

DATE OF MEETING FEBRUARY 19, 2025
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SUBJECT COMMERCIAL STREET PROJECT

OVERVIEW

Purpose of Report

To provide the Finance and Audit Committee with an update on the Design Commercial project and to seek endorsement on the project's timing.

Recommendation

That the Finance and Audit Committee recommend that Council endorse the Design Commercial phasing plan for consideration during the 2026 – 2030 Financial Plan deliberations.

BACKGROUND

In September 2021 Council directed Staff to develop a new vision for Commercial Street. After several stakeholder meetings and public engagement sessions, the conceptual design of this new vision was endorsed by Council in June of 2022.

This project is integrated into City Plan as Priority Action Number 57: "Design Commercial - Complete a conceptual design from Commercial/Wallace/Albert Streets and Victoria Crescent intersection to Front Street." This project, as well as other infrastructure projects in the downtown, is supported in the 2023 -2026 Council Strategic Framework. "Significant downtown capital investments to support continued redevelopment of the heart of the City."

As the main corridor through the historic downtown, Commercial Street represents a key location to bring people together in the community. The Design Commercial project connects with the five goals of the City Plan framework.

Through the early engagement sessions and stakeholder meetings, the following Vision Statement was created:

"Commercial Street is a green, connected, safe and equitable place that reflects the history of Nanaimo while attracting people, investment and vitality."

A set of nine design principles were also established for the street and the public spaces. Each principle plays a role in informing the approach, materials, treatments and overall look and feel of the area.

- Connected – Commercial Street must be well connected to the adjacent streets and public spaces in a mindful way.
- Convenient – Visiting downtown needs to remain convenient and inviting in order to remove any barriers that could dissuade people from visiting and spending time on the Commercial Street corridor.
- Comfortable – providing ample room for walking, traffic calming, and spaces for people to stay and play will enhance the comfort of Commercial Street.
- Engaging – Commercial Street needs to inspire people to come and spend time downtown.
- Accessible – There should be as few barriers as possible to come and enjoy Commercial Street. Wider sidewalks, continuous crossings and public spaces combined with places to sit, play or relax create a downtown for all ages and abilities.
- Legible – It is important that it remains clear to users how to behave in the space to ensure the enjoyment of everyone.
- Safe – It is imperative that users feel safe when moving along Commercial Street. Reduce or eliminate conflicts between road users, dark spaces and increase visibility.
- Equitable – Commercial Street must be a welcome space for all members of Nanaimo's community.
- Flexible – The corridor must be designed to be flexible to support a range of users and uses.

Construction began on the first phase of the Design Commercial project, running from Wharf Street to Church Street, on September 3, 2024. During investigative drilling conducted as part of the project, some areas of loose rubble and voids leftover from early coal mining operations were encountered. A program to drill down to the mine voids and pump grout was added to the project scope to remediate any concerns around future ground settlement in the area. The drilling and grouting has now been completed. The majority of the project work is expected to be completed by the end of May of 2025 with some low impact work continuing into June.

DISCUSSION

The current construction on Commercial Street began immediately after completion of the Terminal Avenue Improvements, which started in the summer of 2023. While every effort has been made to accommodate businesses, the area will have experienced nearly two years of continuous construction by the time it concludes in the spring of 2025. The business community has generally been supportive of the projects; however, construction fatigue is setting in and several business owners have requested a break from construction on Commercial Street.

Plans for a new downtown transit exchange by BC Transit and the Regional District of Nanaimo are scheduled to start in late 2025. Most of the on-street work for the transit exchange project was completed during the Terminal Avenue project and the majority of the work for the transit exchange will happen on the project's Terminal Avenue and Cavan Street sites with limited traffic impact. After the completion of the Downtown Transit Exchange, there is the opportunity to complete the upgrades to the Albert/Victoria/Wallace Commercial Streets intersection. Phase 2 of the Design Commercial project originally combined the front portion of Diana Krall Plaza along with Commercial Street adjacent to the Plaza and was originally scheduled for construction in 2025-2026. At the December 6, 2024 Finance & Audit Committee meeting, the

DKP/Commercial project was delayed to alleviate budgetary constraints, address construction fatigue felt by some downtown merchants and to allow for planning for parkade membrane replacement.

Replacement of the Harbour Front Parkade waterproof membrane under the front portion of the Plaza was included in this project. The remainder of the waterproof membrane in the back of the plaza is currently scheduled for replacement in 2030. However, a recent inspection report suggests that the waterproof membrane replacement should be completed within the next 3-5 years, which is a bit more urgent than previously thought. Currently, the roof slab of the Harbour Front Parkade below the membrane is in good shape, but there are signs of damage from the leaking membrane, and it will continue to deteriorate if the membrane is not replaced.

As part of the membrane replacement, the existing surface features at Diana Krall Plaza including furnishing, planters, pavers, and the Portland Loo will need to be removed and replaced. This work provides an opportunity to redesign and refresh Diana Krall Plaza.

