

REQUEST FOR DECISION REPORT

TO: Finance Committee

FROM: Patrick Devereaux, Manager of Operational Services

IN COLLABORATION WITH:

SUBJECT: Investing in Canada Infrastructure Program - COVID-19 Resilience Infrastructure Stream Funding Application for the Lund Community Centre Upgrade Project

ACTION/RECOMMENDATION

THAT the Committee recommend that the Board direct staff to submit an application for grant funding for the Lund Community Centre Upgrade Project through the Investing in Canada Infrastructure Program - Lund Community Centre Upgrade Project; and

THAT the Committee recommend the Board reaffirm support for the project and commit to its \$1.6 million share of the project cost, and that it commit to any associated ineligible costs and cost overruns; and

THAT the Committee recommend the Board direct staff to proceed with plans to upgrade the Lund Community Centre if the grant funding is successful.

PURPOSE/SUMMARY

To authorize applying for grant funding from the COVID-19 Resilience Infrastructure stream of the Investing in Canada Infrastructure Program (ICIP).

BACKGROUND

This project was described in detail in the Request for Decision Report presented to the Board on August 13, 2020 (attached). At that time the Board directed staff to apply for funding under the Community, Culture and Recreation stream of the ICIP, and to prepare a loan authorization bylaw for part of the qRD's funding commitment to this project.

Lund Community Centre Loan Authorization Bylaw No. 564, 2020, which authorizes the qRD to borrow up to \$1.1 million, received first to third reading on September 30, 2020

and received the approval of the Inspector of Municipalities on November 13, 2020. It will be presented in due course to the electors of Area A in an alternate approval process.

A new funding stream, the COVID-19 Resilience Infrastructure Stream, has been announced, with a January 27, 2021 application deadline. Staff seeks approval to apply for funding under this stream.

STRATEGIC PLAN:

Climate Change - Factor climate change impacts into our decision making

Economic Enhancement - Conserve all economic enabling assets and services

Parks, Recreation and Culture - Champion community and cultural events

Social Planning - Participate and advocate for interests in social, cultural, economic and environmental affairs

Social Planning - Connect the at-risk, vulnerable and underprivileged to resources that they need

Governance/Management Excellence - Effectively plan for and manage existing and new assets

Governance/Management Excellence - Make decisions with consideration to risk, costs, health and safety, and long-term sustainability

TYPE OF DECISION

Directive Decision

DISCUSSION/ANALYSIS

Please refer to the attached Request for Decision report from the August 13, 2020 Committee of the Whole meeting. Submitting another grant application in a different funding stream increases the opportunity for this project to be approved.

CONCLUSION

Staff seeks direction to prepare an ICIP - COVID-19 Resilience Infrastructure Stream Funding Application for the Lund Community Centre Project.

ATTACHMENTS

[August COTW Report Application Approval](#)

Approved By:

Patrick Devereaux, Manager of Operational Services
Al Radke, Chief Administrative Officer

Status:

Approved - 30 Dec 2020
Approved - 07 Jan 2021



Report Date: August 4, 2020

Author: Patrick Devereaux

Meeting Date: August 13, 2020

REQUEST FOR DECISION REPORT

TO: Committee of the Whole

FROM: Patrick Devereaux, Manager of Operational Services

**IN COLLABORATION WITH: Linda Greenan, Manager of Financial Services,
and Mike Wall, Manager of Asset Management and Strategic Services**

**SUBJECT: Application for Community, Culture and Recreation Grant/Lund
Community Centre Upgrade**

ACTION/RECOMMENDATION

THAT the Committee recommend that the Board direct staff to submit an application for grant funding for the Lund Community Centre Upgrade Project through the Investing in Canada Infrastructure Program – Community, Culture and Recreation; and

THAT the Committee recommend the Board support the project and commits to its \$1.6 million share of the project cost; and

THAT the Committee recommend the Board direct staff to proceed with plans to upgrade the Lund Community Centre if the grant funding is successful; and

THAT the Loan Authorization Bylaw for the Lund Community Centre upgrade borrowing be forwarded to the Board for first through third reading; and

THAT the Committee recommend the Board direct staff to seek elector assent using the Alternate Approval Process in order to borrow up to \$1.1 million.

PURPOSE/SUMMARY

The purpose of this report is to:

1. To seek approval to apply for a BC Community, Culture and Recreation (CCR) grant for funds to build a new addition and renovate the kitchen at the Lund Community Centre and the relevant steps necessary to reach fruition.

BACKGROUND

A feasibility study for the expansion of the Lund Community Centre was prepared by MacDonald Hagarty Architects in late 2019. The report was undertaken to determine what was realistic, and to enable the qRD to move quickly if appropriate grant funding became available.

The CCR program was created to support “improved access to and/or increased quality of cultural, recreational and/or community infrastructure for Canadians, including Indigenous peoples and vulnerable populations.”¹ Criteria for eligible projects include:

- Community orientation and open for use to the public;
- Construction, renewal, rehabilitation or materials enhancement of infrastructure;
- Meeting or exceeding applicable energy efficiency standards for buildings; and
- Meeting or exceeding the highest published accessibility standard.

STRATEGIC PLAN

Climate Change – Providing Northside residents with expanded amenities near them.

Economic Sustainability – Providing attractive amenities that support the local economy.

Parks, Recreation and Culture – Update space to encourage safe community gatherings.

Social Planning – Support greater community cohesion.

Social Sustainability – Provide updated amenities that meet current requirements for universal accessibility.

