

Staff Report for Decision

DATE OF MEETING SEPTEMBER 17, 2025

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WORKS

SUBJECT “NANAIMO BUILDS FOR THE FUTURE” PLAN UPDATE

OVERVIEW

Purpose of Report

To provide Council with an update on potential major capital projects to be funded by long-term borrowing and set context for significant capital expenditures over the short and medium term.

Recommendation

That the Finance and Audit Committee recommend that Council:

1. Direct Staff to update Council's Debt Management Policy to allow for long-term borrowing without electoral approval when the City is within the allowable assent free borrowing limit;
2. Direct Staff to proceed with a Capital Development (Project Execution) Plan and costing for the South End Community Centre and allocate \$2 million to undertake this work funded by \$675,000 from the Growing Communities Fund and \$1,325,000 from the Special Initiatives Reserve; and,
3. Endorse the “Next Steps – Roadmap for Building for the Future” as outlined in the report titled ““Nanaimo Builds for the Future” Plan Update”, dated 2025-SEP-17.

BACKGROUND

At the 2024-JUL-15 Governance and Priorities Committee meeting, Staff brought forward a report on potential major capital projects that need to be funded by long-term borrowing and seek Council direction on advancement of priority projects.

In addition to previous Council direction relating to the Public Works Yard Update, RCMP Detachment Expansion, and the South End Community Centre, the following motion was approved at the 2024-JUL-22 Regular Council Meeting:

“That Council direct Staff to update costing, further develop project scope and return with a report summarizing the Waterfront Walkway Project and Beban Park amenity improvements.”

The purpose of this report is to provide an update on several major community development projects, that Council directed Staff to focus on, as strategic priorities, and reflected in City Plan and the Integrated Action Plan. These include:

- Nanaimo Public Works Yard Update
- RCMP Detachment Expansion

- South End Community Centre
- Waterfront Walkway – Departure Bay section
- Beban Park Amenities

This report provides a brief overview of the background and updated scope of each project’s financial considerations and potential next steps. |

DISCUSSION

Municipalities in BC can enter into short-term or long-term borrowing to finance the purchase or construction of capital assets. The province mitigates borrowing risk by capping the annual liability servicing costs for each municipality (debt servicing limit). This means that borrowing decisions now can impact the City’s financial flexibility for years.

New Borrowing Legislation Changes

In an information circular received on 2025-JUN-18 (Attachment B), the Province announced changes to the Municipal Liabilities Regulation and Short-Term Capital Borrowing Regulation. These changes were in response to municipalities’ concerns regarding elector approval requirements for borrowing, specifically:

- the amount of staff resources and costs associated with obtaining elector approval for essential infrastructure replacement,
- the risks associated with delays in implementing critical infrastructure if electoral approval fails, and,
- limited scope of infrastructure replacement that can be completed without approval of the electors.

Impact to the City of Nanaimo related to these changes:

1. Short-Term Capital Borrowing Limit

Under section 178 of the *Community Charter* the City could previously do short term (5 years or less) capital borrowing of \$50 per capita with no electoral approval. The amended regulation increases the \$50 per capita to \$150 per capita.

Based on this change, **short-term** borrowing capacity without elector approval is now

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| City of Nanaimo population as per 2021 Census as per BC Stats | 99,863 |
| Previous maximum allowable borrowing under section 178 @ \$50 per capita | \$ 4,993,150 |
| New maximum allowable borrowing under section 178 @ \$150 per capita | \$ 14,979,450 |
| Increased short term borrowing capacity without elector approval | \$ 9,986,300 |

2. Changes to the Approval-Free Liability Zone

Short-term borrowing over the limit under section 178 of the *Community Charter* and long-term borrowing fall under section 179 of the *Community Charter*. When borrowing under section 179 electoral approval is required if the City is not within the approval-free liability

zone, within that zone no electoral approval is required. The new amendment increases the approval-free liability zone from 5% of sustainable and controllable revenues to 10%.

At the previous level of 5%, the City could incur an additional \$3.96 million in annual debt servicing costs without obtaining electoral approval. Under the new amendment the City can incur an additional \$15.52 million in annual debt servicing costs without obtaining electoral approval.

Based on this change, Nanaimo’s increased debt servicing capacity without elector approval is now¹:

| | | | |
|--|-----------|--------------|----------------|
| 2023 Sustainable and Controllable Revenues | \$ | 231.10 | million |
| Liability Servicing Limit - 25% | \$ | 57.8 | million |
| Annual Debt Servicing Cost for 2023 | \$ | 7.6 | million |
| Approval Free Zone Servicing Capacity Available @ 5% | \$ | 3.96 | million |
| Approval Free Zone Servicing Capacity Available @ 10% | \$ | 15.52 | million |
| Increased servicing capacity without elector approval | \$ | 11.56 | million |

¹ The debt-servicing limit and the approval free zone servicing capacity available will be revised once the Province has reviewed and approved the 2024 financial information the City has submitted.

Currently Council’s Debt Management Policy (Attachment A) requires the City to obtain elector approval for all long-term borrowing. As this is a Council Policy, Council has the option to amend the Policy and remove this requirement.

If Council chooses to amend the Debt Management Policy to allow for long-term borrowing within the approval free liability zone, Council could undertake one or more projects without electoral approval. Based on the current MFABC indicative interest rate of 4.78% amortized over 20 years, the City could borrow up to approximately \$185 million without elector approval.

Debt Servicing Limit

Under legislation, the City cannot borrow beyond its allowable limits. The Liability Servicing Limit is defined as 25% of the municipality’s controllable and sustainable revenues for the year.

Based on the City’s 2023 Financial Statements, the annual debt servicing limit is \$57.8 million. This means that the City can have a maximum of \$57.8 million in annual principle and interest payments. Currently the City sits at 13.1% of the total limit.

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| 2023 Sustainable and Controllable Revenues | \$231.1 million |
| Liability Servicing Limit – 25% | \$ 57.8 million (a) |
| Annual Debt Servicing Cost for 2023 ² | \$ 7.6 million (b) |
| Debt Servicing Cost % of Limit at December 31, 2023 | 13.1% (b)/(a) |

²Includes principal and interest on external debt, interest on internal borrowing, estimated cost of unissued debt, guarantee of line of credit for Port Theatre.

For reference, \$10 million in borrowing at current MFABC rates costs \$830,000 annually in debt servicing costs. (20 year amortization at 4.78% @ July 4, 2025).

Not all of the project costs outlined in this report may be fully funded by borrowing. As well, funding sources for debt servicing costs will vary by project and include property taxes, user fees and reserves. As cost and timing are further refined more accurate costing by project will be provided.

