



Date: February 25, 2002

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

RECOMMENDATION

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| <p>A THAT the draft 2003 - 2005 Capital Plan (Appendix A) be approved as the basis for City Capital Plan review and community consultations, and</p> <p>B THAT the consultation process described in this report be approved.</p> |
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POLICY

Park Board sets Capital Plan priorities for parks and recreation related projects, within a fiscal envelope approved by Council. Past practice of the Board has been to receive input from partners and stakeholders on the draft Capital Plan prior to final approval.

BACKGROUND

In November 2002, concurrent with the Vancouver civic elections, the City will put the 2003 - 2005 Capital Plan before the electorate. The Capital Plan consists of a number of plebiscite questions, one of which will pertain to parks and recreation spending. If endorsed by the electorate, the Capital Plan will establish spending approval for major public works to be carried out over the subsequent three year period.

Council will consider the proposed Capital Plan, and give final approval to the project priorities and plebiscite amounts, in September 2002. Prior to that time, the following preparatory steps will be taken:

- All projects proposed for inclusion in the Capital Plan will be reviewed at a senior staff level;
- Council will approve the overall spending envelope for the Capital Plan, informed by the conclusions of the staff review and by a calculation of the overall capital debt the City can afford to maintain;
- Both Council and the Board will conduct public consultation processes with respect to draft versions of the Capital Plan.

Council has not yet set the fiscal envelope for the Capital Plan vote this Fall, but the amount approved for the 2000 - 2002 Capital Plan was \$173 million. On this basis, unless Council increases the overall allocation or alters the distribution between Departments and Boards, capital funding would remain in the range of the \$31.5 million allocated for parks and recreation in both of the previous two Capital Plans.

However, one departure from past practice is that departments and boards have been asked to include in their submissions projects that are eligible for Development Cost Levy (DCL) expenditure. Under the terms of the Vancouver Charter, DCLs must be allocated towards servicing population growth demands in the areas of engineering infrastructure, replacement housing, daycare, and park acquisition and development.

Even in these eligible categories, DCLs are not intended to be used as a replacement source of funds for requirements normally addressed through the Capital Plan. Moreover, all projects funded from DCLs will require additional funding from existing sources in order to be undertaken. Thus in planning for the upcoming Capital Plan, 'growth' related expenditures, although separately financed from a city-wide DCL fund set up in January 2000, will have to be integrated into the process. At present, the City has accumulated DCL funds totalling approximately \$5.5 million, of which 54% is designated for parks, collected under interim arrangements approved by Council and in place until the Financing Growth Study team reports back on establishing this as a permanent source of funding for growth related capital projects. While the percentage allocation to parks may eventually be revised downward, the fund as a whole will continue to grow into and through the 2003 -2005 Capital Plan cycle. On this basis, potential DCL allocations have been identified in the submission for Park Board and Council consideration.

DISCUSSION

The expenditure of 68,655,000 on parks and recreation capital projects proposed in this report incorporates (1) long range facility renewal objectives, (2) input from partners, stakeholders and staff , and (3) condition assessments conducted by the Park Board Operations Branch.

Forty-nine project proposals were received from partners and stakeholders, and eighty-three from staff, in response to an general call for submissions to the Capital Plan. The estimated cost of these projects exceeds \$90 million. An additional forty-nine major maintenance and infrastructure projects, totaling just over \$12 million, have been identified as high priority by Operations staff. All projects have been compiled into a master list of submissions.

To establish priorities for funding, the project master list has been sorted in relation to a number of criteria. The first sort has been to screen out projects which either are not a Board responsibility (or conflict with Board policy), are not technically feasible, or involve a low return at a relatively high cost. A second sort has established a core of 'must-do' projects on the basis of

the following factors:

- ▶ Legal requirement or due diligence (for example, WCB regulation, life safety issues, mandated environmental protection, etc.)
- ▶ Board policy and previously approved plans
- ▶ Poor condition coupled with high need/demand

Other projects are retained in the master list for consideration at this point because of any one or combination of the following:

- ▶ revenue increase or cost avoidance potential
- ▶ need to stay on track with life-cycle major maintenance
- ▶ availability of matching funds
- ▶ population growth and/or increased participation trends
- ▶ high service level increase in relation to cost

The outcome of the sorting process is a shortlist of parks and recreation capital projects at \$68,655,000 divided into three classes of expenditure:

- (1) Capital Plan projects at \$51,205,000
- (2) Growth related and DCL eligible projects at \$6,500,000
- (3) Partner fundraising, grants and other external sources at \$10,950,000.

The draft project list is organized in the same manner as in previous Capital Plans. Appendix B compares the funding requests for all program areas with amounts allocated in past Capital Plans. The funding requested in almost every program area is significantly higher than amounts previously approved. It should not be assumed that funding allocations will remain at the level identified in the draft submission. Before the final Capital Plan is set the Board will likely have to make difficult choices regarding project priorities. The extent of this challenge will be determined by the following critical milestones:

- Council confirmation of the Capital Plan fiscal envelope;
- Council approval of the allocation of DCL funds generated to date and all or a portion of those projected to be received over the next three years; and
- Public review of the draft Capital Plan, as proposed in this report.

A public consultation process will be initiated upon Board review and approval of this report, for which the following components are proposed:

- Copies of the draft plan will be circulated to partners and stakeholders, including any person or agency who submitted a project proposal for inclusion.
- The draft plan will be posted on the Park Board website.
- A series of public meetings on the Parks Capital Plan will be organized at the District level and held in the early Spring.

Appendix A outlines the proposed Capital Plan submission in detail, showing in separate columns (1) the regular Capital Plan allocations, (2) the growth-related, DCL-eligible components and (3) amounts anticipated from other sources. Final information on project locations and objectives will be provided in the next draft Capital Plan, to be prepared once

funding availability is confirmed and the proposed public consultations have taken place.

SUMMARY

The Board is asked to endorse the draft Capital Projects list attached to this report, totaling \$68,655,000, requiring funding derived as follows:

- (1) Proposed from the 2003 -2005 Capital Plan: \$51,205,000
- (2) Proposed from City-Wide DCL funds for park acquisition and development: \$6,500,000
- (3) Projected partner fundraising, grants and other external sources: \$10,950,000.

Upon Board approval, the draft Capital Projects list will be released for the purposes of City inter-departmental review, and public consultations with Board partners and stakeholders.

Prepared by:

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