

Date: February 23, 2006



TO: **Board Members – Vancouver Park Board**
FROM: **General Manager – Parks and Recreation**
SUBJECT: **2006 Capital Budget**

RECOMMENDATION

- A. THAT the 2006 Capital budget of \$15,150,000 outlined in Appendix B to this Report be approved.*
- B. THAT the commitments of funds totalling \$281,000 from partner organizations of the Board, as outlined in Appendix C to this report, be approved.*

POLICY

The Board's annual Capital expenditure requires Council approval. Within the approved envelope the Board sets budget priorities, consistent with program objectives outlined in the Capital Plan plebiscite question and agreements with external agencies.

The 2006 - 2008 Park Board Capital Plan approved by Council in October 2005 totals \$68,570,000, allocated from the following sources:

- Electorate-approved borrowing for parks and recreation capital projects \$19,070,000
- Electorate-approved borrowing for 2010 Olympic and Paralympic Winter Games - community legacies \$35,000,000
- City-wide Development Cost Levy (DCL) \$14,500,000

In addition to this City funding, the Park Board has identified two external sources of capital funds:

- \$2,200,000 that has been collected as a park payment-in-lieu from the Bayshore development downtown; and
- \$8,775,000 in external funding from senior governments, non-profit partners and donations.

Therefore a total of \$79,545,000 is available to the Board for capital expenditure over the three year period 2006 – 2008.

Earlier this year, the Board and Council approved capital spending of \$5,730,000 for current projects in advance of final approval of the 2006 capital budget. This amount is included in the proposed 2006 Capital Budget outlined in this report.

BACKGROUND

The three year Capital Plan is the major source of funding for parks and facilities renewal, expansion and major maintenance projects. Preparation of the plan takes place over the year leading up to each civic election, at which time the electorate votes on a number of capital plebiscite questions. Voter approval gives the city authority to borrow funds for the purpose of undertaking the works described in the plebiscite questions.

The Capital Plan also includes funding from the following sources:

- Capital from revenue: The City is able to pay for some capital works within its operating budget (i.e., without having to exercise its borrowing authority). In the current Capital Plan there is no Capital from Revenue allocation to the Park Board portion of the Capital Plan.
- Development Cost Levies (DCLs): The City has the authority under the Vancouver Charter to collect money from development activity on a per square foot basis, to pay for the costs of population growth the development will entail. Currently, a city-wide DCL of \$6.00/ft² is in effect for most forms of development, and 42% of the levies collected must be allocated for park land acquisition and park development.
- Other Development Charges: The city receives other money from development activity, the most significant being “Community Amenity Contributions” (CACs) which arise from developer-initiated rezonings and that provide for public amenities to service growth or to mitigate the impact of development.
- Externally derived funds: Grants, contributions and other financial commitments are often made towards capital projects by senior governments, foundations and other external sources.

DISCUSSION

This report seeks Board approval for the proposed 2006 Capital budget, including allocation of \$15,150,000 from funding sources identified in the 2006 - 2008 Capital Plan and a further \$281,000 in donations or commitments made by partner organizations in 2005 for current or upcoming projects. In addition, a tentative distribution of funds for the final two years of the Capital Plan is outlined for the Board’s information.

Appendix A identifies specific projects proposed for 2006, their projected costs and sources of funding for this work within the Capital Plan framework. Column B shows for the Board's information the amounts previously approved by Council for spending on urgent 2006 projects. The advance approval amounts are included in the 2006 Budget request outlined in Column C.

Highlights of this year's proposed work program include:

- Construction for park renewal projects at Nelson, Victoria and Oak & 37th Parks;
- Playground renewal projects to be undertaken at Bobolink, George, Kitsilano Beach and Rupert Parks;
- Rebuilding and repair of grass playfields, prioritized in consultation with the Field Sport Federation;
- Infrastructure upgrading works in Stanley Park, including upgrading and separation of the cycle and pedestrian path between Second Beach and Coal Harbour, south of Lost Lagoon; Seawall path separation at the wooden ramp area between First Narrows Bridge and Lumberman's Arch; repairs to walls and staircases at Brockton Point; and Park Drive road resurfacing west of Brockton Point;
- Completion of a Master Plan for John Hendry Park;
- Design work and construction drawings for phase one facility renewal at VanDusen Botanical Garden;
- Planned major facility maintenance and life-cycle replacements of facility components, including roofs, interior and exterior painting, floors, and mechanical systems. Specific projects to be confirmed by condition assessments prior to work initiation; and
- Design work and construction drawings for Olympic Legacy facilities: Killarney and Trout Lake Rinks; Riley Hillcrest Curling Venue and Percy Norman Aquatic Centre.

The proposed budget will also cover annual work on projects such as cliff scaling along the seawall, street tree planting, land acquisitions, planning studies, shoreline erosion control, Neighbourhood Matching Fund awards as well as unforeseen small projects in parks and buildings.

Appendix B breaks down the 2006 - 2008 Capital Plan by funding source, and shows the proposed allocation towards the 2006 Capital Budget together with a tentative distribution of funds for 2007 and 2008. These allocations will be subject to confirmation by the Board and by Council through the budgetary process at the outset of each respective year.

The proposed distribution of funds over the three year cycle has been guided by the following considerations:

- Need to initiate major projects, especially those related to the 2010 Olympic and Paralympic Games, to ensure their timely completion;
- Project urgency, in terms of cost containment or service demand;

- Even distribution of funds over the three year period to defer the extent of borrowing;
- Matching project demands to staff resources; and
- Advisability of delaying some projects to explore supplementary funding opportunities.

Recommendation B to this report proposes the acceptance of donations or commitments from Board partners totaling \$281,000 towards the projects itemized in Appendix C, supplemental to the funds secured through the Capital Plan.

The 2006 Capital spending program approved by the Board will be the basis of a submission to Council via the City Budget Office. Council is scheduled to consider the proposed 2006 Capital budget for City Departments and Boards, after its final decision on the 2006 Operating budget.

SUMMARY

The Board is asked to approve the 2006 Capital budget of \$15,150,000 from the 2006 - 2008 Capital Plan, supplemented by a further \$281,000 committed by partner organizations, as discussed in this report. A tentative distribution of current Capital Plan funds over 2007 and 2008 is presented for the Board's information.

Prepared by:

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