The City will continue to pursue grant and cost share opportunities for projects as applicable.

With large projects involving borrowing, it can be very difficult to adjust the budget later on, therefore it is important to complete suitable due diligence prior to setting a budget and receiving Council and electoral approval, when required, for borrowing.

Each of the projects identified below has a differing level of cost estimate maturity, ranging from reasonable certainty for Public Works, to speculative for a future fire station. Costing needs to mature to the point of enough confidence to move forward with borrowing approval.

Public Works Yard Update– Fleet Maintenance and Administration Buildings

Background

At its meeting on 2024-JUL-24, Council directed Staff to proceed with the “Highest Needs in Single Phase” option and prepare a borrowing bylaw in support of the project. An Alternative Approval Process (AAP) to seek assent of the electors, as required under the previous version of the legislation, failed to attain assent.

To gain greater certainty of costs and to provide additional clarity about the project, Council approved the following motion at the 2025-FEB-24 Regular Council Meeting:

That Council direct Staff to proceed with Detailed Design and Costing and allocate \$1,800,000 funded by \$1,314,000 from the General Asset Management Reserve Fund, \$162,000 from the Sewer Operating Reserve, and \$324,000 from the Water Operating Reserve to undertake the work. (Option 4 in the report).

Staff initiated an Integrated Project Delivery (IPD) approach as the means of delivering the detailed design and construction of the project. The IPD process brings contractors, designers, and owners together at the start of the design process to collaboratively solve problems with the benefit of real-time pricing and constructability feedback. When used on major projects like the Public Works Yard Updates, this methodology can reduce overall costs, waste, prevent surprises during construction, and the process results in a firm cost to build, not a cost estimate or projection.

The IPD team is currently being assembled, with Staff working towards the goal of having a team fully on-boarded and ready to work in the fall. Staff plan to update Council on progress in 2026, which will include updates on the project scope, detailed design, and contractor-supplied pricing.

Financial Considerations

Staff anticipate costs of \$90 million for the two primary buildings – the Fleet Maintenance and Public Works Admin Buildings. With this option the remainder of the updates could be undertaken independently, are not expected to require borrowing, and could be competed as needed in the future. The IPD process is underway and will provide updated and firm costing for the project, and potentially be ready to adopt a borrowing bylaw in 2026 or early 2027.

RCMP Detachment Expansion

Background

The current RCMP facility was constructed in the 1980's and expanded in 2002. Policing requirements have grown along with Nanaimo's population. The current detachment building has outgrown the operational and space needs of the detachment. Work currently being planned is intended to provide very short-term relief to the overcrowding by renovating parts of the existing detachment and relocating 22 staff to another nearby City-owned building.

The proposed next step involves the development of plans for a new or expanded detachment building on the current site or on an adjacent City-owned lot. The following options will be investigated in detail to determine which provides the immediate best value for the City while ensuring continuity in police service delivery and adaptability for future needs:

1. Renovation and expansion of the existing detachment at 303 Prideaux St. and limited improvements to 575 Fitzwilliam St and 336 Prideaux St.;
2. Construction of an expanded satellite facility at 575 Fitzwilliam St and 336 Prideaux St. and renovation of the existing detachment at 303 Prideaux St.; and,
3. Construction of a new detachment at 575 Fitzwilliam St and 336 Prideaux St. or 303 Prideaux St. and demolition of the existing detachment at 303 Prideaux St.

Financial Considerations

The approved budget for renovations is \$3.3 million including work on the nearby City-owned building completed in 2024. Renovations of the main detachment is expected to begin later this year and be completed in 2026. Previous costing of a new stand-alone facility at a conceptual level was projected in the range of \$270 million. Given the magnitude, Council directed that staff consider other options that would allow the City to meet its contractual obligations to the RCMP.

An Integrated Project Delivery process (IPD) was selected for this project after careful consideration of the City's requirements and through a great deal of consultation with both internal work groups and external affected parties.

The result of IPD will be a well-vetted design that has been rigorously value-engineered every step of the way when compared to a traditional designer led approach. The level of unknown risks will be significantly lower, resulting in less contingency funding required, and the pricing will be real costs, not estimates or projections.

This will allow the City to make decisions on how to proceed with the project with a much greater level of understanding and surety than it presently has with conceptual level designs and 'order of magnitude' cost estimates.

Next Steps

The RCMP facility expansion or replacement is a "must-do" project given the functionality and space challenges with the current facility and contractual obligations to the RCMP.

A current example of an IPD process being successful for an RCMP detachment project can be found in the City of Kamloops. Kamloops is of a similar size to Nanaimo, has a similar community composition to Nanaimo, and has similar policing needs to Nanaimo; with the Kamloops' RCMP detachment hosting nearly identical working groups and staffing levels as Nanaimo's. The Kamloops validated cost estimate, including contingencies is in the order of \$150 million (Attachment C). City of Nanaimo staff are in contact with this project team and closely following progress. In addition to the Kamloops facility, the North Cowichan Regional District RCMP facility was completed with an IPD process, and the Westshore RCMP and Burnaby RCMP facilities are currently underway using an IPD process.

While regional differences and site-specific conditions would likely vary this amount locally, it is in the order of magnitude that staff believe to be reasonable or realistic. As noted previously, the current Nanaimo cost estimate is at a low confidence level, which includes significant contingency due to lack of detail and level of unknown risk.

The Nanaimo RCMP project currently has an available budget of \$1.8 million to start the IPD validation work. As the team is formed, more realistic project budgets are created, and design work progresses, Staff will have a better understanding if additional funding will be required to complete the validation process to produce a firm scope, schedule, and budget for the project. If funding in addition to the existing \$1.8 million is required, the additional funding will either be requested as part of the City's regular project planning and budgeting cycle or by direction from Council, as appropriate based on the timing and complexity of the request.

South End Community Centre

Background

A Feasibility Study is complete for the South End Community Centre. A steering committee worked on concept plans and to identify partnership opportunities in the proposed facility. An environmental scan (interviews with other school districts, community services and community centres already in partnership) assisted with early development of governance and best practices associated with joint use agreements. Based on work to date the facility could be between 4,180m² and 6,040m² (45,000 and 65,000 square feet) in size depending on the uses and partnerships established.

Staff have explored the potential of adding a housing component but at this point the Build BC program is fully subscribed and Staff are not aware of another funding source. As housing will have significant impact on the design and as there are no confirmed funding partners, Staff recommend that the design proceed without housing and focus on a facility to meet recreation, culture and community needs.

