



Date: October 01, 2002

**TO: Board Members - Parks and Recreation**  
**FROM: General Manager - Parks and Recreation**  
**SUBJECT: Capital Plan 2003 - 2005**

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## RECOMMENDATION

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| <p><b>A. THAT the 2003 -2005 Capital Plan, as outlined in Appendix I to this report be approved.</b></p> <p><b>B. THAT additional financial contributions received over the next three years in connection with the capital program described in this report be subject to a 3.75% charge for project management and overhead costs.</b></p> |
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## POLICY

The Board has the authority to approve the content and distribution of the Park Board Capital Plan within the fiscal envelope approved by City Council.

In February, 2001, the Board approved the Capital Project Process Review, including policy recommendations that (1) future Capital Plans will include a separate line for project administration, including direct and indirect staff time and debenture discount, and (2) additional contributions made to a project by Associations or from other sources will be subject to a charge of 50% of the rate yielding Capital Plan project administration costs.

## BACKGROUND

In March, 2002, the Board approved the draft 2003-2005 Capital Plan as the basis for City Capital Plan review and community consultations. The draft plan itemized a proposed capital spending program totaling \$69,355,000, funded from (1) the 2003 -2005 Capital Plan, (2) City-wide Development Cost Levies (DCLs) for park acquisition and development, and (3) projected fund raising by partners, grants and other external sources. The availability of some of these external sources are within the purview of City Council; others are dependent on senior government approval or community-based fundraising campaigns.

At its meeting on October 1, 2002, City Council approved the 2003 - 2005 Capital Plan, with a total allocation of \$45.5 million for Parks capital projects. This allocation breaks down into three categories, according to the source of funds:

Capital Plan:	\$25,950,000.
DCLs:	\$9,200,000.
Other Funding	\$10,350,000.

Council has (1) endorsed the \$35.5 million ‘Capital Plan,’ ‘DCL,’ and ‘Other’ allocations to the Park Board recommended in June 2002 by the City Corporate Management Team and the Capital Plan Staff Review Group, and (2) approved four additional special provisions recommended by staff to address the following projects:

- Sunset Community Centre replacement: \$3.0 million from the \$20 million “pool” of funding approved by Council for projects that receive the majority of their funding from cost sharing provided by senior governments or other outside sources.
- Playing Field renewal: \$3.0 million from city wide DCLs to build two new synthetic turf fields.
- Queen Elizabeth Reservoir Restoration: \$2.0 million from Waterworks capital to reconstruct the reservoir deck plaza.
- Stanley Park Seawall: \$2.0 million from park-designated Bayshore redevelopment funds for a program of seawall reinforcement and stabilization, along with pedestrian/cycle path separation.

## **DISCUSSION**

### **Capital Allocations**

The proposed 2003 - 2005 capital allocations outlined in this report modify the draft Capital Plan presented to the Board earlier this year by deferring some projects, consolidating others and, in some cases, by identifying alternate funding sources. These changes were made to align planned spending with the Council-approved capital envelope and also to respond constructively to inputs received during the public consultation process.

Funding allocations in this proposed plan achieve an approximate balance between park and facility oriented programs, and will enable the Board to achieve the following key objectives:

- Stay on target for recreation facility renewal, through the complete rebuilds or replacements of two community centres and one indoor pool, and address major maintenance priorities;
- Contribute to two partner-initiated fund raising projects to improve other buildings in the Park Board inventory (at VanDusen Gardens and Malkin Bowl);
- Complete major improvements to at least six neighbourhood parks, along with minor upgrading at several other locations;
- Develop two new synthetic turf fields, to increase the City’s supply from three to five, and continue the program of upgrading of natural turf fields;
- Address the next phase of Hastings Park restoration;
- Restore the reservoir rooftop plaza in Queen Elizabeth Park; and
- Stabilize the Stanley Park seawall and enhance its user capacity.

In addition, street tree planting, forest regeneration, neighbourhood matching funds, and other long term plans and initiatives will be maintained at the level of past Capital Plans.

