

REPORT TO: Council

FOR: Special Meeting

REPORT FROM: Financial Services

PRESENTED: September 28, 2021

FILE: 5YFP REFMP

SUBJECT: REFMP Recommendations for 2022-2026 Five Year Financial Plan

Recommendation:

THAT the following be incorporated into the draft 2022-2026 Five Year Financial Plan for Council's consideration during the budget process beginning October 5, 2021:

Item	Amount	When	Budget	Funding Changes
Transit Maintenance Facility	\$0.5M	2026	Operating	\$0.5M Annual payment
Brennan Park Revitalization	\$4.5M	2022	Capital	Grants/Reserves
Municipal Offices	\$0.9M	2025	Operating	\$0.9M Annual Lease

1. Objective:

To obtain Council endorsement to include new facility investments for consideration in the draft 2022-26 Five Year Financial Plan (5YFP).

2. Background:

In 2018 the District completed a Real Estate and Facility Strategy (REFS) to ensure it has the appropriate facilities (buildings/structures) to provide the services required by the community over the next 25 years. During this process, it was determined that many of the District's facilities that provide these services are at end of life (between 25 and 52 years old). Over decades, a lack of financial planning for the eventual replacement of these facilities, compounded by the recent rapid growth in the community, has left the District today with a significant challenge to fund all of the facility and infrastructure needs. As a result, the REFS provided strategic recommendations to guide future decision-making:

- To prioritize future facility investments, and
- Ensure that these investments were evaluated in the context of the District's other capital needs for infrastructure (e.g. dikes, roads, water and sewer utilities) and financial constraints through the annual budgeting process (Attachment 1)

Subsequent to the REFS, the District completed the Real Estate and Facility Master Plan (REFMP) in 2019 to establish a prioritized list of future facility and land investments ("What"), a recommended timeline for making these investments ("When") and potential funding strategies to support those investments ("How"). The REFMP identified over \$150M in total facility investments (2019\$) prioritized as shown in Attachment 2 and summarized below for the larger facilities:

- **Years 0-3 (Immediate)** – Valleycliffe/Tantalus Fire Halls, Public Works, Parks Operations
- **Years 4-5 (Near Term)** – Municipal Offices, Transit Maintenance Facility

- **Timing to Be Determined** – Brennan Park Recreation Centre (Energy Retrofit, Wellness Centre, 2nd Ice Rink, Pool Expansion), Library

The **Immediate** facilities identified above are in various stages of planning and/or construction and are already included in the District's current 2021-25 Five Year Financial Plan (5YFP). It is now time for the District to consider which new facility investments to include for consideration in the upcoming 5YFP for 2022-2026.

The community will be looking for information on how citizens can be involved, and staff have developed a backgrounder document which includes information about "how we got here" (Attachment 3) and a process for how the community will be engaged, which is highlighted under #6. *Community Engagement* below. In addition, the District website includes a project page dedicated to the initiatives being actioned as part of the REFMP. A Frequently Asked Questions page will be developed as questions from members of the public are received.

3. Project Information:

Based on the information above and the guidance of the REFMP, the facilities identified in Table 1 below are proposed for consideration:

Table 1

Facility	Cost	Grants	Net	Lease (per year)	Tax Impact	Year
<i>Brennan Park Rec Centre Revitalization</i> (Rationale: End of Life, Climate Emergency)	\$16.3M	\$11.8M	\$4.5M	-	-	2022-25
<i>Transit Maintenance Facility</i> (Rationale: Transit Expansion, Funding Opportunities, Climate Emergency)	\$35M	\$23M	\$12M	\$0.53M	1.4%	2026
<i>Municipal Offices</i> (Rationale: End of Life)	\$30M+	\$0	\$30M+	\$0.9M	2.4%	2024/25

Grants: Non-taxpayer external funding or Federal/Provincial Grants.

Tax Impact: The estimated property tax impact resulting from the annual lease payments.

Brennan Park Recreation Centre (BPRC) Revitalization #1 – The first phase of proposed improvements to the BPRC includes a new 4,000 sq.ft. customer service area, renovations of the lobby, mezzanine, ice rink change rooms and roof insulation, ice rink/pool heat recovery system, a new elevator, and exterior lighting and landscaping. BPRC is the main contributor of greenhouse gas emissions (GHGe) of all municipal facilities, accounting for 62% of the District's GHGe per year. Future expansion plans beyond this first phase include the twinning of the ice rink, new pool, wellness centre, and administration building which would almost double the existing floor area.

The proposed improvements in phase one will reduce GHGe and reduce operating costs at BPRC plus enable improved customer service and accessibility to the BPRC. The District has submitted a grant application to obtain \$11.8M in Federal Government funding towards this \$16.3M investment into the BPRC. If the grant application is successful, the \$4.5M investment required by the District will be funded by a combination of the following District Reserves (savings): *Capital, Land* and *Community Works*. Other future facility investments at BPRC will be considered during future years 5YFP budget processes.