On 2025-JUL-07, the City announced that it has acquired land in the Chase River neighbourhood for a future SECC and that the planning for the new community centre will be guided by further community engagement and a Capital Development Plan.

Financial Considerations

Although the scope and size could vary depending on final approved uses and partnerships, it is expected that the capital cost of a facility of this nature could be in the range of \$140-195 million, including significant contingency, appropriate for the early stage of this project. This is known as 'rough order of magnitude' costs. As noted in next steps, fleshing out the final programming, completing schematic designs and costing will refine this amount. There would also be operational cost implications, which could vary depending on factors such as the details of partnership agreements. As the project matures, more detailed cost information will be established.

The land assembly for the SECC had a budget of \$5.1 million with contributions of \$2.5 million coming from the Province of BC's Growing Communities Fund. Further design development and interim cost validation would be the next step and is anticipated to cost \$2 million. The current approved 2025-2029 Financial Plan has no funding allocated to advance to detailed design development.

Next Steps

With site acquisition and planning advanced for this long-standing priority project, the next step is to proceed with a Capital Development (Project Execution) Plan should Council approve the funding. The Capital Development Plan would include schematic designs, financial analysis, Class 'C' cost estimate, further public engagement, risk management planning, project delivery assessment, transportation impact analysis, zoning analysis and provide opportunity to confirm partners. Staff is seeking direction from Council to proceed and funding to undertake the work.

Waterfront Walkway - Departure Bay Section

Background

The Waterfront Walkway project has been identified in several Council Strategic Plans. In 2017, the City completed an overall Implementation Plan for the creation of a continuous walkway from Departure Bay to the Nanaimo River Estuary. The plan was completed with significant positive input from the community and revealed strong public support for the development of the waterfront walkway

In 2019, Staff developed a detailed plan for the waterfront walkway using a green shores approach between the BC Ferries Terminal in Departure Bay and Departure Bay Beach. This included archeological, geotechnical, environmental, and coastal erosion specialists providing their input to the project. The project has been presented to Snuneymuxw First Nation (SFN), the Department of Fisheries and Oceans, and the Province of BC to gain feedback and help steer the design. The green shores approach accounts for sea level rise, mitigates potential for steep slope erosion, and restores original foreshore habitat.

The project is supported in the City Plan through a Connected, Green, Empowered and Prosperous Nanaimo lens.

Financial Considerations

Preliminary construction costs were determined to be in the range of \$30 to \$38 million in 2022. The project costs in 2025 are now anticipated to be closer to \$40 million, given recent cost escalation and updated estimate. This estimate excludes an \$8 million bond required by the Department of Fisheries and Oceans for foreshore restoration. This amount would come back to the City at the end of 5 years.

Next Steps

Staff are of the opinion that planning for this long-standing priority project has sufficiently advanced such that the next step is to proceed with acquisitions and obtaining approvals. Staff will take direction from Council as to the timing and priority to proceed with this project. Should Council wish to proceed, Staff will confirm costs and timeline, and prepare a borrowing bylaw for Council's consideration at a future Council meeting.

Beban Park Master Plan Implementation Plan

Background

Beban Park is a major gathering place for recreational, sporting, and social events for the City and Region.

The Beban Park Master Plan includes a number of recommendations for potential facility updates, improvements, and potential new facilities on site. The site provides opportunity for new facilities in partnership with sport, culture and other recreational and social organizations.

A review of potential new infrastructure at Beban Park was undertaken and examples of new recreational or social space that could be built at Beban Park include:

- Multi-purpose indoor facility for field (turf) sports with option to hard surface for court sports, fair and agricultural exhibits and large indoor public gatherings;
- Athletics and Sport Training Centre for training and competitions as well as other sports/activities such as gymnastics, school programs and children and seniors physical literacy.
- Indoor Activity Pavilion to support events such as farmer's markets, emergency shelter for extreme heat or cold events, rentable hall or gathering space, as well as an indoor facility for pickleball, badminton, tennis and three-on-three basketball;
- Renovated Agriplex Barn for equestrian activities as well as fair events.
- Beban Pool improved accessibility by relocating the fitness centre to the ground floor including the addition of leisure space and installation of an accessible hot tub.

Financial Considerations

A Class 'D' estimate was completed in June 2025 for the new infrastructure identified in the Beban Park Master Plan. The Class 'D' costing ranges between \$108 million and \$190 million and depends on what scope of work is undertaken. A new fitness centre with leisure space and new hot tub has an estimated cost of \$17.1 million.

Next Steps

Staff are of the opinion that the Beban Park Master Plan provides sufficient direction that if Council elected to proceed with one or more components staff could provide further details and cost estimates and return to a future Council meeting.

Other Future Needs – Facility Master Plan

As is readily apparent, substantial investment is on the horizon to sustain existing facilities and build needed new amenities to serve a growing community. Staff recommend undertaking a process to consider levels of service provided by Nanaimo's many facilities, define changes to levels of service, and from there developing a Facility Master Plan. A master plan for facilities would help guide future priorities and balance decisions between sustaining existing facilities and how best to incorporate new facilities. Such a plan would illustrate timing, level of service and priority and support future decision making by Council.

There are considerable future funding pressures to maintain existing infrastructure, facilities and services as well as adding new facilities based on the City's growth and needs as identified in City Plan. Considering the aging condition of some facilities, the operational needs of the City and the sustainment/enhancement of services, the following items are on the short to medium horizon:

- Vancouver Island Conference Centre – asset renewal
- Beban Park Complex Facility Sustainment – asset renewal
- Future Emergency Services – new Fire Station
- Stadium District – washrooms, change rooms, parking, artificial turf
- Parks and Trails
- Water Supply Dams – seismic upgrades on South Fork dam in early 2030's; and new dam on the horizon for potential future borrowing (more than 25 years out)
- Other Cultural and Recreation Venues
- Other Facilities – 100 buildings requiring sustainment and renewal

CONCLUSION

Each of these potential projects has merit and benefit the community; however, some have a more direct community use (e.g. Community Centre), whereas others are necessary for continue basic services (e.g. Public Works Yard). Next steps and timing for each potential major project will differ. The information within this report is an overview to set the context and inform future decisions on specific projects or borrowing. Council is now being asked for direction and decisions on one or more of these projects moving forward.

NEXT STEPS – ROADMAP FOR BUILDING FOR THE FUTURE

As outlined in this report, there are several City projects and initiatives that are anticipated to require borrowing in the years and decades ahead. While every effort has been made to bring projects forward and complete appropriate due diligence, it is not possible to have each potential project at the same level of maturity. For example, once a cost estimate has been prepared, it has a shelf life. This means that at a given point in time, there will be numerous potential projects to consider; however, they will not have the same level or quality of information to compare.

