



## COUNCIL REPORT

Report Date: July 11, 2023  
Contact: Colin Knight  
Contact No.: 604.873.7569  
RTS No.: 15823  
VanRIMS No.: 08-2000-20  
Meeting Date: July 26, 2023  
[Submit comments to Council](#)

TO: Standing Committee on Policy and Strategic Priorities  
FROM: General Manager of Finance, Risk and Supply Chain Management  
SUBJECT: Provincial 'Growing Communities Fund': Initial Allocation to City Projects

### Recommendations

- A. THAT Council approve initial multi-year capital budget and funding adjustments for six projects as outlined in this report, which will result in:
- a) An increase of \$22.5 million to the 2023-2026 Capital Plan; and
  - b) An increase of \$25 million to the Multi-Year Capital Project Budgets.

Funding for these budget adjustments will come from the grant received from the Provincial Government's Growing Communities Fund. Details of the proposed adjustments can be found in Appendix A of this report.

- B. THAT staff report back with recommendations for the allocation of the remaining \$23.6 million of the Growing Communities Fund no later than the 2023-2026 Capital Plan Mid-term Update scheduled for mid-2024.

### Alternative Consideration

- C. That Council confirm alternate priorities for disbursement of the Growing Communities Fund grant and direct staff to report back with recommended funding allocations for projects that align with those priorities.

### Purpose and Executive Summary

In February of 2023, the BC Provincial government announced the creation of the Growing Communities Fund (GCF), which provides a one-time \$1 billion grant to support the delivery of infrastructure projects necessary to enable community growth in British Columbia. The City of

Vancouver received \$49.1 million from this fund in March 2023, the second highest allocation after Surrey.

The use of funds must adhere to certain conditions set out by the GCF, which include limitations on their use for capital investments and a requirement to spend them by March 2028. Local governments are required to report annually on the amounts and uses of funding and the balance of the funding remaining.

Upon receipt of this grant, City staff embarked on a process to identify suitable projects for this incremental funding. Project identification and prioritization criteria were developed in line with the eligibility requirements set by the Province, the 2023-2026 Capital Plan goals and objectives, and reflecting other recent direction from Council and Boards.

Six projects were identified as strong candidates for GCF funding based on the established criteria, in particular, potential for rapid delivery and clearly defined outcomes. This report recommends allocation of funds from the GCF to the following projects:

1. Conversion of temporary public plazas to permanent (\$10 million)
2. Beatty Street Bike Lane conversion to permanent configuration (\$2 million)
3. Transportation safety & accessibility improvements (\$3 million)
4. Marpole-Oakridge Community Centre renewal and expansion (\$3 million)
5. Downtown Eastside FireHall # 2 Temporary Annex (\$3 million)
6. Renovation of Central Children's Library – Phase 2 (\$4.5 million)

More details on these projects can be found on the “Discussion” section of this report and on Appendix A.

Additional projects were identified as potential candidates and, subject to alternate direction from Council, staff plan to report back with further funding recommendations once scope and cost estimates are further defined. Staff would expect to bring these projects forward to Council for approval through the 2024 Annual Budget Process or Quarterly Budget Adjustment Process within the next 12 months. More details on these projects can be found in Appendix B.

### **Council Authority/Previous Decisions**

The 2023-2026 Capital Plan was approved by Council in June 2022. The plan presents a comprehensive overview of planned City capital investments in infrastructure and amenities across various service categories, along with the associated funding strategy and debt capacity for the capital investment priorities over the four years.

Council approved the [2023 Capital Budget](#) (funding allocation from 2023-26 Capital Plan) on December 6<sup>th</sup> 2022, and subsequent [budget adjustments](#) on May 31<sup>st</sup> 2023.

Council has the discretion to adjust the Capital Plan to respond to evolving circumstances during the plan's four-year timeframe, including receipt of grant allocations from senior governments. In accordance with the City's Capital Budget Policy, proposed adjustments to the Capital Plan and the Capital Budgets greater than \$200,000 are presented to Council for approval on a quarterly basis and/or as required.

### City Manager’s Comments

The City Manager concurs with the foregoing recommendations.

