



REGIONAL
DISTRICT
OF NANAIMO

RAVENSONG AQUATIC CENTRE EXPANSION AND REGIONAL AQUATICS FOR OCEANSIDE COMMUNITIES 2022-2024 PLAN

Please note: The recommendation was varied by the Committee as follows:

1. That the Regional District of Nanaimo proceed with option 1B as noted on page 4 of the Ravensong Aquatic Centre Expansion and Regional Aquatics for Oceanside Communities 2022-2024 Plan staff report; and that a referendum occur concurrently with the referendum for the amendment to Bylaw 899.
2. That should funds be awarded to the Ravensong Aquatic Centre Expansion Project from the Canada Community Building Fund Strategic Priorities Fund program stream, the timelines, including phasing options for the project, be re-evaluated, and revised to capitalize on awarded funds.

RECOMMENDATIONS

1. That proceeding with Phase 1 or both Phases of the Ravensong Aquatic Centre be determined after the amendments to Bylaw 899 have been approved such that any changes to participating jurisdictions have been determined.
2. That should funds be awarded to the Ravensong Aquatic Centre Expansion Project from the Canada Community Building Fund Strategic Priorities Fund program stream, the timelines, including phasing options for the project, be re-evaluated and revised to capitalize on awarded funds.

BACKGROUND

At the November 22, 2021, Oceanside Services Committee (OSC) meeting, committee members recommended to the RDN Board that staff continue to plan for an expansion of Ravensong Aquatic Centre in two phases that could be aligned and adapted to the final outcome of the City of Parksville's efforts for their own Pool/Multiplex facility.

At the regular December 7, 2021, RDN Board meeting, the following resolutions were made:

#21-628

That the preferred Ravensong Aquatic Centre expansion option be Option OO (Original Option).

#21-629

That the financial planning for Phase 1 of Option OO (Original Option) expansion to Ravensong Aquatic Centre, including funding for a referendum, continue within the 2022 Financial Plan.

#21-630

That the next phase for an expansion to Ravensong Aquatic Centre be focused on a review of providing regional aquatic services through either the preferred expansion option (Option OO) to Ravensong Aquatic Centre or a separate stand-alone facility at another location within Oceanside.

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Work related to resolution #21-629 that has been completed and includes the following:

- Prepared a schematic design for a Class C Costing (Attachment 1)
- Development of financial options and implications on funding both a phased and unphased expansion of the selected option (OO) per the financial section below.
- Commissioning a Class C costing for the expansion (Attachment 2)
- Prepared cost per funding participant for illustrative purposes the operational costs for the facility including EA E and all participants and the recently proposed tax apportionment model for Bylaw 899 at 1/3 Usage, 1/3 Assessment and 1/3 Population (Attachment 3)

Further RDN Board direction will be required after other significant influences on an expansion to Ravensong have been addressed. These include possible changes to the existing funding formula and contributing members as proposed by the District 69 Pool Select Committee at their June 7, 2022 meeting and endorsed by the Regional Board on June 14, 2022 which were as follows:

That a referendum be held with public engagement, at the “involve” level of participation within the Board’s engagement policy, to amend the Regional District of Nanaimo District 69 Swimming Pool Service Establishment Bylaw No. 899, 1993 (Bylaw 899), to include Electoral Areas E, F, G, H, City of Parksville and Town of Qualicum Beach, based on an apportionment model of 1/3 assessment, 1/3 population, and 1/3 usage.

That staff prepare a report on the possibility of holding the referendum during the upcoming election on October 15, 2022, as well as other options.

Staff have been in communication with City of Parksville staff to receive updates on the status of the City’s pool/multiplex project. City of Parksville Council discussed the project at their Committee of the Whole meeting on February 16 and at the March 7, 2022, Council Meeting, the following motions were approved:

1. *THAT Council agrees to identify priority sites that are large enough to accommodate the full-scale multiplex and pool and allow future expansion opportunities and clarified the selection of a site does not compel Council to construct the full-scale multiplex and pool in the immediate term; project scope will be determined at a later date based on cost assessments and public input.*
2. *THAT Council identify its top three priority sites as the City owned lands located at Tuan Road, a privately owned site at the corner of Alberni Highway and Despard Avenue, and the Parksville Community Park and will explore the feasibility of these three sites as suitable locations for the future development of the facility.*
3. *THAT staff be directed to reach out to applicable private property owners to see if there is a willingness to sell the private lands or a portion of the lands to accommodate a pool and multiplex facility with space for future expansion.*
4. *THAT staff be directed to conduct an internal preliminary technical review of the three priority sites and report back to Council, at which time Council will consider referring the report to the Advisory Technical Working Group and the public for comment.*

Parksville staff are anticipating the next update on the Parksville project will be provided at the July 18, 2022, Parksville Council Meeting.

