

DATE OF MEETING | FEBRUARY 19, 2025 |

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**SUBJECT ACTIVE TRANSPORTATION FUND – CAPITAL PROJECT STREAM
2025 GRANT APPLICATION**

OVERVIEW

Purpose of Report

To provide the Finance and Audit Committee with information on the Active Transportation Fund Capital Project Stream Grant and obtain a Council resolution supporting an application.

Recommendation

That the Finance and Audit Committee recommend that Council:

- a) Directs staff to apply to the Active Transportation Fund – Capital Projects Stream 2025 for funding for the Bowen Road Bike Lane Expansion project; and,
- b) With the project being contingent on a successful grant application, approve adding the Bowen Road Bike Lane Expansion project to the 2025 – 2029 Financial Plan at a total cost of \$1,900,000, funded by \$1,140,000 from the Active Transportation Fund – Capital Project Stream and \$760,000 from the Growing Communities Reserve Fund.

BACKGROUND

The Federal Active Transportation Fund (ATF) Capital Project Stream is designed to support the expansion and enhancement of infrastructure making travel by active transportation easier, safer, more convenient, and more enjoyable. The fund aims to increase the use of active transportation, improve public transit connections, and contribute to climate change mitigation by reducing road congestion and air pollution. Through supporting projects that will increase the total amount, usage, and quality of active transportation infrastructure throughout Canada, the ATF will support projects that encourage a modal shift away from cars and towards active transportation. The ATF Capital Project Stream is part of the Canada Public Transit Fund, which provides \$3 billion annually on an average beginning in 2026 - 27 to support the expansion and enhancement of active transportation infrastructure across Canada.

The fund supports capital projects that involve new construction, enhancement of existing infrastructure, and improvements to design and safety features encouraging active transportation. Eligible projects may include building or enhancing infrastructure such as multi-use paths, sidewalks, footbridges, separated bicycle lanes, and connections to other roadways and safety features which promote active transportation such as crosswalks, speed bumps, fences, and wayfinding signage. Enhancements to existing infrastructure, including quality improvements that

support greater usage, are also eligible. Additionally, projects that build or enhance design features and facilities promoting active transportation, such as storage facilities, lighting, greenery, shade, and benches, are eligible.

This program offers funding of up to 60% of eligible project costs and allows stacking up to 100% with other Canadian Government funds. The application deadline is 2025-Feb-26. A Council resolution authorizing the project and confirming that the City's funding share is required. The project needs to be completed prior to 2030-Mar-31.

DISCUSSION

Within the Integrated Action Plan (IAP), Council has identified a list of priority actions targeted for implementation within the next four years. Staff have reviewed the "Connected Nanaimo" priority IAP projects and found that the ATF eligible projects on that list either involve complicated planning logistics, are already complete, or are substantially underway. While not currently on Council's IAP priority list, staff are recommending the Bowen Road Bike Lane Expansion from Labieux Road to Rosstown Road (IAP No. C2.2.12) for the Capital Project Stream of the ATF, as the project appears to be a strong fit for this significant funding opportunity. If approved, this project would expedite construction of planned active transportation infrastructure and leverage Council's recent investments in Complete Streets within the Bowen Corridor area.

Bowen Road is an important arterial route in Nanaimo. It is a well-developed corridor including a diverse mix of commercial services, employment opportunities, frequent transit service, and higher-density residential areas. Bowen Road intersects with connections to other important service centres (notably, the Hospital Area) and active mobility routes (notably, the E&N Trail). Most of Bowen Road is identified as a Secondary Active Mobility Route in Schedule 3 of CityPlan, and the entire road is a future Bus Frequent Transit Line, per the Regional District of Nanaimo's Transit Redevelopment Strategy (See Attachment A). Based on these factors, there is a clear need for All Ages and Abilities cycling connections in this area.

In recent years, two segments of road on or near Bowen Road have been constructed to a "Complete Street" standard with high quality cycling facilities. These include the Bowen Road Complete Street project (Hwy 19A to Labieux Road), completed in 2020, and the Mid-Town Gateway Complete Street (Boxwood Connector) completed in January 2025. Completing cycling facilities along the segment of Bowen Road between Labieux Road and the new Boxwood Road connector would significantly improve connectivity for cyclists in this area.

The Bowen Road Bike Lane Expansion project preliminary design concepts include:

- Continuing the Complete Street standard by constructing raised and separated uni-directional cycle tracks on either side of Bowen Road; and
- Upgrading the existing mid-block crosswalk to be fully stop controlled, enhancing safety for pedestrians, cyclists, and transit riders.

FINANCIAL CONSIDERATIONS

The Bowen Road Bike Lane Expansion project is not currently part of the 2025 - 2029 Financial Plan. This expansion is estimated to cost \$1,900,000. A successful grant application would provide funding of up to \$1,140,000 with the remaining funding to be provided by the Growing Communities Reserve Fund. The Growing Communities Reserve Fund must be fully spent on

eligible projects by March 2028. Based on the Provisional Financial Plan the 2025 projected closing balance of the reserve after allocating funds to this project is \$31,008.]

OPTIONS

1. That the Finance and Audit Committee recommend that Council:
 - a) Directs staff to apply to the Active Transportation Fund – Capital Projects Stream 2025 for funding for the Bowen Road Bike Lane Expansion project; and
 - b) With the project being contingent on a successful grant application, approve adding the Bowen Road Bike Lane Expansion project to the 2025 – 2029 Financial Plan at a total cost of \$1,900,000, funded by \$1,140,000 from the Active Transportation Fund – Capital Project Stream and \$760,000 from the Growing Communities Reserve Fund.
 - If successful, this grant application would allow the City to expedite the Bowen Road Bike Lane Expansion project to coincide with the scheduled Bowen Road repaving in 2026, while taking advantage of a significant funding opportunity.
 - Financial Implications: The Bowen Road Bike Lane Expansion project is not currently in the 2025 - 2029 Financial Plan. A successful grant application would provide funding of up to \$1,140,000 with the remaining funding to be provided by the Growing Communities Reserve Fund. The 2025 – 2029 Financial Plan will be amended for final to include the project contingent on a successful grant application.
2. That the Finance and Audit Committee provide alternative direction for a project to be submitted as an application to the Active Transportation Fund – Capital Project Stream 2025.]

SUMMARY POINTS

- The Active Transportation Fund – Capital Project Stream 2025 provides up to 60% funding for eligible project costs.
- Staff has proposed the Bowen Road Bike Lane Expansion project as an eligible project for an application.
- The application deadline for this funding application deadline is 2025-Feb-26.

ATTACHMENTS:

Attachment A: Schedule 3 of City Plan (Active Mobility & Primary Transit Network)

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