


“Nanaimo Builds for the Future” Plan Update

July 16, 2025

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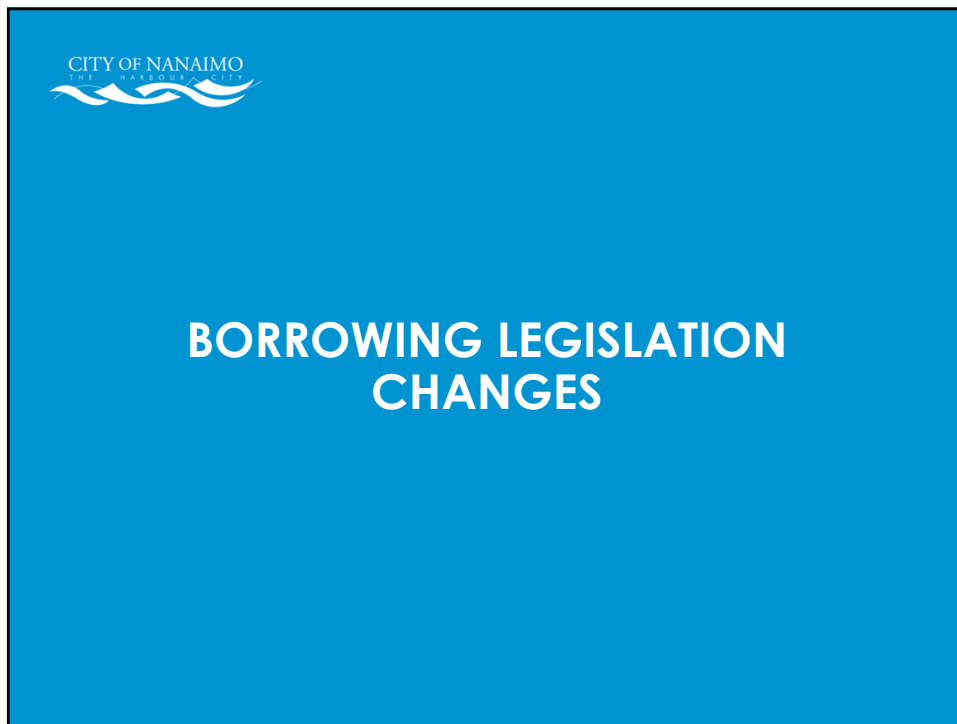


Purpose

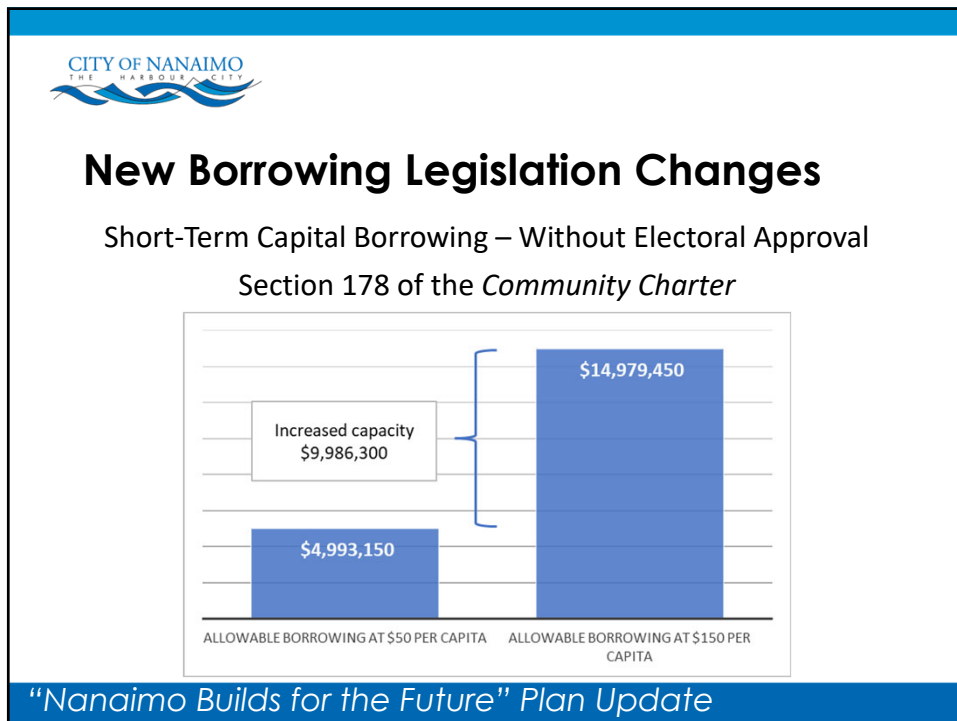
- To provide Council with an update on the potential large capital projects that could be funded by long-term borrowing
- To provide an update on changes to borrowing legislation
- To seek direction on Next Steps