### Context and Background

On February 10, 2023, the [Provincial government announced](#) the creation of the Growing Communities Fund, which is a \$1 billion fund to address the cost of local government infrastructure required to support growing communities. Grants from this fund were allocated to municipalities and regional districts using a funding formula that reflects population size and growth. The City of Vancouver received \$49.1 million from this fund in March 2023, the second highest allocation after Surrey.

Conditions for use of the funds include:

- Municipality must own the asset
- Funds cannot be used to provide contributions to third parties (no grants)
- Funds cannot be used for ongoing or operational activities
- Funds must be incremental to currently planned investments
- Funds should accelerate delivery of capital projects
- Funding must be spent by March 31, 2028, i.e. within 5 years

According to the Provincial eligibility criteria, many, but not all service categories reflected in the City’s 2023-2026 Capital Plan are eligible for GCF:

<u>Eligible for GCF funding:</u>	<u>Ineligible for GCF funding:</u>
<ul style="list-style-type: none"> <li>• Affordable housing</li> <li>• Childcare</li> <li>• Parks &amp; Public Open Spaces</li> <li>• Community facilities: recreation (includes libraries)</li> <li>• Public safety</li> <li>• Streets/transportation</li> <li>• Potable water, rainwater and wastewater</li> <li>• Solid waste</li> </ul>	<ul style="list-style-type: none"> <li>• Arts, culture &amp; heritage</li> <li>• Community facilities: social facilities, non-profit offices, cemetery</li> <li>• Civic facilities &amp; equipment</li> <li>• Renewable energy</li> <li>• Technology</li> </ul>

Local governments are required to report back to Province on an annual basis with information on the progress of the projects which are funded through this fund, and any unused funding which is yet to be allocated towards initiatives. Further to the financial reporting, an annual report that identifies work related to Housing Needs Reports and pre-zoning requirements as applicable is required.

## Discussion

### City's Project Selection Process

Upon receipt of this grant, City staff embarked on a process to identify initiatives that would be appropriate candidates for additional funding from the Growing Communities Fund grant.

In line with the eligibility requirements set by the Province and the 2023-2026 Capital Plan goals and objectives, staff established a set of criteria to identify and rank projects. All projects identified as candidates for GCF funding meet the following requirements:

1. Projects must be consistent with the Provincial eligibility requirements
2. Projects that can be delivered within the term of the 2023-2026 Capital Plan
3. Projects with clearly defined outcomes

In addition, projects must meet at least one of the below criteria to be prioritized:

4. Projects where additional funding could increase scope or accelerate project schedule in the 2023-2026 Capital Plan
5. Projects that were previously de-scoped or deferred due to insufficient funding in current and prior capital plan
6. Projects that have limited access to other senior government grant programs or other funding opportunities
7. Projects that address emerging health and safety issues

Projects were identified and prioritized based the aforementioned criteria, and taking into account the input received from Council and Boards since the approval of the 2023-2026 Capital Plan.

### List of candidate projects

Staff identified ten candidate projects in five different service categories. The following six projects have clearly defined outcomes and can be delivered within the current Council term. Accordingly, these projects are being recommended to Council for allocation of GCF funding presently.

#### 1) **Converting temporary public plazas to permanent spaces - \$10 million**

During the pandemic, the City created 22 temporary plazas in partnership with BIAs and other community organizations. These temporary plazas have been embraced by the community and there is a strong desire to see them upgraded from an interim implementation with temporary materials, to a permanent configuration with improved functionality and accessibility which includes lighting, better seating, trees and landscaping. The approved 2023-2026 Capital Plan allocated \$5.8 million to support one plaza to become permanent, and a number of smaller plaza and public space upgrades citywide. The priority is to collaborate with businesses and communities to create and to maintain welcoming and accessible public gathering spaces.

Staff recommend adding \$10 million to this program from the Growing Communities Fund, with the objective to convert three more of the existing temporary plazas to permanent and widen sidewalks at one location. Because these sites have been in place for several years

as temporary plazas there is an opportunity for rapid implementation that will deliver near-term benefits to the community. The requested funding will deliver key services to support programming of these plazas – such as access to water and electrical – as well as improvements to make them more comfortable and welcoming in advance of FIFA.

