

Staff Report for Decision

DATE OF MEETING JULY 16, 2025

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SUBJECT **FENCING AND PARKING LOT IMPROVEMENTS – CITY HALL AND SARC**

OVERVIEW

Purpose of Report

To seek Council approval and funding for fencing and site security improvements at the Service and Resource Centre building and City Hall.

Recommendation

That the Finance and Audit Committee recommend that Council direct Staff to proceed with the installation of perimeter fencing and associated site improvements at the City Hall and Service and Resource Centre (SARC) properties as outlined in the report titled “Fencing and Parking Lot Improvements – City Hall and SARC”, dated 2025-JUL-16, and allocate an additional \$300,000 to the project, funded from the General Capital Reserve for a total budget of \$412,000.

PURPOSE

To seek Council approval for fencing, grading, and sidewalk modifications around City Hall and the SARC buildings to improve site security, deter illicit activities, and protect City staff and infrastructure from ongoing impacts associated with congregations, motor vehicle incidents, violence and disorder.

BACKGROUND

Within the City of Nanaimo there is one sanctioned and authorized overdose prevention site (OPS), currently located at 250 Albert Street, adjacent to City Hall. The site is funded by Island Health and operated by the Canadian Mental Health Association (CMHA). It provides supervised consumption services for individuals at risk of drug poisoning and overdose, along with referrals to health and social supports. The site operates daily from 11:00 a.m. to 9:00 p.m.

Prior to its relocation in December 2022, the OPS was situated at 437 Wesley Street, directly behind the City's Service and Resource Centre (SARC). During its time at this location, the area experienced significant challenges related to public disorder, including entrenched homelessness, open-air drug use, and street-level trafficking. These issues escalated over time and culminated in the establishment of a large homeless encampment along Wesley Street, which was extensively damaged by a major fire and subsequently closed in December 2020.

Despite the relocation of the OPS, disorder, drug activity, and street-level homelessness continue to affect the area, particularly in and around the SARC staff parking lot, which lies

between the former and current OPS sites. This area continues to be a frequent location for congregations, loitering, violence and property-related concerns, including damage to and theft from staff vehicles, fires, litter, vandalism, and safety risks for staff accessing the facility.

The overdose prevention site serves a highly vulnerable and marginalized population. Clients who access the site are often individuals experiencing multiple and complex challenges, including substance use disorder, homelessness or unstable housing, untreated trauma, and co-occurring mental and physical health conditions. Many live in extreme poverty and face significant barriers to accessing traditional healthcare and support services.

The City continues to monitor the area in coordination with local partners and provides ongoing enforcement, maintenance, and harm reduction supports to manage the complex and evolving impacts of the OPS and broader community challenges.

Since this relocation, the City has experienced a significant increase in disorder around City Hall and SARC. Disorderly behaviour is common both during and outside the facility's hours of operation. When closed, individuals frequently congregate in the parking lots, gardens, and shaded areas around City Hall and SARC, leading to considerable safety and operational challenges.

ISSUES AND OBSERVATIONS

The following issues have been consistently observed and documented:

- Congregations of 20 - 30+ individuals during early morning and evening hours
- Drug trafficking and substance use, including open-air use during daytime hours
- Vandalism and property damage to HVAC systems, fencing, and landscaping
- Frequent hit-and-run incidents and vehicular damage to staff vehicles
- Fire hazards, including unauthorized fires set near doorways and building perimeters
- Graffiti, litter, human waste, and general deterioration of site conditions
- Intimidation and harassment experienced by staff, particularly those arriving early or working late
- Pop-up OPS tents erected overnight by advocacy groups in parking lots and landscaped areas
- Police arrests for possession of weapons and drug trafficking on or near the site

The OPS site at 250 Albert Street is currently under renovation and is anticipated to expand in size and scope of services soon.