Given the competing priorities Staff are of the opinion that establishing immediate priority projects along with next steps and a timeline for key decisions is critical at this point.

In developing this framework Staff recognize:

- The priorities of our growing community as confirmed in CityPlan and the associated IAP (integrated action plan),
- The need for fiscal responsibility in both individual projects and in ensuring adequate borrowing capacity for longer term projects,
- That investment in project design assists with cost certainty, and
- That having projects with detailed designs and budgets are more likely to make a project eligible for future grants.

Based on the above criteria Staff are recommending the following:

- That the framework recognize the current priority projects for long term borrowing as the Public Works Yard, the RCMP Detachment Expansion and the South End Community Centre,
- That the Public Works Yard Update project complete the Integrated Project Delivery (IPD) work underway and return to Council in early 2026 with confirmation of project scope, detailed design, and contractor-supplied pricing. At that point Council will be able to consider borrowing under the recently amended assent free rules with borrowing starting in the Fall of 2026.
- That the RCMP Detachment Expansion project proceed with Integrated Project Delivery (IPD) with funding from previously approved budgets. This work will result in a confirmed design and costing for Council's consideration in 2027 with borrowing projected to start in 2028.
- That \$2 million be allocated to advancing the Capital Development Plan of a South End Community Centre that will accommodate recreational, cultural and community needs. This work will result in a confirmed design and costing for Councils consideration in early 2027. Depending on how approval of the electorate is sought, borrowing is projected to start in late 2027 or 2028.
- That consideration of the Waterfront Walkway extension and the Beban Park Improvements be deferred until the detailed design and costing of the priority projects are completed in early 2027. At that point Council may wish to bundle one or more of these projects when seeking borrowing approval from the electorate.

Table 1: 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

OPTIONS

1. That the Finance and Audit Committee recommend that Council:
 1. Direct Staff to update Council’s Debt Management Policy to allow for long-term borrowing without electoral approval when the City is within the allowable assent free borrowing limit;
 2. Direct Staff to proceed with a Capital Development (Project Execution) Plan and costing for the South End Community Centre and allocate \$2 million to undertake this work funded by \$675,000 from the Growing Communities Fund and \$1,325,000 from the Special Initiatives Reserve; and,
 3. Endorse the “Next Steps – Roadmap for Building for the Future” as outlined in the report titled ““Nanaimo Builds for the Future” Plan Update”, dated 2025-SEP-17.
- The advantages of this option:
 - i. Council would be able to borrow funding for one or more project without requiring electoral approval
 - ii. Projects could be advanced earlier without needing time and funding for a referendum or an Alternative Approval Process.
 - iii. The development of a Capital Development Plan for the SECC is identified in the Feasibility Study next steps. It will provide updated schematic designs, financial analysis, and Class ‘C’ estimate, further public engagement, risk management planning, delivery method assessment,

transportation impact analysis and zoning analysis developing a more fulsome understanding of the overall project.

- The disadvantages of this option:
 - i. Would limit the ability of taxpayers to influence the decision to borrow for any project that was undertaken within the elector approval free allowable limit.
 - ii. Funding used for the SECC Capital Development Plan will not be available for other projects or initiatives.
 - iii. The \$1,325,000 Special Initiatives Reserve funding will come from the \$4 million allocated from the 2024 surplus. This money was most recently considered for funding the Loudon Park Improvement Project. If the Loudon Park Improvements Project moves forward and needs additional funding, other funding sources would need to be identified for that project.
- Financial Implications:
 - i. Funding is available from the Growing Communities Fund and the Special Initiatives Reserve to fund the SECC Capital Development Plan.
 - 1. Growing Communities Fund - The Growing Communities Fund would be fully allocated with a revised projected 2026 closing balance of the reserve is \$3,712.
 - 2. Special Initiatives Reserve - \$2,675,000 of the \$4,000,000 that Council allocated from 2024 surplus for Council priority projects would still be available to fund other priority projects.
 - ii. The 2025-2029 Financial Plan would be amended to include this project.

2. That the Finance and Audit Committee provide alternative recommendation. |

SUMMARY POINTS

- The City has forecasted the need for various major potential projects, some of which are critical to essential services.
- This report provides a brief update on the background and scope on each project; financial considerations and next steps.
- The Province recently announced changes to the Municipal Liabilities Regulation and Short Term Capital Borrowing Regulation that increases a municipality's ability to borrow without elector approval.
- Based on current MFABC indicative interest rate of 4.78% amortized over 20 years, with the new borrowing changes the City could now borrow up to approximately \$185 million without elector approval.
- With the SECC site acquisition completed, the next step is to proceed with a Capital Development Plan.
- Project timing and borrowing requirements will unfold over the next decade.

ATTACHMENTS:

ATTACHMENT A: COU-234 Debt Management Policy

ATTACHMENT B: Ministry of Housing and Municipal Affairs Circular No. 25:11

ATTACHMENT C: Kamloops vs Nanaimo Replacement RCMP Detachment Project Comparison

Submitted by:

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ATTACHMENT A



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|------------------------|------------------------|--------------------------|-------------|
| RCRS Secondary: | GOV-02 | Effective Date: | 2023-NOV-06 |
| Policy Number: | COU-234 | Amendment Date/s: | |
| Title: | Debt Management Policy | Repeal Date: | |
| Department: | Finance | Approval Date: | 2023-NOV-06 |

PURPOSE:

The City of Nanaimo (the City) is committed to sustainable, prudent and transparent management of financial resources used to provide valued community services.

The purpose of this Policy is to:

- Establish responsible governance for Debt Management;
- Establish governance roles and responsibilities for Debt Management;
- Define principles and objectives for Debt Management that are appropriate for the City's financial position, and are reasonable, logical and necessary for delivery of sustainable, affordable services; and
- Ensure the City's Debt Management is compliant with the statutory and legal requirements of the *Local Government Act* and the *Community Charter* and in accordance with Canadian public sector accounting standards.