Transit Maintenance Facility – The proposed Transit Maintenance Facility consists of an approximately 28,000 sq. ft. facility, ideally situated on five acres of land. The proposed facility is required to enable the District to expand its transit services beyond 2024/25 when the current facility will reach capacity. Transit route expansion within Squamish and future regional transit services cannot be achieved without the new Maintenance Facility. Further, after completion of the REFMP, the District declared a Climate Change Emergency. The expanded facility will enable the electrification of the entire fleet in the future, further elevating the need to advance this investment.

BC Transit's process requires that a municipality provide a commitment five years in advance and they construct the facility. The estimated project cost is \$35M. BC Transit is offering \$15M in funding and there is currently an opportunity to obtain an additional \$8M in Federal Government funding, leaving the District to contribute \$12M towards this investment. The District has the option to make a one-time upfront payment of \$12M or an annual payment of approximately \$530K over 30 years. The REFS recommends that the District utilize external funding, wherever possible, to preserve borrowing capacity and land dispositions, to enable all projects identified to be completed in a reasonable time period. Given BC Transit has offered a choice, staff recommend that the District fund its portion through the annual payment option, preserving \$12.5M in borrowing or future land dispositions. Based on this approach there is an anticipated 1.4% tax increase in 2026 to fund the Transit Maintenance investment.

Municipal Offices – Currently, the District's Municipal Offices are situated in a facility that was constructed in 1972. This facility was architecturally assessed first in 2011/12 and then again during the REFMP process and determined, nearing fifty years, it is at end-of-life. Ongoing repair and upkeep require exponentially increasing annual operating, maintenance and capital costs. Additionally, some areas require seismic and *BC Building Code* works to bring into compliance. A full demolition and rebuild of the facility is required to make it operational for the next forty years.

The current size of the existing Municipal Office at 21,000 sq.ft does not meet current needs for office space. During the REFMP process and space planning, it was projected that the District's future office space needs would range from 25,000 to 40,000 sq.ft. over the next +20 years. Earlier preliminary space planning completed in 2016 projected space needs will reach 33,000 sq.ft. by as early as 2026. The onset of COVID-19 and the new realities (e.g., the ability for work from home / shared offices) are changing workplace requirements. As a result, the Municipal Offices are

projected at approximately 30,000 sq.ft. and incorporates a larger Council Chambers based on a hybrid design allowing wider community uses (for example performances, events and meetings).

In addition, staff are reviewing:

- locating the Municipal Offices within close proximity to other community uses including Galleries, Libraries, Archives and Museum (known as GLAM) and Arts, Cultural and Heritage users (also considered within the future Library).
- leveraging square foot savings through use of co-locating with other Government and non-Government partners
- incorporating potential for a daycare and/or café (privately run in nearby private facilities)

In order to identify the funding options for this investment, three options were shortlisted as shown in Table 2 below. Analysis considered borrowing capacity, existing reserves, raising funds through disposition of District-owned land, grants, federal/provincial contributions, sponsorship, property tax impacts and trade-offs that could result between other facility investments.

Table 2

Green shading represents favourable or highest rated, yellow represents an area of concern, orange represents significant concerns.

OPTION	FINANCIAL PLAN				NON-FINANCIAL
	<u>Tax Increase %</u>	<u>Average Residential Tax Increase</u>	<u>Borrowing Capacity</u>	<u>Land Dispositions Required</u>	<u>Trade Offs</u>
Municipal Offices - lease	2.4%	\$62	None	None	Limited
Municipal Offices - own	2.6%	\$68	1.3%	\$18M	Choose between Library or portions of BP in near term.
Municipal Offices - joint facility with Library	5.2%	\$136	3.2%	\$20M+	Prioritizes Library over Brennan Park (delayed).

Based on the analysis in Table 2, staff **recommend that the District move forward with leasing of the Municipal Offices** for this investment. Leasing does not require the District to sell land assets to raise funds. Additionally, the lease payment is considered an annual operating expense, which does not reduce the District's ability to borrow funds for future investments. This creates the opportunity to complete other investments at BPRC (e.g., Energy Retrofit, Wellness Centre, 2nd Ice Rink and Pool Expansion) and the Library within a reasonable time frame; the goal is before 2030, depending on the amount of external grant funding available. If the District was to own the Municipal Offices, there is not projected to be enough borrowing capacity available to complete the BPRC projects and

the Library both within this time frame and choices would be required. A joint Municipal Offices Library/Facility (assumes the Library is a priority over the BPRC projects) will result in an uncertain timeline for completion of the BPRC projects. This recommendation is also based on:

- Projected increase in taxes to support a lease (2.4%) is comparable to the projected increase in taxes to make annual debt repayments if the District was to own the facility (2.6%) and significantly less than a joint facility (5.2%)
- Does not tie the District into a lease in perpetuity, a purchase can be pursued at a later date
- Does not close the door on the District owning the Municipal Offices (especially if new funding opportunities are discovered) or exploring space partnering opportunities
- Frees up District funds to allocate sustainability measures (e.g., carbon embodiment and GHGe savings) on facilities
- Focuses highest chance of obtaining external grant funds on facilities that are high candidates for such funding; for example, there is significantly more grant funding available for a Community Recreation Centre or Library than Municipal Offices
- Provides mitigation against construction escalation costs beyond the District's control
- Delays the sale of District land assets to enable the possibility of other funding sources such as fundraising and developer contributions through Community Amenity Contributions (to be explored)

All of these conversations and decisions will be explored in greater detail, with community input, prior to final investment decisions and locations being finalized. Further detail is provided below in # 6. *Community Engagement*.