PROPOSED SITE MODIFICATIONS

To enhance safety and reduce impacts to staff and City infrastructure, the following improvements are proposed:

1. Installation of robust decorative wrought iron fencing:
 - Around the SARC parking lot (south side), fully enclosing it and eliminating vehicle/pedestrian access from Wesley Street

- Around the City Hall south parking lot, restricting access from Dunsmuir Street with a secured vehicle gate and converting the lot to staff-only use. (Patron parking shifting to the north parking lot)
- 2. Access control:
 - Two vehicle gates on Dunsmuir Street at SARC will remain open during business hours and locked after hours
 - (Staff) vehicle access to the City Hall south lot will be redirected exclusively to Mark Bate Lane. Bollards at the Wallace Street entrance restricting vehicle access after hours
- 3. Sidewalk and grading adjustments:
 - Modifications to improve perimeter security and pedestrian movement. Grading to improve vehicle movement including two new accessible parking spaces in the SARC parking lot and a ramp with a controlled access pedestrian gate to get into the upper parking lot. A reorganization of the parking lot to allow for the implementation of the gates requires a retaining wall, regrading and repaving a portion. The repaving is needed regardless from an asset management perspective.

As part of the work on the City Hall side, a new segment of sidewalk will be installed to infill the gap that currently exists at the entrance off Dunsmuir Street. This will provide a safer and more consistent experience for pedestrians walking adjacent to City Hall.

VARIANCE REQUIREMENT

Zoning restricts fence heights in the front yard setback to a maximum of 1.2 metres. This proposal seeks a variance to allow a maximum height of 1.83 metres, representing a variance of 0.63 metres. The proposed decorative fencing is robust and consistent with existing fencing in the vicinity and complements the character of the Downtown area. A development variance permit application will be submitted for Council consideration if funding for this project is approved.

FINANCIAL IMPLICATIONS

The recommended budget for the fencing and associated site improvements is \$412,000, inclusive of contingency. Should Council approve this project, funding will be allocated from the General Capital Reserve.

OPTIONS

1. That the Finance and Audit Committee recommend that Council direct Staff to proceed with the installation of perimeter fencing and associated site improvements at the City Hall and Service and Resource Centre (SARC) properties as outlined in the report titled “Fencing and Parking Lot Improvements – City Hall and SARC”, dated 2025-JUL-16, and allocate an additional \$300,000 to the project, funded from the General Capital Reserve for a total budget of \$412,000.
 - The advantages of this option: The installation of perimeter fencing around City Hall will enhance overall site security by improving safety for staff and visitors, deterring unauthorized access and after-hours congregations, and reducing instances of trespassing, vandalism, and property damage. The fencing will help protect municipal assets, including staff vehicles and building infrastructure, and support the safe and reliable operation of civic facilities. In addition, controlled access points will allow for more efficient management of vehicle parking and traffic flow, ensuring designated areas are used appropriately and reducing operational disruptions.
 - The disadvantages of this option: Installing fencing around a civic facility may be perceived by some members of the public as a symbol of exclusion, especially in the context of visible homelessness and public disorder in surrounding areas. The estimated cost is a significant capital investment requiring ongoing maintenance.
 - Financial Implications: The General Capital Reserve has sufficient funding available, the revised closing balance of the revise after the funding allocation is \$4,852,965.
 - While this is a significant capital investment, it is anticipated to reduce ongoing costs related to vandalism, property damage, staff vehicle claims, and emergency repairs, as well as support operational efficiency through improved control of site access and vehicle traffic.
 - Future operating costs related to gate maintenance, locking mechanisms, and periodic repairs are expected to be modest and can be absorbed within existing facilities or public works operating budgets.
 - The 2025-2029 Financial Plan will be amended later to reflect the increase to the project budget.
2. That the Finance and Audit Committee provide no recommendation for action or provide alternative direction.

SUMMARY POINTS

- The City continues to experience persistent safety and disorder issues around City Hall and the Service and Resource Centre (SARC), including drug activity, vandalism, property damage, and unauthorized congregations.
- The proposed perimeter fencing and site modifications aim to improve staff safety, protect City property and infrastructure, and reduce after-hours trespassing and illicit activity.
- Fencing will enclose the south parking lots of City Hall and SARC, with secure, controlled vehicle access points to be closed after business hours.
- The SARC fence will eliminate pedestrian and vehicle access from Wesley Street, a known corridor for drug trafficking and congregation.
- The south parking lot of City Hall will be converted to staff-only use, with all public parking relocated to the north lot to improve control and security.
- The proposed fencing will be decorative wrought iron, designed to complement existing infrastructure in the vicinity.
- A variance will be required to increase the maximum fence height within the front yard setback from 1.2 metres to 1.83 metres (a 0.63 metre variance).
- The required project budget is \$412,000 inclusive of contingency.

ATTACHMENTS:

1. Attachment A: City of Nanaimo-staff parking lot - Final |

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