Subject to Council approval of the recommended funding allocation for this purpose, staff will undertake further assessment and design work and will report back to Council with more detail on the regarding the specific plazas/public spaces recommended for upgraded.

## **2) Improve Beatty St Protected Bike Lane to permanent configuration - \$2 million**

The approved 2023-2026 Capital Plan allocated \$38.4 million to support the creation of 20km of new active transportation corridors and complete streets. This includes projects such as Portside and Eastside Crosscut Greenways.

Staff recommend allocating an additional \$2 million to this program via the Growing Communities Fund, with the objective to convert the existing Beatty St Bike lane into a permanent configuration between Smithe St. and Georgia St. in time for the 2026 FIFA World Cup event. These treatments would improve pedestrian safety and allow for a better use of the street during FIFA. Beatty was installed in 2016 using interim materials which are nearing end of life. The design led to compromises, and created some issues specific to the nature of the events at BC Place, including people occasionally tripping over the curbs. These issues can be addressed by:

- Raising the protected bike lane toward sidewalk level with accessible design features and raised priority for walking and cycling at driveways
- Physically separating with curbs where flexible posts are currently used alongside BC Place, at Georgia Street and other high traffic areas
- Reducing the potential for pedestrians tripping on curbs
- Providing a significantly improved passenger and coach bus zone for the hotels directly opposite BC Place

If this additional funding is approved, it is expected that the new permanent bike lane will increase capacity and usage, allow for more flexible street use, and improve safety for all road users. It is also expected that the additional funding would allow the City to leverage other cost-sharing programs.

## **3) Transportation safety improvements - \$3 million**

The approved 2023-2026 Capital Plan allocates \$2 million to support transportation safety improvements. These are aimed at safety for pedestrians, consistent with our Vision Zero goals, and focus on including Rapid Rectangular Flashing Beacons (RRFBs), crosswalks and curb bulges.

Staff recommend allocating an additional \$3 million to this program from the Growing Communities Fund. The program is in high demand from Vancouver residents and this additional funding will allow the City to maximize its capacity to deliver on pedestrian safety improvements.

Incremental funding will allow the City to address more safety issues citywide by mid-2026. Scope includes projects to advance emerging priorities recently directed by Council such as:

- Cornwall speed reduction improvements - \$500K
- Arterial school zone speed reductions and enhancements to encourage compliance - \$500K

Other projects include:

- Upgrades to 9 Rapid Rectangular Flashing Beacons – \$450K
- Improved pedestrian crossings on six locations (e.g. bulges, medians, raised crosswalks) - \$800K
- Addition of 15 slow zones in selected neighbourhoods (30 km/h blanket speed limits) - \$250k
- Creation of one pedestrian scramble - \$500K

Locations for the above mentioned projects will be determined once further planning and scoping is completed.

#### 4) **Marpole-Oakridge Community Centre - \$3 million**

The Marpole-Oakridge Community Centre project was funded in the 2019-2022 Capital Plan and construction is expected to start this fall. The project is anticipated to be substantially complete before the end of 2026. Current scope includes renewal and expansion of the community centre and fieldhouse as well as the construction of a new 74-space childcare.

Funding available and approved for this project is \$85 million and staff recommends allocating an additional \$3M from the Growing Communities Fund. Incremental funding will enable the deliver of additional multi-purpose room space and an outdoor amphitheatre. These amenities were part of the original project scope but were removed in response to overall escalation in the cost of the project; Park Board staff and neighbourhood stakeholders have confirmed that addition of these amenities back into the project would add considerable utility to the new facility.

#### 5) **FireHall # 2 Temporary Annex - \$3 million**

On May 31<sup>st</sup>, as part of the Quarterly Budget Adjustment and Closeout report, Council approved the initial phase for the addition of a temporary annex to support Fire Hall #2 for a total of \$0.5 million. The total cost estimate for this project is \$3 million and staff recommend using the GCF to fund this project.

The project consists of building a temporary annex at FireHall #2 to address health and safety issues with the current staff quarters serving the Downtown Eastside (DTES).