Prior to the Board’s and the District 69 Pool Select Committee’s recent work reviewing the funding partners and current funding formula, staff were prepared to recommend to the Board that both phases of Original Option (OO) expansion to Ravensong Aquatic Centre be completed at one time and 20-year borrowing be sought through elector approval. This recommendation was based on the likelihood of another aquatic centre being built in the area within the next three years being low, the significant additional cost of \$2.35 million to phase an expansion to Ravensong Aquatic Centre, annual cost escalations at 10% per year totalling \$2.92 million by 2026 and the need

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for expansion of Ravensong Aquatic Centre as shown in the 2019 - 2029 Oceanside Services Recreation Master Plan.

Taking into consideration the recent Board decisions to amend Bylaw 899 to include Electoral Area E, amend the funding apportionment to the pool service and conduct a referendum for amendments to Bylaw 899, proceeding with the expansion prior to this talking place would not be prudent. Further, in the interest of considering the total suite of aquatic facilities that may best serve the public, the Committee may wish to evaluate the service that includes a potential pool and multiplex project in or around the City of Parksville.

FINANCIAL IMPLICATIONS

The recent Board direction to change to the existing funding formula of 50% usage and 50% assessment and EA E joining as a funding partner have not been factored into any of the financial implications included in this report. However, Attachment 3 does show for illustrative purposes how the 2023 tax requisition of \$3,393,590 shown in the tables below would be funded by each contributing member with EA E added in and the formula being 1/3 usage, 1/3 assessment and 1/3 population. These calculations use current usage, current assessment values and last census populations and do not include any forecasting, adjustments or changes to any of these variables. As work progresses on possible changes to the current funding model and participants and upon Board direction staff would update the financial implications related to expansion.

Funding sources for an expansion to Ravensong Aquatic Centre used in the Tables below include borrowing (short or long) and utilization of reserve funds. In May of this year, the RDN Board approved the Ravensong Aquatic Centre expansion as a project to be submitted to the Strategic Priorities Fund grant program. If successful, grant funding from this program could possibly fund up to \$6 million of expansion costs. Funding from this grant program, or any others, have not been included in any of the financial implications shown.

The tables also include adjustments to operating revenues and expenses starting in 2025 to reflect the operating impact of an expansion. Reserve balances for Ravensong Aquatic Centre are maintained through an expansion to fund non-expansion capital projects over the next ten (10) years in the amount of \$2,449,216.

Option 1A - \$9,075,164 Project Cost
(Phase 1 financed over a 5-year period, no Phase 2)

Option 1a:

Phases: Phase 1 only (no Phase 2)
 Total Project Cost: \$ 9,075,164
 Debt term: 5 year short-term borrowing
 Estimated Annual Interest Rate: 3.50%

	2023	2024	2025	2026	2027	2028	2029
Tax Requisition	3,393,590	3,495,398	3,600,260	3,672,265	3,745,710	3,820,624	3,362,149
Tax Req % Change	10%	3%	3%	2%	2%	2%	-12%
Project Cost	9,075,164	-	-	-	-	-	-
Reserve Funded	5,500,000	-	-	-	-	-	-
Debt Issued	3,575,164	-	-	-	-	-	-
Debt Issue Cost	-	-	-	-	-	-	-
Annual Debt Repayment	-	805,294	805,294	805,294	805,294	805,294	-

Notes: Short-term borrowing of less than five years would not require elector approval. This option would allow the Board to directly approve expansion to Phase 1.

Option 1B \$9,075,164 Project Cost
(Phase 1 financed over a 20-year period, no Phase 2)

Option 1b:

Phases: Phase 1 only (no Phase 2)
 Total Project Cost: \$ 9,075,164
 Debt term: 20 year borrowing
 Estimated Annual Interest Rate: 4.50%

	2023	2024	2025	2026	2027	2028	2029
Tax Requisition	3,393,590	3,461,462	3,530,691	3,601,305	3,673,331	3,746,798	3,821,734
Tax Req % Change	10%	2%	2%	2%	2%	2%	2%
Project Cost	9,075,164	-	-	-	-	-	-
Reserve Funded	5,500,000	-	-	-	-	-	-
Debt Issued	3,575,164	-	-	-	-	-	-
Debt Issue Cost	35,752	-	-	-	-	-	-
Annual Debt Repayment	-	300,840	300,840	300,840	300,840	300,840	300,840

Notes: This option using some of the current Ravensong reserves (same amount as Option 1A \$5,500,000) and long-term borrowing, would require elector approval and spreads the funding over a 20 period longer of time.