DEFINITIONS:

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| Alternative Approval Process (AAP) | Means the Alternative Approval Process as outlined in section 86 of the <i>Community Charter</i> . |
| Business Cases | Means a project management document to help decision makers evaluate proposals for new investment, changes in service delivery or new services. Typically includes description of business issue, options, benefits, challenges and financial impacts of each option and recommendation. |
| Capital Expenditures | Means Expenditures incurred to acquire, develop, renovate or replace capital assets as defined by Public Sector Accounting Board section 3150. May also be referred to as Capital Projects or Projects. |
| City | The Corporation of the City of Nanaimo located in the Province of British Columbia. |
| Debt Servicing | Means annual required debt repayments including interest and principal. |
| Debt Term | Means period-of-time during which debt payments are made. At the end of the Debt Term, the debt must be paid in full. |
| Electoral Approval | Means assent by the electorate to authorize long-term borrowing through a Loan Authorization bylaw as outlined in section 180 of the <i>Community Charter</i> . |

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| External Debt | Means borrowing that is usually provided by the Municipal Finance Authority of BC (MFA) pursuant to security issuing bylaws under authority of the <i>Community Charter</i> to finance certain capital expenditures. The MFA provides long and short-term financing to communities and public institutions in BC. |
| General Fund Debt | Means debt issued for capital expenditures related to operations funded from General Fund Revenues. |
| Five-Year Financial Plan | Means the City's annual budget required under section 165 of the <i>Community Charter</i> . |
| Funds | Means the resources and operations of the City which are segregated into General, Utility and Reserve Funds for accounting and budgeting purposes. The General and Utility Funds also have corresponding Capital Funds. |
| General Fund Operations | Means non-utility operations. |
| General Fund Revenues | Means revenues generated to pay for General Fund Operations. These revenues include property taxes, non-utility user fees, permits and investment income. |
| Infrastructure | Means a wide range of assets that are used to deliver City services. These assets include transportation amenities, drainage, sanitary sewer, water, recreation amenities and buildings. |
| Internal Borrowing | Means borrowing between Reserve Funds under specific conditions in compliance with the section 189 of the <i>Community Charter</i> . The City may also borrow from Operating Reserves as well. |
| Liability Servicing Limit | Means 'Liability Servicing Limits' as outlined in section 174 of the <i>Community Charter</i> . The maximum value of liability servicing cost for a given year is 25% of a municipality's controllable and sustainable revenues for the previous year. |
| Long-Term Debt | Means debt with repayment terms greater than five years. Long-term debt is usually undertaken for twenty years. |
| Municipal Finance Authority (MFA) | Means the Municipal Finance Authority of British Columbia who provide long-term, short-term and equipment financing to communities and public institutions in BC. |
| Short-Term Debt | Means debt with repayment terms of five years or less. |
| Sustainability | Means the pillars of sustainability which includes ensuring that current socio-cultural, economic and environmental commitments are considered in investment decisions and do not compromise the ability of future generations to meet their own needs. |

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| Utility Debt | Means debt issued for capital expenditures related to operations funded from Utilities Revenues. |
| Utilities | Means self- funded operations providing a service to its customers at rates regulated by Council. The City's current self-funded operations are the Water Utility Fund, the Sanitary Sewer Utility Fund and Solid Waste Collection services. |
| Utilities Revenues | Means revenues generated to pay for water, sewer and solid waste collection services. |

SCOPE:

Council is responsible for:

- Adoption, periodic review and updating the Debt Management Policy; and
- Approval of new debt and internal borrowing.

The Chief Administrative Officer is responsible for:

- Implementing the Debt Management Policy.

The Director of Finance is responsible for:

- Implementing internal processes and systems in compliance with this Policy;
- Ensuring the use of debt complies with this Policy;
- Ensuring utilization of debt is clearly disclosed in the City's Five-Year Financial Plan and other long-term financial plans; and
- Recommending revisions or amendments to this Policy due to changes in applicable statutes, accounting standards or to support the City's long-term financial management.

POLICY:

The primary objectives for the City's use of Debt are to:

- Provide funding for large capital expenditures with long-term benefits;
- Maintain service levels by providing a funding option for needed equipment and infrastructure replacement investment;
- Provide funding for capital expenditures required for service delivery innovation or change;
- Minimize impact of capital investment on property tax and user fee increases; and
- Minimize need to reduce the City's reserves below prudent levels.

PROCESS:

The City delivers services to the community through a wide range of City-owned assets as well as some assets managed through co-management agreements. In addition to these existing assets, the City may receive or construct new assets. Provision of new assets and renewal of existing assets requires significant long-term planning and investment for capital projects. The City utilizes annual revenues, reserves, grants, private contributions and Debt to fund these capital projects.

1. Corporate Context

This Policy applies to Debt utilized by the City to fund capital infrastructure and equipment investment. To support Debt planning, management and reporting, Debt is categorized into two groups as follows:

- General Fund Debt
- Utility Debt

2. Implementation, Review and Reporting

The implementation, review and reporting associated with this Policy will be integrated within City business processes.

3. Benefits of Compliance

Implementing this Policy will improve the City's governance through:

- Improvements to decision making and financial performance;
- Improvements to financial preparation for future commitments; and
- Improvements to transparency and accountability.

4. Principle Statements and Objectives

The City will strive to ensure the following principles and objectives are applied to all Debt Management strategies, processes and reporting.

4.1 Affordability

The City will consider impact on property taxes, utility and other user fees when considering new debt.

4.2. Debt Management and Decision Making

4.2.1 The City recognizes that the utilization of debt may be needed to provide funding for needed capital investment.

4.2.2 The City will utilize Business Cases where appropriate to provide necessary information regarding capital investment and new debt for decision makers.

4.2.3 The City will utilize the financing options offered by the Municipal Finance Authority for debt.

4.2.4 The City may consider and utilize financing options through other appropriate institutions where it is demonstrated to be beneficial.

4.2.5 The City may consider internal borrowing between statutory reserves, in compliance with section 189 of the *Community Charter* where it is prudent and does not impair the capacity of the lending reserve to fulfill its purpose.

4.2.6 The City will utilize Debt with a term that is less than the expected life of the underlying asset.

- 4.2.7 The City will not issue Debt to finance annual operating expenditures.
- 4.2.8 The City will ensure that new General Fund Debt Servicing costs will be funded by long-term sustainable General Fund revenues, reserves or reserves funds.
- 4.2.9 The City will ensure that new Utility Debt Servicing costs will be funded by related long-term sustainable utility revenues, reserves or reserves funds.
- 4.2.10 The City will review and consider cost saving opportunities through prepayment or refinancing of existing debt.
- 4.2.11 The City will utilize Equipment Financing in compliance with the *Community Charter*, Section 175, when appropriate.

4.3 Transparency and Accountability

- 4.3.1 The City recognizes that Debt must be managed, monitored and reported upon.
- 4.3.2 The City's utilization of Debt will be reported to Council through regular performance reporting including against the City's current Liability Servicing Limit.
- 4.3.3 The City will ensure utilization of new debt, the projected annual repayment costs for current and new debt, and the impact on the City's Liability Servicing Limit is clearly disclosed in the annual Five Year Financial Plan.

