

DATE OF MEETING MARCH 19, 2025

AUTHORED BY DARCIE OSBORNE, DIRECTOR OF PARKS, RECREATION AND CULTURE
MIKE BRYSON, DEPUTY DIRECTOR CIVIC FACILITIES

SUBJECT LOUDON PARK IMPROVEMENTS

OVERVIEW

Purpose of Report

To provide Council with funding options to advance the proposed improvements to Loudon Park.

Recommendation:

That the Finance and Audit Committee recommend that Council direct staff to increase the budget by \$6,169,373 funded by \$4,000,000 from the Special Initiatives Reserve and \$2,169,373 from the Strategic Infrastructure Reserve Fund to proceed with the current design for the Loudon Park improvements.

BACKGROUND

Loudon Park is a very popular and active lakefront area throughout the year, particularly during the summer months when it is an active swimming area. It is also home to both the Nanaimo Rowing Club and the Nanaimo Canoe and Kayak Club. Both organizations have been active at this location for over 20 years and provide a variety of youth and adult rowing and paddling services, lessons and programs.

The desire for improvements and new facilities at Loudon Park (the “Park”) has been identified for many years, with the primary need being improved parking, new barrier free public washrooms to replace the 1960s washroom, new playground, covered boat storage, accessible fishing pier, improved swim area and updated trails and access. There have been a number of planning and design processes since 2010 on moving forward with improvements to the Park. Phase 1 improvements to the Park were completed in May of 2012.

In 2019, Council approved an Activity Centre that would house all the required building improvements into one building, this has been in the detailed design phase since 2019, facing challenges primarily related to cost and available budget.

Existing Approved Building

The current design was completed to detailed design and contract documents in 2023, however the project did not advance to the market due to projected costs exceeding budget.

The overall projected costs at that time was estimated at approximately \$7,927,000. Within the scope of the project, staff also identified options to reduce scope and modify the design which could potentially reduce the estimated cost by \$500,000 to \$1.2M.

A building permit was received in 2023; however, with projected costs exceeding available funds, a decision was made not to go to market, and to further review possible scope reductions for the project before proceeding to the tender and construction phase. The building permit has since expired.

DISCUSSION

As noted above, over the past year, Staff have worked on ways to reduce the existing approved project and also explored (by working with user groups) an alternative option. Both options are reviewed in further detail with regards to scope, cost and budget, schedule, and other factors.

Current Design

The design highlights prominent architectural features such as mass timber, a curved roof, and glazing throughout.

The design involves removal of the existing washroom and club storage building, construction of the building, site development and playground. The building is centrally located on the property with the playground located on the south side of the building. The design has a gross floor area of 983m². It is estimated that approximately 29 trees will need to be removed to accommodate the design.

Financial Considerations

The cost for the design is estimated at \$10,832,000 (See Table 1 for detailed breakdown). Changes to the design cost estimate since the December 2022 Class B estimate include slight changes required as a result of changes in building code, primarily around accessibility.

Concerning the design phase, the building code has been revised since the design was originally completed; it is anticipated that it will take a few months to refresh the design and make adjustments to account for changes to the building code.

Funding Options

An additional \$6,169,373 in funding is required to proceed with the design. On today's agenda, the 2024 Surplus Allocation report recommends putting \$4,000,000 into the Special Initiatives Reserve for Council priority initiatives. If Council approves that recommendation, then \$4,000,000 in the Special Initiatives Reserve could be used to fund this project. The remaining \$2,169,373 could be funded from Council's Strategic Infrastructure Reserve (SIR) Fund. The revised 2025 projected closing balance of the SIR would be \$1,511,990 with a minimum balance requirement of \$351,780.

If Council chose to use the entire \$4,000,000 to fund this project, there will be less funding available for other priority projects. Projects such as the Public Works Yard Upgrades, RCMP Detachment and South End Community Centre will all be looking for funding in the near future,

as well adjusting the timeline of the Commercial Street Improvements will require additional funding.

Alternate Design

The alternate design is currently at a schematic design level and features two separate buildings. The first building, is primarily a pre-engineered steel warehouse style building with insulated metal panels for the boat storage, and has a light timber framed component for the club space. The second building is a light timber frame barrier free public washroom building built in the location of the existing public washrooms.

This alternative design has approximately 40% less area at 599m² than the current design as it only addresses the basic needs. It is estimated that approximately 15 trees will need to be removed to accommodate this design.