4. Implications:

a. Budget:

If endorsed, the proposed facility investments will be considered by Council during the 2022-2026 5YFP process.

b. Organizational Impact:

As noted in Attachment 1, if the 2022-2026 5YFP is endorsed by Council, this will direct the work plans of Real Estate Services, Finance, and the Director of Facilities, Planning and Construction.

c. Policy:

The recommendations contained herein, and the process followed were created following the policy guidelines and objectives recommended in the previously endorsed:

[Real Estate and Facility Strategy](#)

[Real Estate and Facility Master Plan](#) (*Executive Summary is attached as Attachment 4)

[Squamish Public Library Future Needs Assessment](#)

[Arts, Culture and Heritage Strategy](#)

Long Term Financial Plan Guiding Principles

5. Strategic Plan

The Planet and Environment

Climate Change Emergency

GHGe reduction (carbon embodiment and energy usage) is a key driver in all District's projects to support the goals of the with Community Climate Action Plan. The Transit Maintenance Facility and Brennan Park Recreation Centre revitalization projects represent a major portion of the District's GHGe and thus must be prioritized works, in both time and project cost, to target GHGe reduction; there are significant opportunities in these two projects alone.

6. Community Engagement:

The recommendations put forward in this report will be discussed at length by Council and the community. The table below outlines the opportunities the public will have to weigh in on the topic and provide input to Council prior to Council making funding decisions by the end of 2021 and throughout 2022.

Fall 2021	<p>October 5 – Operating Budget presentation to Council/Community</p> <p>October 26 – Capital Budget presentation to Council/Community</p> <p>Public information and comments on the budget will be invited via the following:</p> <ul style="list-style-type: none"> ○ The budget will be presented via an online tool, and detailed documents. ○ Additional background information and an FAQ will support the facilities information. ○ All documents will be shared via the new public engagement hub <i>Let's Talk Squamish</i>. Discussion forums and Q&A can also be hosted on this platform. This platform will be ready to launch by September 30 at LetsTalkSquamish.ca. Prior to the launch of LetsTalkSquamish.ca, accompanying documents will be posted at Squamish.ca/budget. ○ A mid-October public information night will be held specifically to share information on the facilities investment recommendations. ○ A budget public information night is planned for November.
2022	<p>The REFMP did not prioritize the relative importance of the Library versus the BPRC projects; they were all prioritized equally as 'Core' and 'Growth' projects. The REFMP recommended that the timing of these projects be determined by the availability of grants and further analysis regarding the community benefits generated by each project. The REFMP recommended that community engagement could support this prioritization, therefore staff</p>

	<p>recommend that the District launch community engagement in 2022 for the 2023-27 5YFP including:</p> <ul style="list-style-type: none"> • Prioritization of the BPRC projects (e.g., Wellness Centre, Pool, Ice rink) • Programming for a new/expanded Library in Downtown Squamish including Arts, Cultural and Heritage opportunities • Priority of new/expanded Library relative to the BPRC Projects
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7. Next Steps:

1. October 5 Council meeting - REFMP Follow up presentation to September 28th
2. October 5 Council meeting - Public Budget presentation - Operating
3. October 26 Council meeting - Public Budget presentation - Capital
4. Public Engagement Campaign
5. November 23 - Budget Public Information Night

9. Attachments:

1. REFS Investment Decision Process
2. REFMP Facility Investments Prioritization
3. How we got here: Facilities Renewal
4. Executive Summary: REFMP

10. Alternative Recommendation

As directed by Council.