4.4 Debt Approval

- 4.4.1 The City will ensure new debt is approved by Council and receives appropriate electoral approval as outlined in sections 178 and 180 of the *Community Charter*, and as outlined in this Policy.
 - i. The annual Five-Year Financial Plan bylaw includes utilization of internal debt.
 - ii. The annual Five-Year Financial Plan bylaw includes utilization of external debt.
 - iii. All issuance of external short-term debt requires a Council bylaw or resolution.
 - iv. All issuance of external long-term debt requires a loan authorization bylaw.
 - v. All issuance of external long-term debt requires electoral assent.
 - vi. All issuance of internal debt requires a Council resolution.
- 4.4.2 New external debt under a loan authorization bylaw must be undertaken by the Regional District of Nanaimo in compliance with section 182 of the *Community Charter*.

4.4.3 Section 179 of the *Community Charter* allows for borrowing without electoral assent if the City's total annual borrowing costs are less than 5% of sustainable revenues.

- i. If the borrowing is for longer than five years and if the City is within its asset free zone the City will still seek electoral approval through referendum or AAP.
- ii. If borrowing is five years or less and if the City is within its assent free zone than electoral approval is not required.

4.5 Statutory and Legal Requirements

4.5.1 The City will ensure that the maximum amount borrowed from external sources is compliant with section 174 of the *Community Charter*.

4.5.2 The City will only use debt in compliance with sections 178, 179, and 181 of the *Community Charter*.

4.5.3 The City will ensure that electoral approval is obtained in compliance with section 180 of the *Community Charter*.

4.5.4 The City may consider temporary borrowing under loan authorization bylaw in compliance with section 181 of the *Community Charter*.

4.6 Accounting Standards

The City will ensure that administration and reporting of Debt is in accordance with Canadian public sector accounting standards.

5. **Administration**

The following key administrative processes will support implementation of the Debt Management Policy. Additional information is provided in the City's Debt Management Processes document.

5.1 Business Cases

The City will utilize business cases where appropriate for a proposed investment that requires new external debt financing. The business case will: provide a robust analysis of the investment, be prepared according to best practices and include relevant financial and non-financial information. Key components of a business case include a comprehensive explanation of the business need, reasonable options, the benefits, challenges and expected outcomes or measures for each option, a recommendation and the decision criteria used.

5.2 Internal Borrowing

5.2.1 Internal borrowing from Statutory Reserve Funds is allowed pursuant to section 189 of the *Community Charter*.

- The City will ensure that internal borrowing does not impair the purpose of the lending reserve.

- The City will ensure that repayment of internal borrowing includes interest that would have been earned on the amount had it remained in the lending reserve.

5.2.2 Internal Borrowing from operating Reserves

- The City will ensure that internal borrowing does not impair the purpose of the lending reserve.

5.2.3 The City will clearly disclose a prudent repayment plan for internal borrowing as part of the Five-Year Financial Plan bylaw approved by Council.

5.2.4 As per best practice, Staff will seek an internal borrowing resolution from Council endorsing the anticipated internal borrowing need.

6. Reporting

The City will develop and maintain annual reporting processes that provide decision makers with all relevant debt information.

RELATED DOCUMENTS:

Local Government Act

Community Charter

Canadian Public Sector Accounting Standards (PSAB)

REPEAL or AMENDMENT:

N/A

ATTACHMENT B



Ministry of Housing and
Municipal Affairs

Local Government Infrastructure
and Finance Branch
PO Box 9838 Stn Prov Govt
800 Johnson St, 4th Floor
Victoria BC V8W 9T1
Phone: 250-387-4060

CIRCULAR

Circular No. 25:11

June 18, 2025

To: All Municipal Chief and Financial Administrators

Re: Changes to Municipal Liabilities Regulation and Short Term Capital Borrowing Regulation

Over the last number of years, municipalities have raised concerns regarding elector approval requirements for borrowing, specifically:

- the amount of staff resources and costs associated with obtaining elector approval for essential infrastructure replacement,
- the risks associated with delays in implementing critical infrastructure if electoral approval fails, and,
- limited scope of infrastructure replacement that can be completed without approval of the electors.

In response to these concerns, the province has amended the Municipal Liabilities Regulation and Short Term Capital Borrowing Regulation, effective June 9, 2025. These amendments enhance the ability for municipalities to borrow without electoral approval; simplifying the process to finance infrastructure to serve growing communities. The amendments are as follows:

1. Section 7(a)(ii) of the Municipal Liabilities Regulation

The approval-free liability zone has been increased from 5% of the annual calculation revenue to 10% of the annual calculation revenue.

2. Section 1 of the Short Term Capital Borrowing Regulation

The short term capital borrowing limit, applicable under section 178 of the *Community Charter*, is now the amount obtained by multiplying \$150 by the population of the municipality; increased from \$50.

A copy of the Order in Council that amends these regulations has been attached for your



**Ministry of Housing and
Municipal Affairs**

Local Government Infrastructure
and Finance Branch
PO Box 9838 Stn Prov Govt
800 Johnson St, 4th Floor
Victoria BC V8W 9T1
Phone: 250-387-4060

CIRCULAR

reference.

Due to IT system constraints, we are not able to update the approval-free liability zone calculation on schedule B3, line n of the 2024 LGDE forms. It will be updated on the 2025 LGDE forms for next year's annual reporting cycle.


If you have any questions or need any further information, please contact your financial analyst. Contact information for financial analysts can be found using our [Local Government Division Staff Finder](#).

Joshua Craig
Director
Local Government Finance

Attachment

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 276 , Approved and Ordered June 9, 2025



Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that

- (a) the Municipal Liabilities Regulation, B.C. Reg. 254/2004, is amended as set out in the attached Schedule 1, and
- (b) the Short Term Borrowing Limit Regulation, B.C. Reg. 368/2003, is amended as set out in the attached Schedule 2.