The overall plan is reduced from the capital program originally submitted. As a result, some major maintenance and infrastructure replacement will have to be deferred although critical work will be addressed. As well, the Board's policy of allocating 15% of Capital Plan funding to land acquisition is not met in the proposed plan. However, staff believe that a temporary shift in priorities is justified in order to commit a higher level of funding to key objectives listed above.

The table below compares each program area in the proposed Capital Plan to what was targeted in the earlier draft Plan, and to the corresponding levels achieved in the previous two capital plan cycles. This table demonstrates the Board's commitment in this plan to Aquatic renewal and (under 'General Parks') to neighbourhood parks and playing fields, while sustaining a significant level of capital investment in all other program areas.

### CAPITAL PLAN OVERVIEW

DIVISION	2003-2005 1 <sup>ST</sup> Draft [000]	2003-2005 Proposed [000]	Approved 00-02 [000]	Approved 97-99 [000]
<b>FACILITIES</b>				
Community Centres	\$11,000	\$6,650	\$6,860	\$8,252
Major Rec/Pools	\$9,500	\$9,250	\$1,775	\$300
Major Rec/Rinks	\$400	\$400	\$500	\$300
Facilities General	\$10,400	\$3,425	\$4,650	\$4,670
<b>TOTAL FACILITIES</b>	<b>\$29,300</b>	<b>\$19,725</b>	<b>\$13,785</b>	<b>\$13,522</b>
<b>PARKS</b>				
Land Acquisition	\$4,650	\$2,250	\$3,500	\$3,600
Parks General	\$11,750	\$8,300	\$5,710	\$4,537
Street Trees	\$1,000	\$900	\$1,000	\$1,140
Major Parks/Stanley	\$3,055	\$2,575	\$1,680	\$2,650
Major Parks/Queen E	\$5,000	\$3,400	\$575	\$0
Major Parks/Hastings	\$8,000	\$4,950	\$5,250	\$0
<b>TOTAL PARKS</b>	<b>\$33,455</b>	<b>\$22,375</b>	<b>\$17,715</b>	<b>\$11,927</b>
Project Management *	\$4,500	\$3,400		
<b>GRAND TOTAL</b>	<b>\$69,255</b>	<b>\$45,500</b>	<b>\$31,500</b>	<b>\$25,449</b>

\* Costs charged to individual projects in previous Capital Plan cycles.

## **Project Management and Overhead**

The structure of this Capital Plan, in contrast to that of previous plans, shows a separate line item for project management and overhead costs. This line item will be assigned, over a three-year period, to cover costs integral to the capital program which include:

- 11 full-time Park and Facility Development professionals responsible for project design or/and management;
- staff time in connection with purchasing, accounting and other administrative functions;

In the past, the practice was to deduct these costs against each individual project, as and when required. This proved somewhat cumbersome from a staff perspective but, more critically, generated uncertainty on the part of partner organizations regarding the actual construction budgets for facility upgrades and expansions. In 2000, Planning and Operations staff conducted a Facilities Capital Process Review with Community Centre Association representatives. The outcome of the review was a series of recommendations, approved by the Board in February 2001, designed to improve the transparency and effectiveness of the capital project process.

In keeping with the Review recommendations, the entire administrative and management costs of the capital program for the next three years have been estimated at \$3.4 million, or approximately 7.5 % of total projected expenditure, and that amount appears as a separate line item near the end of Appendix I. However, this estimate does not factor in the scaling up of projects as a result of additional funds which may be contributed to any given project. For this reason, and again in keeping with the recommendations of the Capital Projects Review, it is proposed to levy a charge of 3.75% against such contributions to cover the resulting increased load on project management and administration.

## **SUMMARY**

This report puts two decisions before the Board:

1. To approve the 2003 - 2005 Capital Plan with additional allocations from City-wide DCL and other funding to a combined total of \$45.5 million, described in Appendix I, consistent with the envelope approved by Council at its October 1, 2002 meeting;
2. To accept additional financial contributions that may be received over the next three years for parks and recreation capital projects subject to a 3.75% charge for project management costs.

Prepared by:

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