Fire Hall #2 is the busiest hall in Vancouver (and in North America) and is approximately six time busier than the average City of Vancouver fire hall. Over the last 6 years, Council has approved operating funding for two additional rescue crews at Firehall #2 to address response issues in the DTES. This increased the crew from 8 to 14 staff and the apparatus from 2 to 4. The result is overcrowding at Firehall # 2 resulting in health and safety issues

for staff and 1 fire vehicle having to be parked outside which negatively affects response times.

The project is currently in its planning and scoping phase and expected to be delivered before end of 2025.

#### **6) Renovation of Central Children's Library Phase 2 - \$4.5 million**

Nearly 30 years after the opening of Central Library, the of Children's Library Revitalization project will expand and improve a highly used public space, responding to the increasing number of families living downtown, and providing enhanced services based on the latest research in child development. Implementing the full scope in the 2023-2026 capital plan would avoid a second construction-related closure in future years, and support future fundraising for VPL capital projects.

The Children's Library Revitalization in its full scope will transform the lower level of Central Library to create an environment of exploration and engagement for the development of pre-literacy skills for ages 0-6 (reading, writing, playing, singing, and talking) while offering rich play opportunities and support for learning including STEAM (Science, Technology, Engineering, Art and Math) for families with children up to age 12.

The project is currently expected to be completed in two phases and staff are recommending to fund phase 2 from the GCF so that the phase can be implemented simultaneously; the estimated cost of phase 2 is \$4.5 million.

The first phase for the renovation of the Central Children's Library was fully funded in the 2023-2026 Capital Plan (\$3.5 million) via a donation from the Vancouver Public Library Foundation. This first phase will add a hands-on programming room for the more than 1,000 children's programs delivered annually reaching more than 35,000 participants, as well as an early learning space featuring interactive play elements for ages 0-6 and a series of multi-level play structures.

Expanding the project with an additional \$4.5M to achieve the full scope will add a central gathering space for families that supports community connection, update shelving to make children's collections more accessible, provide dedicated space for children with sensory needs to support inclusion, add renewed spaces for ages 6-12 with supportive technology for STEAM learning, add an accessible parents' room, and provide necessary seismic and acoustic enhancements to ensure safe and enjoyable use of the Children's Library for years to come. This phase of the project addresses significant gaps for engaging children ages 6-12, assists families in developing safe and supportive community connections, and addresses the need for equitable access to indoor spaces downtown. VPL's Central Library receives more than 4,000 visitors each day, and daily children's programs often see 60 participants at a time who will stay to use this space.

Delivery of both phases at once will streamline the project and generate overall cost savings, enabling the delivery of a destination public space for families in 2025.

#### **Other projects being considered**

Four additional projects have been identified as potential candidates for allocation from the Growing Communities Fund grant. Details on these projects can be found in Appendix B.

These projects require additional work to refine scope and cost estimates. Upon completion of that analysis, staff will provide further recommendations for allocation of any remaining GCF grant funds for Council consideration through either the 2024 Annual Budget Process or Quarterly Budget Adjustment Process. In order to facilitate rapid deployment of the grant and delivery of funding projects, staff are aiming to provide recommendations for allocation of the remaining \$23.6 million within the next 12 months.

**Financial Implications**

This report proposes an initial increase of \$22.5 million to the 2023-2026 Capital Plan and \$25 million to the Multi-Year Capital Project Budgets as per Appendix A.

Expenditure budgets can be managed within the current citywide expenditure budget.

**Legal Implications**

Not applicable.