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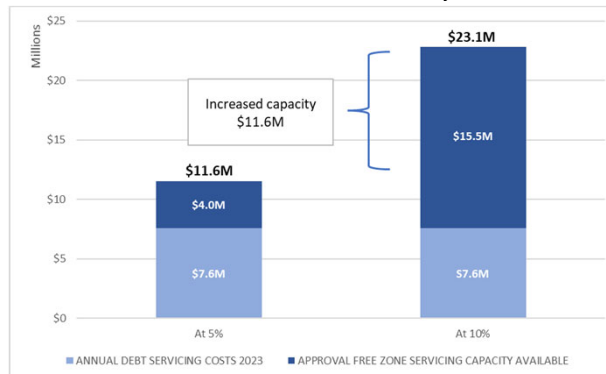


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New Borrowing Legislation Changes

Changes to Approval-Free Liability Zone
Section 179 of the *Community Charter*



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What Do the Changes to Section 179 Mean?

- Until the City's total debt-servicing costs reach \$23.11¹ annually, the City does not require electoral approval under section 179 of the Community Charter to borrow.
- This equates to approx. \$185 million in borrowing room available without electoral approval.
- If the City chooses to seek electoral approval it reduces the available borrowing capacity without electoral approval available.
- Total debt-servicing costs of all borrowings, including equipment financing and guarantees, determine the City's approval free zone servicing capacity available.

¹ Based on 2023 sustainable and controllable revenues

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Debt Servicing Limit

The Liability Servicing Limit is defined as 25% of municipality's controllable and sustainable revenues for the year.

2023 Sustainable and Controllable Revenues	\$ 231.10 million
Liability Servicing Limit - 25%	\$ 57.8 million (a)
Annual Debit Servicing Cost for 2023 ¹	\$ 7.6 million (b)
Debt Servicing Cost % of Limit at December 31, 2023	13.1% (b)/(a)

¹Includes principal and interest on external debt, interest on internal borrowing, estimated cost of unissued debt, guarantee of line of credit for Port Theatre.

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PRIORITY PROJECTS

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PRIORITY PROJECTS – TIER 1

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Public Works Yard Update

- Current facilities are unable to service the needs of the community
- The "Highest Needs in Single Phase" option was selected with an estimated cost of \$90 million for the two primary buildings:
 - Fleet maintenance building
 - Public Works administration building
- Integrated Project Delivery (IPD) approach of delivering the detailed design and construction of the project has been undertaken
- In 2026, update Council on progress which will include:
 - Project scope
 - Detailed design
 - Contractor-supplied pricing

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Public Works Administration Building



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Fleet Maintenance Building



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RCMP Detachment Expansion

- Current facility is too small and does not support operations
- A permanent solution was developed for a new detachment adjacent to the existing facility, estimated to be in the range of \$270 million
- The high cost triggered Council direction to go back and re-examine other options to fulfill the City's contractual obligations
- Council authorized \$3.3 million to proceed with interim renovations, \$2 million for detailed design of the new facility (Phase 1)
- Integrated Project Delivery (IPD) approach will produce a well-vetted design, rigorously value-engineered
- In early 2027, update Council on progress which will include:
 - Confirmed design
 - Costing