11 Staff Review

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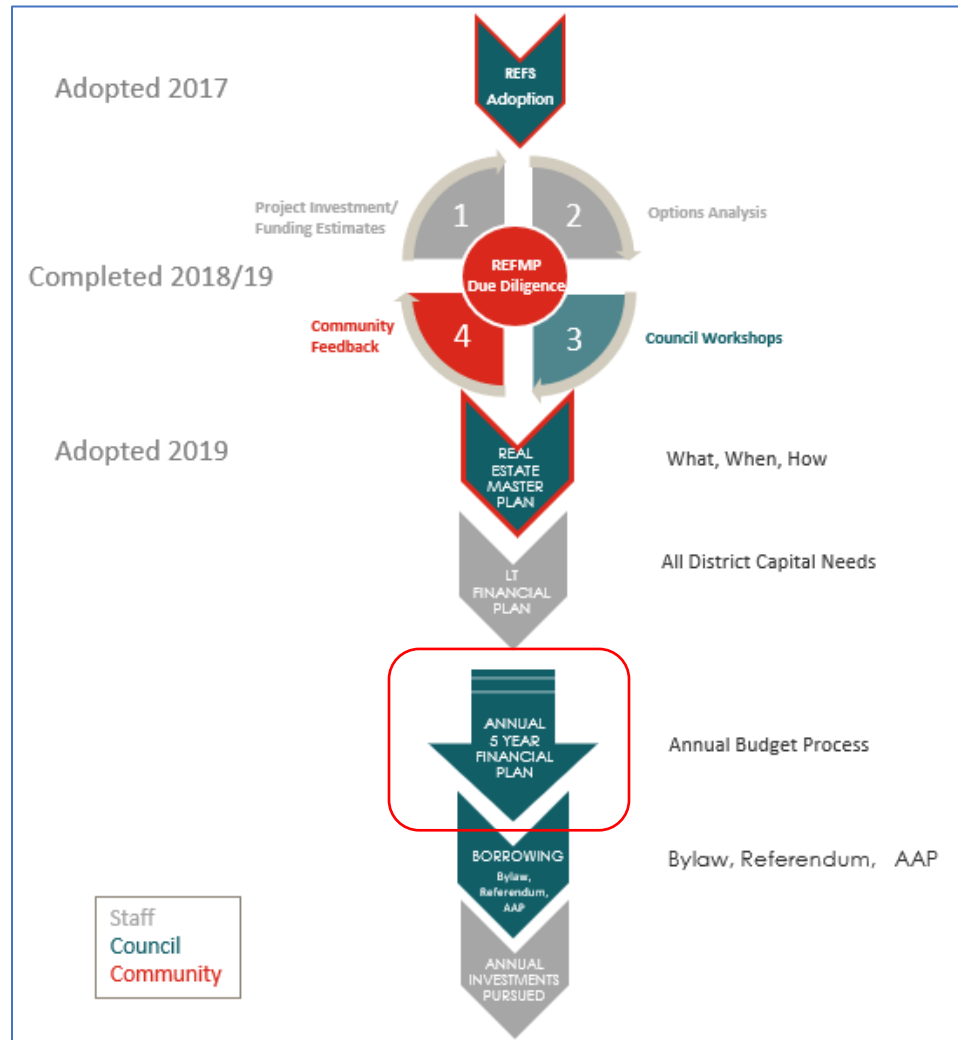
Robin Arthurs, General Manager of Corporate Services

CAO Recommendation:

That the recommendation of Financial Services be approved.

Linda Glenday, CAO

ATTACHMENT 1– REFS Process For Investment Decisions



ATTACHMENT 2 – REFMP Prioritization (Excerpt)

Item	REFS Primary	REFS Secondary	Investment Impact	External Funding Opportunities
Years 0-3				
Main Fire Hall Volunteer Fire Hall	Critical	a Committed	Community/Life safety	Not anticipated
Public Works	Critical	b End of Life e Growth		Not anticipated
BPRC – Reno#1	Core	b Near End of Life	Customer Service	Available
Neighborhood Centres	Core	f Community Enhance	Community programs	Not anticipated
Years 3-5				
Municipal Hall	Critical	b End of Life e Growth	Community Resiliency	Not anticipated
Parks Ops	Core	b End of Life	Worker Safety	Not anticipated
BP Field Users Washrooms	Core	b End of Life	Customer Service	Not anticipated
Multi Modal Hub	Core	c Legitimize Asset	Access, affordability	Not anticipated
Parks DT Satellite	Core	e Growth	Efficiency	Not anticipated
Transit Maintenance	Support	e Growth	Access, affordability	Available
To be Determined				
BP – Second Ice Rink	Core	e Growth	Prime time ice access	Grants, Sponsorship
Library	Core	e Growth	Community programs	Grants, Sponsorship
BP – 8 Lane Pool Addition	Core	e Growth	Prime time lessons	Grants, Sponsorship
BPRC Reno#2	Core	e Growth	Community programs	Grants
BP – New Customer Service	Core	e Growth	Customer Service	Grants
BP – Wellness Centre	Core	e Growth	Health programs	Grants, Sponsorship
DT Parking Structure	Core	f Community Enhance	Economic dev.	Not anticipated
Fire Hall#3	Critical	e Growth	Community/Life Safety	Not anticipated
Not Recommended				
Animal control	Support			

REFS Primary:

Critical – the assets we cannot live without, required to operate and govern the community, provide safety and basic essential services.

Core – crucial to the community that the District must deliver (or find others to deliver on our behalf).

Support – want and need these in our community but not directly in the District’s mandate, assets we continue to advocate for and partner on to ensure the residents have access if possible.