TYPE OF DECISION

Directive

HEALTH & SAFETY IMPACT/RELATIONSHIP

RISK MANAGEMENT IMPACT/RELATIONSHIP

LEGISLATIVE, REGULATORY, BYLAW OR POLICY IMPACT/RELATIONSHIP

DISCUSSION/ANALYSIS

The Northside Recreation Service started contributing to a non-statutory reserve fund in approximately 2016 for the purpose of replacing or expanding the Lund Community Recreation Centre. A feasibility study (Appendix A) was recently

¹ Canada-British Columbia Investing in Canada Infrastructure Program, Community, Culture, and Recreation Program Guide, Intake 2, p. 10.

completed by MacDonald Hagarty Architects (MHA), which supported the proposal to update the current space (3,965sq.ft.) and expand the floor area by 6,920sq.ft. to 10,885sq.ft. The additional space will provide a ½ court gym/community hall, theatre, additional washrooms and change room. It will also include additional office and storage space.

The new build order of magnitude estimate from the feasibility study is between \$4 million and \$5.7 million. The CCR program funding would provide up to 40% of funding from the federal government, and up to 33.33% from the provincial government toward eligible costs. If the grant is successful the cost to qRD would be between \$1.1 million and \$1.6 million.

The CCR program is subject to federal stacking rules meaning that federal funding towards the project is limited to the 40% under the program. Gas Tax Community Works Funds count toward the federal contribution for these purposes and cannot be utilized for the qRD's funding contribution to the project. Therefore, the balance of the project funding would require financing through the Municipal Finance Authority. The qRD would need to borrow between \$531,490 and \$1.1 million to proceed with the project in 2021, as outlined in the following table:

Project	Estimated Value	Estimated Value2
Estimated Total Project Costs	3,948,823	5,727,678

Funding	Estimated Value	Estimated Value2
Reserves	574,000	574,000
Grant 73.33% of Eligible Costs	2,843,332	4,122,312
Balance from Borrowing	531,490	1,031,367
Cost to qRD	1,105,490	1,605,367

The CCR intake is open until October 1, 2020. The program's first intake was over-subscribed.

The CCR program requires that if a local government intends to borrow a share of costs, a bylaw to authorize the borrowing of funds should receive third reading by a local government prior to applying to the program. Staff recommend that, in light of the social distancing requirements during the COVID-19 pandemic, the Board consider obtaining elector assent for the borrowing through the Alternate Approval Process (AAP). The following timeline details the actions necessary to proceed with the project:

Date	Action
August 13, 2020	<ul style="list-style-type: none"> • Report to the Committee of the Whole to request the Board: <ul style="list-style-type: none"> ○ give first through third reading to the Lund Community Center upgrade loan authorization bylaw.

	<ul style="list-style-type: none"> ○ review the proposed process timeline. ● Forward bylaw to the Inspector of Municipalities for approval (LGA 406 & 407).
September, 2020	<ul style="list-style-type: none"> ● Submit grant application. ● Prepare information for public engagement and AAP.
Early October, 2020	<ul style="list-style-type: none"> ● Upon receipt of Statutory Approval, book space in local newspaper.
October 15, 2020	<ul style="list-style-type: none"> ● Report to Board to make fair determination of the number of electors to which the AAP process applies. ● Obtain approval of elector response forms. ● Establish deadline – 30 clear days from second public notice.
Early November, 2020	<ul style="list-style-type: none"> ● Mail out AAP
Early December, 2020	<ul style="list-style-type: none"> ● Close AAP
December, 2020 or January, 2021	<ul style="list-style-type: none"> ● Report to Board regarding results of AAP. ● Adoption of loan authorization bylaw. ● One month quashing period [LGA-s: 623(4)]
February, 2021	<ul style="list-style-type: none"> ● Application to the Ministry of Municipal Affairs and Housing for a Certificate of Approval (LGA 760).
March or April, 2021	<ul style="list-style-type: none"> ● Tender package for Lund Community Center construction. ● Posted for 8 weeks.
April, 2021	<ul style="list-style-type: none"> ● Report to the Committee of the Whole to request the Board to give first reading through adoption to the NVFD temporary borrowing and security issuing bylaws.
April, 2021	<ul style="list-style-type: none"> ● Board to approve the NVFD temporary borrowing and security issuing bylaws.
July, 2021	<ul style="list-style-type: none"> ● Staff selection of successful bidder and report to COTW for Board approval of bid.
August, 2021	<ul style="list-style-type: none"> ● Advise successful bidder of Board approval.

FINANCIAL IMPACT

As outlined in the discussion section, the feasibility study new build order of magnitude estimate is between \$4 million and \$5.7 million. A successful application for CCR program funding would provide 73.33% toward eligible costs and the cost to qRD would be between \$1.1 million and \$1.6 million. Based on the 2020-2024 Financial Plan the Northside Recreation non-statutory reserve fund balance will be approximately \$574,000 by the end of 2021. The balance of the funding, up to \$1.1 million, could be borrowed from the Municipal Finance Authority.

Debt payments are proposed over 30 years in order to minimize the impact on taxation. The Municipal Finance Authority currently projects the 30 year borrowing

rate at 2.74%. Therefore, staff are using a risk adjusted rate of 3.75% to estimate the annual payments. The debt payments are projected between \$34,000 and \$69,000 per year depending on the final cost of the building and the amount of debt financing required. The annual debt payments will mean a residential tax rate per \$100,000 to property owners within the Northside Recreation service area as follows:

Amount Borrowed	Annual Debt Payment	Residential Tax Rate per \$100,000 NTV
\$531,490	\$33,500	\$4.00
\$1,100,000	\$69,000	\$7.00

PUBLIC AND/OR STAKEHOLDER ENGAGEMENT REQUIRED OR PERFORMED

The Lund community, through the Lund Community Society, has been actively involved in setting the scope of this project, including working with MHA on the feasibility study, and contributing to the Northside Recreation reserve fund.

CONCLUSION

Staff seeks direction to prepare a CCR grant application to expand the Northside Community Recreation Centre.