other \$ 2,000,000**

Given the current economic climate the City is in, it may be advisable to leave some unallocated funds in the GCF Reserve Fund to help fund project cost overruns that may arise.

## **FINANCIAL CONSIDERATIONS**

Allocating the GCF funding to the recommended projects will allow them to proceed in a timely manner. Council may also choose to allocate the funds to any of the identified project brought forward by staff or bring forward other priorities/suggestions.

Once Council provides direction on how to allocate the GCF, the 2024-2028 Provisional Financial Plan will be updated to include the changes.

Other Funding Considerations:

The Community Works Fund (CWF) agreement ends on 2024-MAR-31 and no update has been provided to date on how or if the fund will continue. Staff consider it likely that the program will continue but it is not clear as to the funding levels or what the allowable expenditures will be. Once the funding is confirmed, staff will review the Project Plan to determine what project can be added back or accelerated. It is anticipated that these changes would be incorporated into the 2024-2028 Final Financial Plan. In 2022, the City received approximately \$4.0 M in funding through the CWF.

## **OPTIONS**

1. That the Finance and Audit Committee recommend that Council Growing Communities Fund monies to:

a. Design Commercial Project	\$3,985,000
b. Maffeo Sutton Park Washrooms	\$3,000,000
c. Land Purchase – South End Community Centre	\$2,500,000
d. Westwood Lake Park Improvements - Phase 2	\$1,180,000

- The advantages of this option: Funding will allow the identified projects to proceed.
- The disadvantages of this option: No funding will be available for other projects or initiatives that Council may wish to support.
- Financial Implications: Funding has been received and is accruing interest in the new Growing Communities Fund Reserve Fund. The 2024-2028 Provisional Financial Plan will be updated to include these changes.

2. That the Finance and Audit Committee provide alternative direction.

## **SUMMARY POINTS**

- On 2023-FEB-10, the Province announced the Growing Communities Fund (GCF) to support building stronger BC communities.
- On 2023-MAR-24, the City of Nanaimo received \$16,088,000 in funding from the GCF
- To date, a total of \$5,100,000 of funding has been allocated between the Harewood Artificial Turf Field and Midtown Water Supply Upgrade projects.
- The remaining balance of \$10,988,000 is available to be allocated to other projects and initiatives.

**ATTACHMENTS:**

Attachment A: Growing Communities Fund Questions and Answers for Municipalities

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