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RCMP Detachment Expansion



City of Kamloops



City of Nanaimo

Element to Consider	Council Accepted Option	Renovate 303 Prideaux & Expand	New Build at 303 Prideaux
Current Lot Size	0.71 Ha 1.75 Ac	0.70 Ha 1.73 Ac	
Current Building Size	3,995 sq. m 43,000 sq. ft.	3,900 sq. m at 303 Prideaux Street 42,000 sq. ft.	
Current Building Age	35 Years 1990 Construction	39 Years 1986 Construction	
Projected Building Size	11,215 sq. m 120,700 sq. ft.	11,185 sq. m 120,372 sq. ft.	
Projected Building Cost	\$150M Validated Inc. Contingencies	\$310M Apx. Inc. Contingencies	\$285M Apx. Inc. Contingencies
Post Disaster Bld.	Yes, Included	No, \$9M Additional Cost	No, \$13.8M Additional Cost
Geothermal Heating	Yes, Included	No, \$8.2M Additional Cost	
Parking	Meets RCMP Reqs. • Parkade Included • Street Parking Improvements Included	Below RCMP Reqs. • 29 Space Gap at Completion • 166 Space Gap in 2046 • No Parkade Included • No Street Parking Improvements Included	Below RCMP Reqs. • 14 Space Gap at Completion • 151 Space Gap in 2046 • No Parkade Included • No Street Parking Improvements Included
Current Status	Preparing Borrowing Bylaw for AAP	Conceptual Design, Requires Significant Further Refinement and Investigation	
Cost to Date	\$4.75M to Validate Three Options	\$355k to Complete Space Needs Assessments, Building Assessments, and Four Conceptual Designs	

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RCMP Detachment Expansion



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South End Community Centre

- Feasibility Study has been completed
- A steering committee has been working on concept plans and to identify partnership opportunities
- July 2025, future site location in Chase River announced
- Capital cost of a facility of this nature could be in the range of \$140 - 195 million without a concept to base the cost estimate on (includes substantial contingency)
- Operational cost will vary depending on details of partnership agreements between stakeholders
- \$2 million needed to develop a Capital Development Plan to confirm design and costings and return to Council with an update in early 2027

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South End Community Centre Location Plan



- 150 Eleventh Street
- 104 Twelfth Street
- 98 Twelfth Street

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South End Community Centre What It Could Feature...

- | | |
|-------------------------------------|---|
| • Community "living room" | • Children's area |
| • Indoor walking track | • Multi-purpose rooms |
| • Fitness room | • Change rooms |
| • Performing arts and culture space | • Kitchen |
| • Functional art | • Café |
| • Double gymnasium | • Indoor play area |
| • Spectator zone | • Operational spaces such as libraries or health care |

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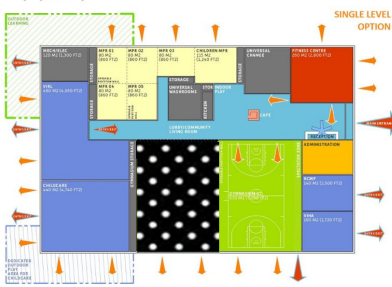
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South End Community Centre

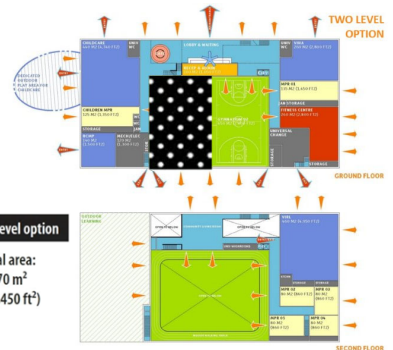
What It Could Look Like...

single level option
Total area:
5,000m²
(53,820 ft²)



SINGLE LEVEL OPTION

two level option
Total area:
6,170 m²
(66,450 ft²)



TWO LEVEL OPTION
GROUND FLOOR
SECOND FLOOR

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PRIORITY PROJECTS – TIER 2

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Waterfront Walkway – Departure Bay

- Identified in three Council Strategic Plans
- In 2019, detailed plan for the walkway using a green shores approach
- Preliminary construction costs were determined to be in the range of \$30 - \$38 million in 2022 for the Departure Bay section
- The project cost in 2025 is anticipated to be closer to \$40 million
- Public support is high based on past public engagement
- In 2027, Staff will bring back to Council for consideration once costing on other priority projects are completed

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Waterfront Walkway – Departure Bay



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Beban Park Master Plan Implementation