HOW WE GOT HERE



As the District of Squamish contemplates the 2022-26 Five Year Financial Plan (5YFP), a number of scenarios are being proposed to fund future facilities. The following document provides some background information for the public on how we got here and what is informing our decision-making. This document is divided into three sections: facilities current state overview, how we got here, and gains in the last decade.

The 2022-26 5YFP includes proposed costs to replace a number of end-of-life facilities across the District and invest in new facility infrastructure. Council is considering the budget this fall, and looks forward to conversations with the community to receive public input prior to making funding decisions.

Launching on September 30, we invite you to join us in our new community engagement platform – Let's Talk Squamish – to provide your comments and ask questions on the decisions in front of Council. Two public information meetings will also be held virtually and in person during this fall's review period of the 5YFP. LetsTalkSquamish.ca (Live on September 30, 2021)

squamish.ca/budget

FACILITIES RENEWAL - AT A GLANCE

- 75% of the District's facilities are at end of life (up to 52 years old) and need replacing or significant upgrades. This will require investment of \$150M +. A Real Estate and Facilities Strategy (2017/18) and Master Plan (2019) provides the "what, when and how" for this schedule of replacements.
- The Real Estate and Facilities Master Plan (REFMP) prioritizes three Immediate (0-3 years) Critical facilities to be replaced – the Valleycliffe Fire Hall, Tantalus Fire Hall and Public Works Yard. All three are underway (construction or design) and funding is in place in the current 5YFP (2021-25).
- The next priority projects to schedule according to the REFMP guidelines are Near Term (4-5 years) facilities. These include the municipal offices, built in 1972 which are no longer adequate in size (despite new remote work opportunities) and function for the growing community, and a Transit Maintenance Facility, required for local/ regional transit expansion, to electrify the bus fleet, and to leverage \$23M in federal/ provincial funding currently available (requires a five-year lead time). A Brennan Park Recreation Centre energy retrofit (phase one of a larger Brennan Park upgrade project) joins this list to take advantage of grant funding potential, realize significant energy savings and reduce high greenhouse gas emissions.
- Brennan Park Recreation Centre (future phases) and the Library (timing to be determined) are important community buildings requiring expansion and upgrades. These are good candidates for partial funding from grants from higher levels of government; such grants would require contributing funds to be provided by the District. Public engagement in 2022 will build on the feedback we received from the community about Brennan Park in 2018 and play a key role in setting priorities for these upgrades.

- The draft 2022-26 5YFP that will be presented to Council includes a recommendation and associated costs to lease space required for the municipal offices. Leasing municipal office space instead of building a purpose-built municipal hall is recommended to:
 - Reduce the impact on the District's cash flow over an extended period.
 - Limit the impact on the District's borrowing capacity.
 - Increase the capacity for the District to invest sooner in community facilities Brennan Park Recreation Centre and the Library, in a time-frame that is desired by the community.
- In the upcoming 2022-26 5YFP, the District tax impacts will be driven in part by facilities replacements and the REFMP lays out the steps for this to take place.

HOW WE GOT HERE

In 2017/18, the District of Squamish developed a Real Estate and Facilities Strategy, followed by Council endorsement of a Real Estate and Facilities (REF) Master Plan in 2019. These documents identified that the District's facilities had reached a critical state with 75% of the District's facilities at 25 to 52 years old.

Over decades, lack of investment in planning and budgeting for the eventual need to replace facilities has resulted in the need for significant financial investments to be committed to now and in the coming years. Historically, common practice was to focus on short term tax strategies. Keeping taxes low was the focus at a time when the community was faced with the loss of high-paying industry jobs and a transition to a new economic future was the focus. While these decisions were well-received at the time, hard decisions about long-term planning and infrastructure investment were put off, creating a monumental task for future Councils and taxpayers.

2011 saw the beginning of a more forward-looking strategy whereby approval of a long-term financial plan laid the foundation for future Councils to prepare for infrastructure replacement – pipes in the ground, keeping up with information technology, and eventual replacements of facilities.

Recent Councils and District staff have worked hard to address shortfalls created by the past, and simultaneously respond to the rapid growth that has transformed Squamish and created a new set of unique challenges. Affordability, the need for local jobs creation, the need for more employment space for businesses and industry to expand, and the policy work required to help shape a climate change-friendly community of the future are just some of the pressing concerns of recent years.

Looking even further ahead, the REF Master Plan identifies the need to begin rebuilding financial reserves for the next generation of facility replacements 25+ years from now, once the current facility backlog is addressed (or in 10 years, whichever is earlier).