Construction phasing for the Design Commercial project is being revisited at this time for various reasons including the recent report recommending that the waterproof membrane under Diana Krall Plaza be replaced in the next 3-5 years, timing of construction of the Transit Exchange (currently scheduled for construction in 2025-2026), and feedback from the business community downtown which includes, from some merchants, a desire for a break from construction fatigue.

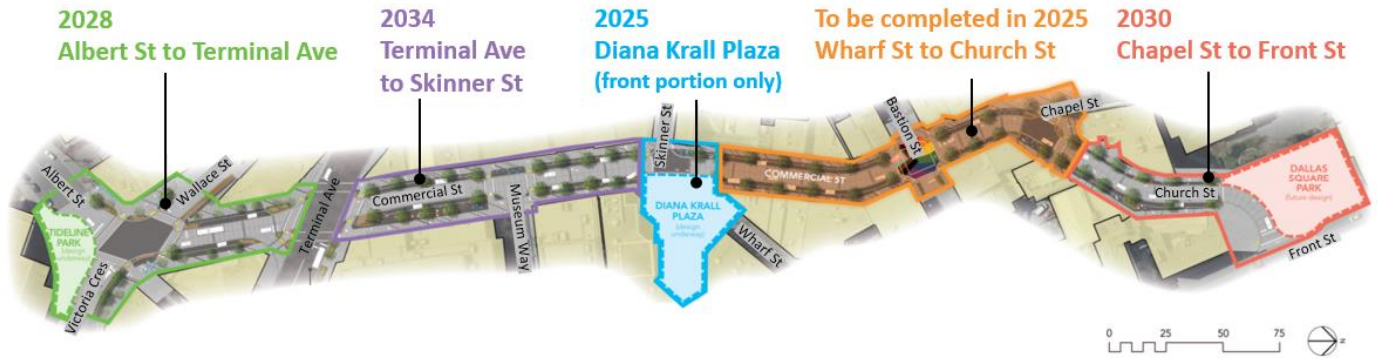
The following table shows original and recommended years for construction of the various project phases. Implementing the recommended phasing plan will be dependent on funding availability.

Phase	Year (Recommended)	Year (Original)	Estimate	Budget (Current)
Wharf St to Church St	Under Construction		\$5.72M (projected)	\$6.23M
Albert St. to Terminal Ave.	2026	2028	\$4.53M	\$2.73M
Harbour Front Parkade Membrane Replacement	2027/ 2028	2030	\$4.41	TBD
Diana Krall Plaza Improvements	2027/ 2028	N/A	\$1.05M	TBD
Design Commercial (DKP)	2027/ 2028	2025	\$2.31M	TBD
Terminal Ave. to Skinner St.	2030	2034	TBD	TBD
Chapel St. to Front St.	2031/ 2032	2030	TBD	TBD

With the proposed revised phasing, the planned work over the next 2 years includes:

- Phase 1 Construction Completion – Spring 2025
- Albert Street to Terminal Avenue design work – 2025/2026
- Confirm budgets and phasing – Fall 2025 (during budgeting process)
- Downtown Transit Exchange Construction (BC Transit and the RDN) – Late 2025 to 2026
- Diana Krall Plaza Stakeholder Consultation and Design – 2026
- Albert Street to Terminal Avenue Construction – Late 2026 to 2027

Project Phasing (original)



Recommended Phasing



OPTIONS

1. That the Finance and Audit Committee recommend that Council endorse the Design Commercial phasing plan for consideration during the 2026 – 2030 Financial Plan deliberations.
 - The advantages of this option:
 - i. The increased scope of work at Diana Krall Plaza will help to protect the integrity of the Harbour Front Parkade structure ensuring the longevity of this strategic downtown parking facility.
 - ii. The revised phasing timing better reflects alignment with construction of the Downtown Transit Exchange, and feedback from the downtown business community.
 - The disadvantages of this option: Accelerating some phases of the project will require additional funding.
 - Financial Implications: Funding for the various phases of the project will need to be included in the 2026 - 2035 Draft Project Plan for Council's consideration during the 2026-2030 Financial Plan deliberations.

2. That the Finance and Audit Committee recommend that Council move forward with the existing phasing.

- The advantages of this option: Maintaining the existing phasing timing will lessen the need for additional funding.
- The disadvantages of this option:
 - i. The existing phasing plan is not ideally suited to achieve project success.
 - ii. The existing phasing plan delays protecting the integrity of the Harbour Front Parkade structure.
- Financial Implications: Additional funding is required to match existing phasing estimates.

3. That the Finance and Committee provide alternate direction.

SUMMARY POINTS

- Design Commercial Phase 1 between Wharf and Church Streets is scheduled to be substantially completed by the end of May 2025.
- The waterproof membrane over the Harbour Front Parkade is leaking and should be replaced within the next 3-5 years.
- Several downtown businesses have expressed a desire to have a break from construction.
- A revised phasing plan will enable the work to continue at a measured, affordable pace.

ATTACHMENTS:

ATTACHMENT A - Design Commercial PowerPoint Presentation |

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