Minister of Housing and Municipal Affairs



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Community Charter*, S.B.C. 2003, c. 26, ss. 175 (4), 178 (2), 180 (2) and 282

Other: *OIC 968/2003; OIC 550/2004*

R10893937

SCHEDULE 1



- 1 Section 7 (a) (ii) of the Municipal Liabilities Regulation, B.C. Reg. 254/2004, is amended by striking out “5% of the annual calculation revenue” and substituting “10% of the annual calculation revenue”.***

SCHEDULE 2

- 1 Section 1 of the Short Term Borrowing Limit Regulation, B.C. Reg. 368/2003, is amended by striking out “by multiplying \$50 by the population of the municipality” and substituting “by multiplying \$150 by the population of the municipality”.***

ATTACHMENT C

Kamloops vs Nanaimo Replacement RCMP Detachment Project Comparison

| | | | |
|----------------------------|--|---|---|
| |  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. <ul style="list-style-type: none"> • Parkade Included • Street Parking Improvements Included | Below RCMP Reqs. <ul style="list-style-type: none"> • 29 Space Gap at Completion • 166 Space Gap in 2046 • No Parkade Included • No Street Parking Improvements Included | Below RCMP Reqs. <ul style="list-style-type: none"> • 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 | |

While there is a significant similarity between current RCMP detachment conditions and the proposed solutions to overcome present challenges, there is also large disparity between the costs and value of those solutions. Though it is important to note that the maturity of these two projects is at opposite ends of the spectrum, with Kamloops having a validated project with contractually enforceable pricing and Nanaimo having conceptual level designs with rudimentary level cost estimates and higher associated contingencies, it is still a stark comparison



“Nanaimo Builds for the Future” Plan Update

September 17, 2025

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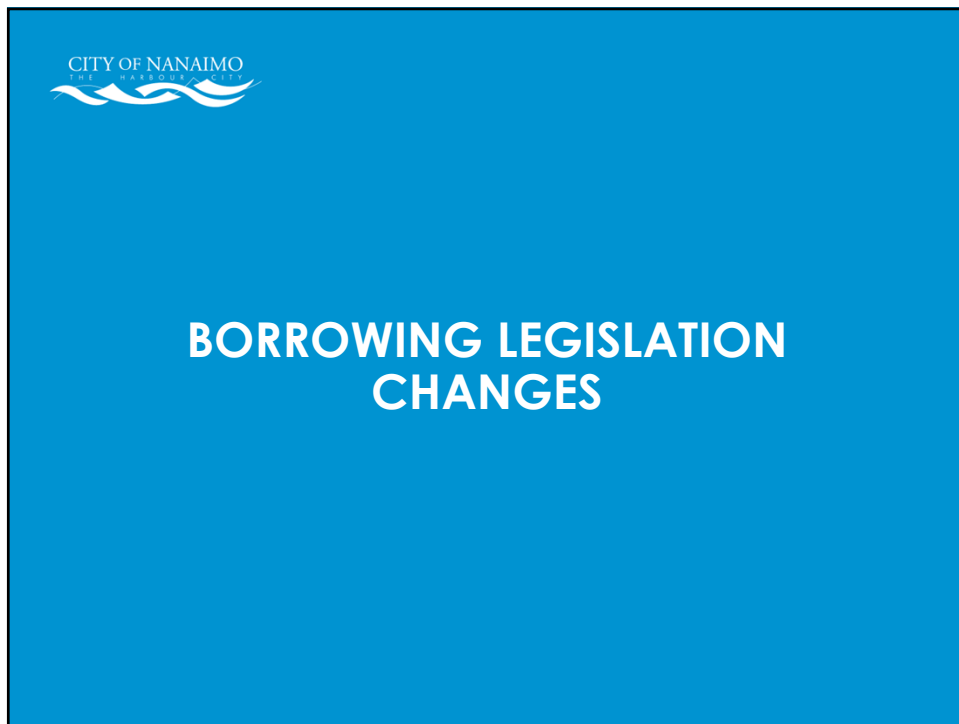


Purpose

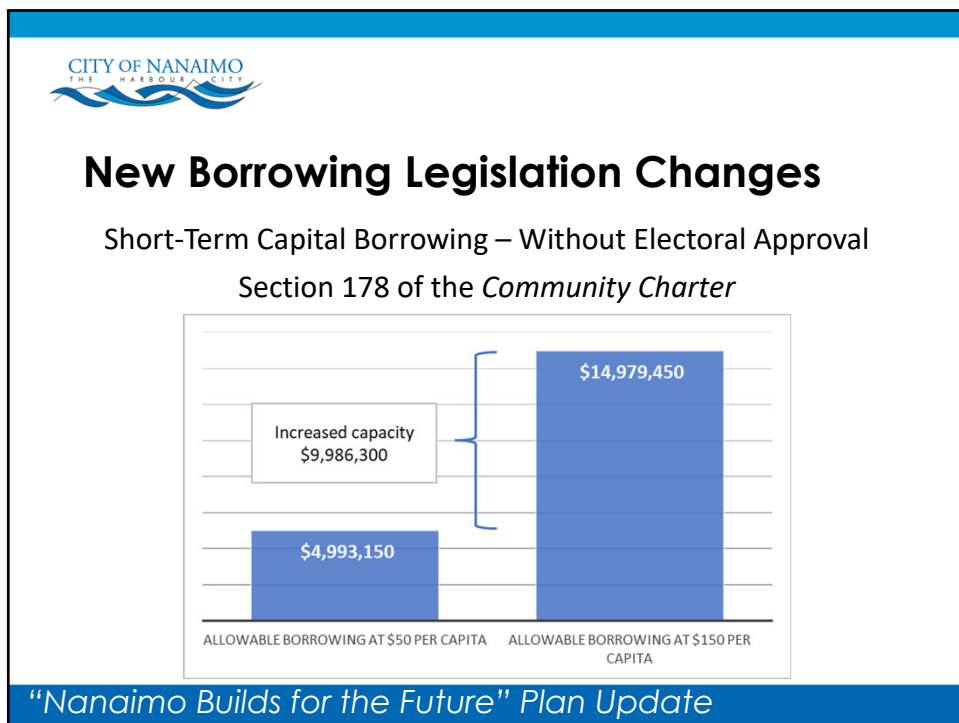
- To provide Council with an update on the potential large capital projects that could be funded by long-term borrowing
- To provide an update on changes to borrowing legislation
- To seek direction on Next Steps

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2



3

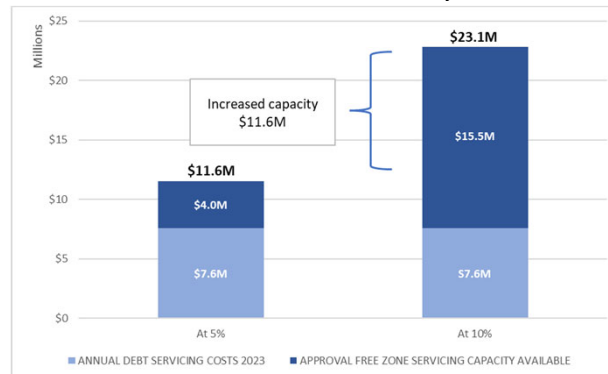


4



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

"Nanaimo Builds for the Future" Plan Update

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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 |
|-------------------------|--|---|---|
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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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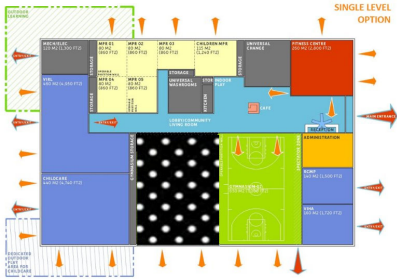
18