GAINS IN THE LAST DECADE

MUNICIPAL INFRASTRUCTURE RENEWAL (PIPES IN THE GROUND)

The last 10 years have seen major investments and strides made to stabilize municipal infrastructure maintenance and replacement, such as for water and sewer infrastructure. Similar to what most other communities have faced across North America, pipes that were laid underground 50+ years ago are reaching end of life and communities are grappling with the need to replace them. The 2011 Asset Management Plan was developed and helped put the District of Squamish on the leading edge of infrastructure asset management in Canada. Ten years later, a suite of Master Plans defines our annual investments and prioritizes maintenance and replacement of infrastructure until 2040. The Water and Sewer Utilities are now self-funded through their Utilities fees, with negligible annual rate increases for tax payers to absorb. In 2021, the District committed to \$11.5M in upgrades to the Wastewater Treatment Plant to keep up with population growth and compliance with regulations. The upgrades will accommodate growth to a population of 33,000 and the entire cost is funded by development and reserves.

TECHNOLOGY TRANSFORMATION AND INFORMATION TECHNOLOGY INFRASTRUCTURE REPLACEMENT

A multi-year effort to overhaul and modernize software systems, improve information technology infrastructure and ensure the security of the District's network in a 21st century environment has been underway since 2015. This work is multi-faceted and is an essential program to modernize the District's business and technology systems. The work focuses on building a technology foundation that will help improve citizen services and access, help staff meet and exceed the demands for information and online services, improving the organization's business processes and operational efficiency, while also focussing on cybersecurity.

LONG-TERM FINANCIAL PLANNING

Guiding financial principles have been developed with recent Councils to ensure that taxes do not fluctuate greatly from year to year, while ensuring that revenues are sufficient to support the long-term goals of the community. Reserves have been established for a variety of long-term needs to ensure that the District is meeting the needs of today while planning for the future, and limiting future impacts on tax payers at that time. The goal is to bring forward stable and sustainable increases to the community annually to grapple with rising costs, rather than hold taxes at zero and then place the burden on future Councils when they are faced with dire needs. We also use our Development Cost Charges Bylaw and Community Amenity Contribution Policy to ensure that developers contribute to our infrastructure and amenities as the community grows.

FLOOD HAZARD MANAGEMENT

The District's award-winning Integrated Flood Hazard Management Plan lays out a set of actions to adapt to sea level rise and larger precipitation events as a result of climate change, and adopt a higher standard of protection for the Squamish and Mamquam River dikes in light of the significant number of homes and businesses they protect. Developed over three years, the plan was adopted by District Council in 2017, has been actioned every year since, and has attracted millions in grant funding from provincial and federal governments.

TRANSFORMING A CAR-CENTRIC COMMUNITY

In 1964 Brackendale, Mamquam and Squamish – three distinct communities spread north to south through the valley – amalgamated to form the District of Squamish. Squamish grew as a car-centric community spread out across different neighbourhoods, and recent Councils have worked hard to improve safety and develop alternative commuting options along the road network with the introduction of bike lanes, sidewalks, improved transit and a focus on safe routes to school.

CLIMATE CHANGE ADAPTATION AND MITIGATION

In July 2019, District of Squamish Council passed a Climate Emergency Resolution and outlined a plan to weigh every decision through a climate lens. The resulting Community Climate Action Plan identifies Six Big Moves to reduce greenhouse gas emissions by at least 45% from 2010 levels by 2030, and to be on track to achieve net-zero emissions by 2050. Across the organization, \$14.3M worth of projects in the 2021-25 Financial Plan help us to tackle climate mitigation or adaptation projects.

EMERGENCY MANAGEMENT PLANNING

As climate change raises the possibility of greater destructive storms, wildfires and other natural disasters, the District has a series of initiatives and partnerships in place to build resiliency within all neighbourhoods and Squamish Nation reserves. The Community Wildfire Protection Plan was updated in 2018 and has begun implementation. FireSmart initiatives are underway; there is an all-community evacuation plan, new Wildfire Development Permit Area guidelines are being considered; and an emergency alert system is in place.

HOUSING AFFORDABILITY AND DIVERSITY

The issue of affordable housing in Squamish emerged rapidly as housing demand skyrocketed with increases to the population who were drawn to Squamish by the easy commute to Vancouver and the outdoor-centric lifestyle. The District's work to address this issue began in 2015 with the convening of a Housing Task Force. A number of housing projects have since broken ground or been built to deliver units across the housing spectrum, including the 76-unit Buckley Avenue building; the 45-unit Under One Roof facility; 232 units of affordable seniors housing, and additional affordable units and purpose-built rental secured in developments across the community, to be ultimately managed under a housing organization. There is more work to be done to be sure.

ECONOMIC DEVELOPMENT AND LOCAL JOBS

A focus on increasing the number of local jobs per capita and generating a net increase of employment lands on pace with terrestrial and marine needs, are two key goals in the Council Strategic Plan, with work being actioned to stimulate job growth for economic and social gain. Priority target sectors were identified and are promoted, and an employment land/space inventory and demand model has been developed and is incorporated into zoning updates to ensure supply can be generated with future development.