Financial Considerations

The cost for this alternative design is estimated at \$6,539,000 (See Table 1 for detailed breakdown). This design was estimated at a Class C level due to the current preliminary concept level of design, and thus has higher percentage of contingency carried. Costs for design and contract administration are greater for this as the design has yet to be developed. In this design with the location of the boat storage, the existing rowing dock and the accessible fishing pier do not require relocation, which is a reduction to overall costs.

Since the alternative design is still at a preliminary stage of design, it will need to go through the detailed design process, which is likely to add an additional time to the project schedule. However, this design is projected to have slightly less time on site since a component of this building is a pre-engineered structure.

Funding Options

An additional \$1,876,373 in funding is required to proceed with this alternative design. Again, if Council approves the recommended 2024 Surplus Allocation the funding needed could be allocated from the \$4,000,000 in the Special Initiatives Reserve. This would leave \$2,123,627 of this funding available for other Council priority projects or initiatives.

FINANCIAL SUMMARY

Total actuals and commitments on the project to date are \$491,130. The 2025 provisional budget for this project currently has \$4,662,627 uncommitted on a total 2025 budget of \$4,776,602. An updated construction cost estimate was completed in October 2024 for both the Current Design as well as the Alternate Design, see below.

Schedules for both options were developed and have been used to estimate escalation and other time dependent costs, such as project management.

Table 1 - Forecasted Cost Comparison

Description	Current Design Forecasted Cost	Alternative Design Forecasted Cost
Planning, Design, and Contract Admin Fees	\$ 565,000	\$ 703,000
Construction - General Contractor	7,973,000	4,315,000
Construction – Other Owner Costs	65,000	65,000
Other (Permits, DCCs, 3 rd . Party Utilities)	164,000	98,000
Float / Dock Relocate and Signage	280,000	-
Contingency (Option A 10%, Option B 15%)	960,000	818,000
Allowance for Escalation on Construction Costs	825,000	540,000
Total	10,832,000	6,539,000
Available Budget	4,662,627	4,662,627
Additional Funds Required	\$ 6,169,373	\$ 1,876,373

The projected cost to complete the project for either option exceeds the available uncommitted funds.

OPTIONS

Option 1:

That the Finance and Audit Committee recommend that Council direct staff to increase the budget by \$6,169,373 funded by \$4,000,000 from the Special Initiatives Reserve and \$2,169,373 from the Strategic Infrastructure Reserve Fund to proceed with the current design for the Loudon Park improvements.

- The advantages to this option are: Meets the identified improvements needed to the Park facilities.
- The disadvantages to this option are: Fully allocates the \$4 million allocated from 2024 surplus for a Council priority project or initiative and requires funding from Council's Strategic Infrastructure Reserve Fund.
- Financial implications: The 2025-2029 Financial Plan will be amended for final to reflect the changes.

Option 2:

That the Finance and Audit Committee recommend that Council direct staff to increase the budget by \$1,876,373 funded from the Special Initiatives Reserve to proceed with the alternate design for the Loudon Park improvements.

- The advantages to this option are: Leaves \$2,123,627 available for Council to allocate to another priority project or initiative.
- The disadvantages to this option are: Is approximately 40% less area at 599m² and only addresses the basic needs.
- Financial implications: The 2025-2029 Financial Plan will be amended for Final to reflect the changes.

Option 3:

That the Finance and Audit Committee provide alternate direction.

SUMMARY POINTS

- Loudon Park is a very popular and active lakefront area throughout the year, particularly during the summer months and is home to both the Nanaimo Rowing Club and the Nanaimo Canoe and Kayak Club.
- This project has been in the detailed design phase since 2019, facing challenges primarily related to cost and budget.
- Current Design (mass timber design, one single building) was approved and a building permit received but did not proceed as project exceeded funds available.
- The Alternative Design has approximately 40% less area at 599m² and only addresses the basic needs (pre-engineered warehouse type building with stick built portion for club space, and a separate stick built washroom building)
- Additional funding is required to move the project forward.

Submitted by:

Mike Bryson, Deputy Director Civic Facilities

Darcie Osborne
Director, Parks, Recreation & Culture

Concurrence by:

Wendy Fulla,
Director, Finance

Laura Mercer
General Manager, Corporate Services

Dale Lindsay
CAO