CITY OF NANAIMO
THE HARBOUR CITY

South End Community Centre

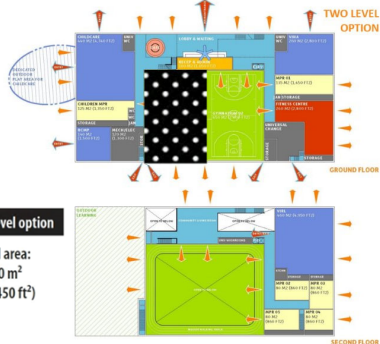
What It Could Look Like...

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



Diagram illustrating the layout of the soccer field, showing dimensions and field markings.



Diagram illustrating the layout of the building, showing dimensions and field markings.



Diagram illustrating the layout of the building, showing dimensions and field markings.



Diagram illustrating the layout of the building, showing dimensions and field markings.

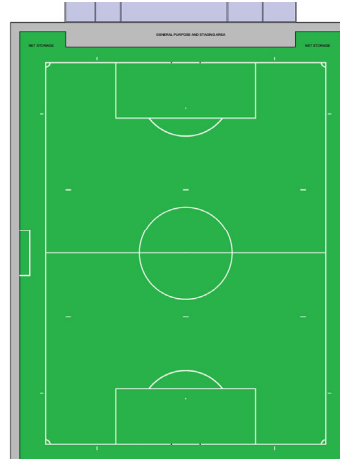


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Beban Park Master Plan Implementation Building 1 – Multipurpose Indoor Facility

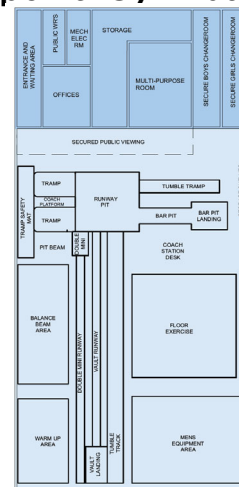


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Beban Park Master Plan Implementation Building 2 – High Performance Sport & Gymnastics Centre



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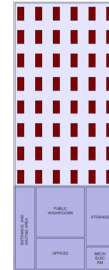
Beban Park Master Plan Implementation Building 3 – Indoor Activity Pavilion



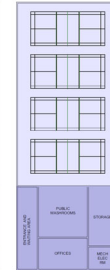
SET-UP 1
• indoor farmer's market
with 12 side stalls and
2 large or multi-vendor
stalls



SET-UP 2
• indoor extreme heat
or cold emergency
shelter with 48 beds



SET-UP 3
• indoor pickleball/tad
or open activity space

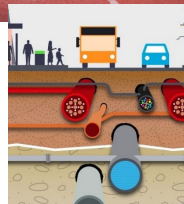
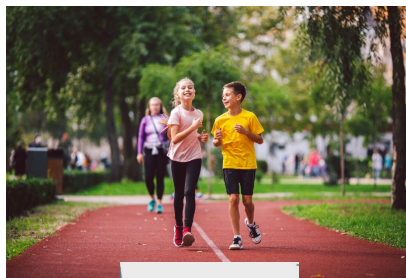


"Nanaimo Builds for the Future" Plan Update

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Beban Park Master Plan Implementation Site Development & Servicing



- Site Development:
 - Landscaping
 - Parking
 - Picnic areas
 - Rubberized walking trail
 - Relocated riding ring
 - Expanded community garden
 - Small amphitheatre
 - Fencing
- 720,000 sq ft
- \$14,400,000 (\$20/sq ft)
- Site Servicing:
 - Utilities
 - Roads
- \$8,000,000

"Nanaimo Builds for the Future" Plan Update

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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

"Nanaimo Builds for the Future" Plan Update

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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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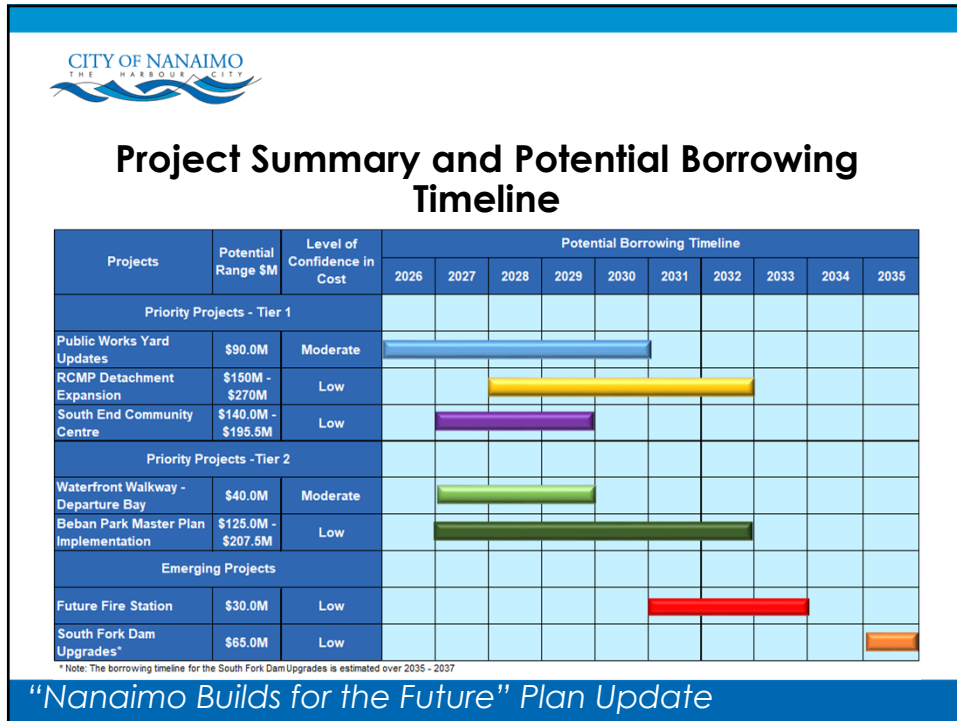


Recommended Next Steps

- 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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Committee Discussion

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



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