\* \* \* \* \*



## APPENDIX A

### Capital Adjustments Summary – Multi Year Project Budget

Appendix A - RTS 15823 Provincial 'Growing Communities Fund': Initial Allocation to City Projects											
				2023-2026 CAPITAL PLAN IMPACT			MULTI-YEAR PROJECT BUDGET IMPACT				
A. New Initiatives to address priorities											
2023-2026 Capital Plan Service Category / Sub-Category		2023-2026 Capital Plan Program	WBS	Project Name	Current	Change	Proposed	Current	Change	Proposed	Funding Source(s) for Changes to Capital Plan & Multi-Year Project Budget
Streets	Supporting public life	Public gathering / plazas	NEW	2023-2026 Permanent Public Plazas	5,800,000	10,000,000	15,800,000	-	10,000,000	10,000,000	Growing Communities Fund
Streets	Improving mobility	Active transportation & complete streets	NEW	2023-2026 Active Transportation - Beatty Street	38,400,000	2,000,000	40,400,000	-	2,000,000	2,000,000	Growing Communities Fund
Streets	Improving mobility	Transportation safety	NEW	Transportation safety & accessibility improvements	2,000,000	3,000,000	5,000,000	-	3,000,000	3,000,000	Growing Communities Fund
Community facilities	Libraries	Renovation of Central Children's Library	NEW	Renovation of Central Children's Library (Phase 2)	-	4,500,000	4,500,000	-	4,500,000	4,500,000	Growing Communities Fund
<b>Total - New Initiatives</b>					<b>\$ 46,200,000</b>	<b>\$ 19,500,000</b>	<b>\$ 65,700,000</b>	<b>\$ -</b>	<b>\$ 19,500,000</b>	<b>\$ 19,500,000</b>	
B. Budget increases / decreases to existing projects and programs											
Public safety	Fire & rescue	Firehall#2 Temporary Annex	CCF-00044	Firehall#2 Temporary Annex	3,000,000	0*	3,000,000	500,000	2,500,000	3,000,000	Growing Communities Fund
Community facilities	Recreation facilities	Marpole-Oakridge Community Centre Renewal and Expansion	Various WBSs	Marpole-Oakridge Community Centre Renewal and Expansion (including childcare)	-	3,000,000	3,000,000	85,170,000	3,000,000	88,170,000	Growing Communities Fund
<b>Total - Budget increases / decreases to existing projects and programs</b>					<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 85,670,000</b>	<b>\$ 5,500,000</b>	<b>\$ 91,170,000</b>	
<b>Total Capital Budget Adjustment Requests</b>					<b>\$ 49,200,000</b>	<b>\$ 22,500,000</b>	<b>\$ 71,700,000</b>	<b>\$ 85,670,000</b>	<b>\$ 25,000,000</b>	<b>\$ 110,670,000</b>	

\* A \$3M increase to the 2023-26 Capital Plan has already been implemented, subsequent to Council approval in the May 31st Quarterly Capital Adjustments/Closeouts cycle

**APPENDIX B**  
**Additional Candidate Projects**

Project	Capital Plan Service Category	2023-2026 Capital Plan Funding (\$M)	Recommended funding from GCF (\$M)	Description of incremental outcomes
Vancouver Aquatic Centre	Community Facilities	\$140	\$10 - \$25	<p>The project will be built in two phases, with the first phase prioritizing the renewal of the 50m lap pool and diving pool. Phase 1 is funded in the 2023-2026 Capital Plan.</p> <p>The project is in its Planning and Scoping stage which will determine scope for both phases. Once planning and scoping is completed in 2024, incremental funding could be put towards phase 2.</p>
New & Renewed Sports Fields & Diamonds	Parks & Public Open Spaces	\$7	\$3 - \$5	The funding will be used towards 2 turf fields. The exact locations are still to be determined.
Access to Washrooms in Public Realm	Streets	\$0	\$2 - \$3	Staff are looking at options to increase access to washrooms in the public realm that do not impact the operating budget.
Accessibility & Inclusion Improvements	Civic Facilities and Equipment	\$10	\$4 - \$5	Funding would help move forward washroom accessibility and inclusion projects not currently funded in the 2023-2026 Capital Plan. The locations being considered are the Central Library and three Community Centres (Kitsilano, Champlain Heights and Renfrew).
<b>TOTAL</b>			<b>\$19 - \$38*</b>	

\*Note that not all of these projects can be funded to their full extent as current estimates exceed the \$23.6M remaining in the GCF. These projects' scope and cost estimates will be defined in the upcoming months and will be brought to Council no later than the 2023-2026 Capital Plan Mid-term Update scheduled for mid-2024.