[squamish.ca/economic-development-programs](https://www.squamish.ca/economic-development-programs)

NEIGHBOURHOOD CONNECTIVITY AND PUBLIC SPACES

New facilities, new parks and neighbourhood planning have been a focus of this Council, and three new facilities are underway or getting close to being shovel ready. The new Valleycliffe Fire Hall is scheduled to be complete in April 2022 and will house the fire administration offices and the Emergency Operations Centre. Construction of the Tantalus Fire Hall is scheduled for mid 2022 once the temporary fire hall is moved from Valleycliffe. A new Public Works building and equipment facility will begin construction in the first half of 2022. Dentville Park, University Heights Park (completed), Waterfront Landing Park and Oceanfront Park are all new parks for the community to enjoy once completed.

LINKS AND RESOURCES

- The [Real Estate and Facilities Master Plan](#) (REFMP) is available in its entirety online. The plan is extensive, and an Executive Summary and detailed Table of Contents will help you navigate it.
- Keep up-to-date on current facility replacements and upgrades underway on the [REFMP Project Page](#).
- A Frequently Asked Questions is underway.

EXECUTIVE SUMMARY

In April 2018, the District adopted the Real Estate and Facilities Strategy (“REFS”) as a first step towards meeting the District’s future facilities and land requirements in a fiscally responsible manner. The next step in the REFS implementation plan was to complete a Real Estate and Facilities Master Plan (“REFMP”) to ground truth the REFS findings including architects’ reviews and more detailed cost estimates. The REFMP establishes a prioritized list of future facility and land investments (“What”), a recommended timeline for making those investments (“When”) and potential funding strategies to support those investments (“How”).

The *Strategic Principles* identified in the REFS provided important guidance for completing the due diligence, analysis, prioritization and decision making required for recommending the “What, How and When” in the REFMP.

Through the development of the REFS and the REFMP the District also learned the importance of District facilities and lands as community spaces. As a result, future investments decisions are recommended to be evaluated with a view to ensuring that District facilities and lands will be welcoming, safe and inclusive for all members of the community regardless of culture, race, gender or age.

The District will also continue to respect and acknowledge that facility and land investments identified in the REFMP will occur on Squamish Nation traditional territory. This provides our two governments with the opportunity to support the development of inclusive community spaces and look at opportunities to:

- Explore partnerships to share facilities where possible;
- Engage in ongoing consultation on facility and land investments of mutual interest (i.e. diking, landfill expansion, affordable housing, regional transit, recreation).

The key findings/recommendations from the REFMP include:

WHAT

- The architects’ reviews confirm the recommendations from the REFS – that all of the existing facilities identified in the first column in Table ES1 below are recommended for replacement. The architects concluded that further investment into these facilities may improve the end-of-life conditions but would not address future expansion needs, seismic instability or increase functionality.
- After the review by the architects and cost consultants, the facility estimates from the REFS have increased from \$97-\$118m to \$141-\$169m. In order to be conservative, the cost estimates include the estimated design, site development and construction costs (lower end of range) plus potential contingencies (higher end of range). The estimates are reflected in 2020 dollars. They are provided at this time to support future decision-making and are not expected to be the final investment numbers. Prior to making final investment decisions on any of the facilities noted in this plan, a more detailed scope and design of each building will be completed and from that more accurate estimates of capital and operating and maintenance costs will be established.

Table ES1 – Facility Investment Summary (2020\$)

Replacements (plus Expansion)		New Facilities - Expansions		Renovations	
Fire Hall #2	\$8.7-9.9m	Brennan Park		Brennan Park	
Fire Hall #1	\$2.8-3.1m	- 2 nd Ice Rink	\$16.2-23m	- Rec Ctr. Reno #1	\$2m
Public Works	\$10.1-12.6m	- 8 Lane pool	\$8.3-11m	- Rec Ctr. Reno#2	\$1.7-2.5m
Municipal Hall	\$20.5-25m	- Wellness Ctr. – Gym	\$2.7-\$3.8m	- New Cust. Service	\$2.5-3.7m
Parks Operations	\$1.5-2.1m	- Wellness Ctr. – Prog	\$6.7-9.4m		
BP – Field Users	\$1.1-\$1.5	Parks DT Satellite	+/- \$1.0m		
Library	\$16.7-20.2m	Multi Modal Hub	\$0.65m		
Fire Hall#3	\$0 (CAC's)	Transit Maintenance	\$20m+		
		Neighborhood Ctrs	\$1m		
		Downtown Parking	\$15m		
Total	\$63-\$76m	Total	\$72-85m+	Total	\$6-8m
Not Recommended for Replacement or Expansion					
Suitable Condition/Function		End of Life/Relocation		Non-Operational	
RCMP The 55 Adventure Centre		Art's Council Building Youth Centre Drop in Centre Animal Control		Forestry Building Cleveland Ave. Restaurant	

- *Total future land investments* cannot be identified at this time and requires further analysis.