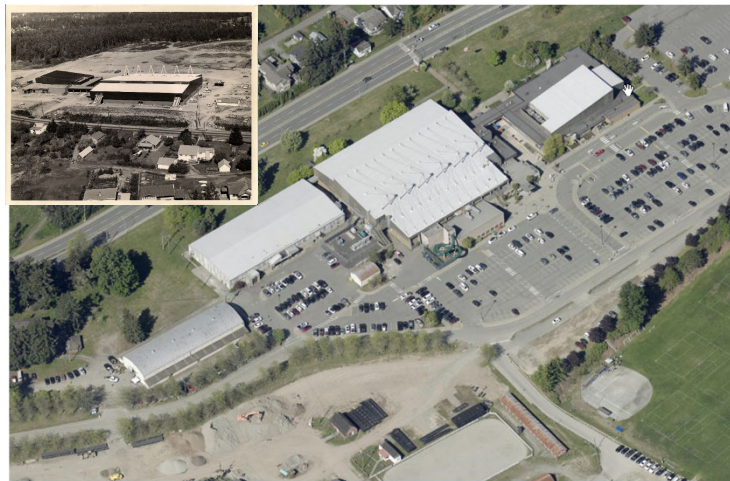
- Beban Park is a high-capacity regional facility catering to a wide variety of users
- Master Plan includes a number of recommendations for potential facility updates, improvements, and potential new facilities on site
- In 2025, a review of potential new infrastructure at Beban Park was undertaken and possible new infrastructure includes:
 - Multi-Purpose Indoor Facility
 - Athletics and Sport Training Centre
 - Indoor Activity Pavilion
 - Renovated Agriplex Barn
 - Accessibility Improvement projects at Beban Pool
- In 2027, Staff will bring back to Council for consideration once costing on other priority projects are completed

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Beban Park Master Plan Implementation



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Beban Park Master Plan Implementation



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Other Future Needs to Consider

- The City’s asset management funding gap is growing, in particular with facilities
- Other Capital-intensive investments to consider:
 - Vancouver Island Conference Centre – major components – asset renewal
 - Beban Park Complex Facility – major components – asset renewal
 - Future Emergency Services – new fire station
 - Stadium District Completion – washrooms, change rooms, parking, artificial turf
 - Parks and trails
 - Water Supply Dams – significant future borrowing impact
 - Other Cultural and Recreational Venues
 - Other Facilities – 100+ buildings requiring sustainment and renewal

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NEXT STEPS

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Recommended Next Steps

- Update the 'Debt Management Policy' to allow for borrowing without electoral approval when the City is within the allowable accent free borrowing limit.
- Recognize the current priority projects for long-term borrowing as the Public Works Yard, the RCMP Detachment Expansion, and the South End Community Centre.
- Complete the Integrated Project Delivery work currently underway for the Public Works Yard project and return to Council in early 2026 with confirmed project scope, detailed design, and costing.
- RCMP Detachment Expansion project to proceed with Integrated Project Delivery and return in 2027 with confirmed design and cost.

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Recommended Next Steps

- Allocate \$2 million to advancing the Capital Development Plan of a South End Community Centre and present the design and costing in early 2027:
 - \$675,000 Growing Communities Fund; and,
 - \$1.325M from Special Initiatives Reserve.
- Waterfront Walkway extension and the Beban Park Improvements be deferred until the detailed design and costing of the other priority projects are completed in early 2027.

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Project Summary and Potential Borrowing Timeline

Projects	Potential Range \$M	Level of Confidence in Cost	Potential Borrowing Timeline									
			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Priority Projects - Tier 1												
Public Works Yard Updates	\$90.0M	Moderate										
RCMP Detachment Expansion	\$150M - \$270M	Low										
South End Community Centre	\$140.0M - \$195.5M	Low										
Priority Projects -Tier 2												
Waterfront Walkway - Departure Bay	\$40.0M	Moderate										
Beban Park Master Plan Implementation	\$125.0M - \$207.5M	Low										
Emerging Projects												
Future Fire Station	\$30.0M	Low										
South Fork Dam Upgrades*	\$65.0M	Low										

* Note: The borrowing timeline for the South Fork Dam Upgrades is estimated over 2035 - 2037

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Committee Discussion

Opportunity for the Committee to provide feedback and direction on the recommended Next Steps for these projects.



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