Option 2 \$25,486,100 Project Cost
(Phase 1 and 2 both completed at the same time and financed over a 20-year period)

Option 2:

Phases: Both Phases split 50/50 over 2023 and 2024
 Total Project Cost: \$ 25,486,100
 Debt term: 20 year borrowing
 Estimated Annual Interest Rate: 4.50%

	2023	2024	2025	2026	2027	2028	2029
Tax Requisition	3,393,590	3,902,629	4,488,023	4,936,825	5,233,035	5,337,695	5,444,449
Tax Req % Change	10%	15%	15%	10%	6%	2%	2%
Project Cost	12,743,050	12,743,050	-	-	-	-	-
Reserve Funded	5,500,000	-	-	-	-	-	-
Debt Issued	7,243,050	12,743,050	-	-	-	-	-
Debt Issue Cost	72,431	127,431	-	-	-	-	-
Annual Debt Repayment	-	609,482	1,681,773	1,681,773	1,681,773	1,681,773	1,681,773

Notes: This option is the quickest and most cost-effective path to expand both Phase 1 and 2 as it does not incur the estimated \$2,354,441 in additional cost to complete the full expansion in two separate phases and an estimated annual increase in project costs of 10% due to price escalation

Option 3 - \$30,761,117 Project Cost

(Phase 1 starting in 2023 and financed over a 20-year period and Phase 2 starting in 2026 over a 20 - year period)

Option 3:

Phases: Phase 1 (2023) and Phase 2 (2026)
 Total Project Cost: \$ 30,761,117
 Debt term: 20 year borrowing
 Estimated Annual Interest Rate: 4.50%

	2023	2024	2025	2026	2027	2028	2029
Tax Requisition	3,393,590	3,563,270	3,848,331	4,233,164	4,741,144	4,835,967	4,932,686
Tax Req % Change	10%	5%	8%	10%	12%	2%	2%
Project Cost	9,075,164	-	-	21,685,953	-	-	-
Reserve Funded	5,500,000	-	-	-	-	-	-
Debt Issued	3,575,164	-	-	21,685,953	-	-	-
Debt Issue Cost	35,752	-	-	216,860	-	-	-
Annual Debt Repayment	-	300,840	300,840	300,840	2,125,651	2,125,651	2,125,651

Notes: There is a \$5,275,017 premium on this option compared to Option 2 due to the additional cost (\$2,354,441) to complete the expansion in two separate phases plus an estimated annual cost escalation factor of 10% per year totalling \$2,920,576 by 2026. This option does allow the Board to defer the completion of Phase 2 to a later date to consider progress on a City of Parksville pool/multiplex project or time to decide on future pool apportionment formula and funding partners.

Separate price items have been identified on possible facility features that could be added or subtracted from the project costs shown in the above options. These are shown on page 3 of Attachment 2 and include the following:

- Reduced tank size of Phase 2, cost reduction of \$1,732,500
- Upgrade building structure for future second floor fitness centre at \$490,000
- Cost of \$340,000 for a 60m² (650 sq²) restorative health space. Staff have been in conversations with Island Health staff on the possible opportunity to add this additional space. Still to be discussed and finalized is whether Island Health would finance this additional space and pay a tenancy fee for services and utilities provided by the RDN or whether the RDN would finance the additional space and charge Island Health, or a private provider, a fee to cover both services and utilities provided plus capital cost recovery. Island Health's purpose for the space would be to provide residents of the Oceanside area local rehabilitation services for post knee and hip surgeries.

There is \$120,000 included in the 2022 Financial Plan that can be utilized for expenses related to the project for referendum purposes. This amount can be used to undertake a referendum to amend Bylaw 899 per the Board direction on June 14, 2022.

STRATEGIC PLAN ALIGNMENT

Growth Management - Provide effective regional land use planning and responsible asset management for both physical infrastructure and natural assets.

Social Wellbeing - Make the Region a safe and vibrant place for all, with a focus on children and families in programs and planning.

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People and Partnerships - Seek opportunities to partner with the provincial and federal governments, other government agencies, and community stakeholder groups in order to advance strategic plan goals and objectives.

REVIEWED BY:

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ATTACHMENTS

1. Ravensong Aquatic Centre Design and Phasing Options Summary
2. Class C Cost Estimates Ravensong Aquatic Centre Original Option (OO)
3. Ravensong Aquatic Centre Tax Requisition Per Funding Member – EA E Included at 1/3 Usage, 1/3 Assessment and 1/3 Population (*for illustrative purposes only*)