WHEN

- *Fire Halls and Public Works* – These facilities are the most immediate priorities. Replacement is recommended within the next 3 years to address end-of-life conditions and improve community safety.
- *Municipal Hall* – Replacement of this facility is recommended within 5 years to address end-of-life and overcapacity issues before significant capital repairs are required.
- *Transit Maintenance Facility* – The Transit Maintenance Facility is required for the expansion of the transit service. If the District is successful in securing federal funding currently offered, the Transit Maintenance Facility is recommended to advance in prioritization and to be completed within five years.
- *Remaining “Growth-Oriented” facilities* at Brennan Park (Second Ice Rink, Eight Lane pool Addition, Wellness & Arts Centre, New Customer Service Area) and the Library are to be prioritized after the investments identified above, given these facilities are not experiencing end-of-life conditions, do not impact community safety or have immediate grant funding identified.
- The District will continue to *explore opportunities to support community needs* (youth services) and non-profit community groups (Squamish Arts Council and heritage community) through providing space within District facilities, grants to support leasing from third parties or long-term leases on District land - without requiring the District to invest in new standalone facilities.
- *Interim solutions* will be required, until new facilities are built to address current overcapacity issues at Municipal Hall, Brennan Park (programming) and the Library.

- Replacing/expanding the existing facilities, building new facilities and extending the lifespan of facilities that will continue also requires *increased annual capital repairs and operating expenses*. These increased annual expenses will need to be considered when adding new facilities.

HOW

There is no singular approach to funding the upcoming facility and land investments. Many events and circumstances beyond the control of the District will occur that will impact the “What” and “When” and ultimately the “How” for the District’s investments. Initial funding illustrations, based on current information provide insights and guidance to support future decision making by Council and the community. These illustrations, confirm that funding the gap between the estimated \$155m+ in facility and land investments and the District’s current Land Reserve balance of \$11m, requires the following funding sources:

- *Annual District borrowing* – is required right from the beginning to fund critical facility investments (Fire Halls, Public Works - \$30.6m) in the next 3 years – the District’s Land Reserve Account (\$11m) cannot fund these investments. Anticipated maximum annual borrowing is \$4m/year.
 - *District Dispositions* – disposition of surplus fee simple District land can provide an estimated \$45m in funding (1) without increasing taxes and (2) to support investments which exceed the annual borrowing capacity. The dispositions cannot occur all at once and a Disposition Strategy is required to ensure the District maximizes the values of its surplus properties.
 - *External funding* – attracting external funding (i.e. grants, sponsorship) is required to complete the “Growth Oriented” expansion candidates at Brennan Park (Second Ice Rink, Eight Lane pool Addition, Wellness Centre, New Customer Service Area). Annual borrowing and the Land Reserve will not be sufficient to fund the estimated \$77m for these investments. The amount of external funding available is still to be determined and the timing will determine when these investments can be completed.
 - *Partnerships* – public-public and public-private partnerships can provide enhanced service to the community and reduce the District’s facility investment, especially for the Growth Oriented expansion candidates at Brennan Park. Partnerships are recommended to be explored prior to making final investments decisions for these investments and Municipal Hall.
 - *Leasing* – Leasing Municipal Hall and the Library would free up an estimated \$45m of District capital to fund other projects. This possibility must be explored before final decisions are made regarding these facilities.
 - *Development Funding* – will supplement future funding but not a guaranteed source.
- In addition to providing capital for upfront investments, District Dispositions can generate increased tax revenues to help fund increased ongoing annual capital repairs and operating expenses anticipated as the District’s facility portfolio expands. District Dispositions can also generate increased economic development, creation of employment space and increased housing opportunities.

- Given that the District’s future land investments requires further analysis; it is anticipated that the District’s funding approach will need to be adjusted in the future to accommodate these investments.
- In 10 years, or when the current facility backlog is addressed, whichever is earlier, the District will need to begin rebuilding its financial reserves to support the next generation of facility replacements 25+ years from now. Future facility replacements will not be possible without sufficient reserves.

IMPLEMENTATION

Through implementation of the REFMP:

- The Long-Term Financial Plan (“LTFP”) will be updated with the “What/When/How” from the REFMP.
- Once the LTFP is updated, investments decisions can then be considered for the District’s Five-Year Financial Plan (Annual Budget).
- The District will commence an unprecedented period of facility analysis, design and construction. The District will require in-house project management resources immediately to support this process. These activities are anticipated to be focused throughout the next three years and beyond as follows:

Table ES2 - Implementation Timeline

Year	Focus	Activities
1	Due Diligence	Final site analysis, partnership and grant funding opportunities, final needs assessments
2	Decision Making	Options analysis, community engagement and Council endorsements in budget
3+	Project Work	Detailed design, tendering and construction

- The District’s funding illustrations will require updating to reflect the many external factors impacting the District’s ability to fund future investments including:
 - market values of District Dispositions;
 - contributions from development;
 - other financial challenges the District may face;
 - external funding availability/timing;
 - partnerships reached for facility delivery; and
 - escalations in construction costs.