



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: January 23, 2007
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Meeting Date: January 30, 2007

TO: Vancouver City Council

FROM: General Manager of Parks and Recreation in consultation with the
Director of Finance

SUBJECT: Stanley Park Restoration: City, Provincial and Federal Funding

RECOMMENDATION

- A. THAT Council approve funding of \$2 million for the restoration work in Stanley Park, source of funds to be up to the first \$2.0 million of surplus from the 2006 Operating Budget, AND THAT if insufficient funding is available from this source, that the Director of Finance report back on an appropriate source of funding for the balance.
- B. THAT Council endorse the submission of an application by the Vancouver Park Board to the Provincial Government's "Local Motion" program for \$1 million in 2007 and \$1 million in 2008 to assist with restoration work in Stanley Park.
- C. THAT Council accept a donation of \$2 million from the Federal Government to assist with restoration work in Stanley Park.
- D. THAT Council approve the establishment of the Stanley Park Restoration Reserve to hold the City's \$2 million contribution and all grants/donations for the Stanley Park Restoration Project, AND THAT the reserve be an interest bearing account in order to maximize resources in support of the restoration work.
- E. THAT Council delegate authority to the Park Board to approve expenditures from the Stanley Park Restoration Reserve, subject to an annual report back to Council on the progress of the restoration plan and financial position of the Reserve.

CITY MANAGER'S COMMENTS

The City Manager notes that the clean-up and restoration of Stanley Park after the windstorms is a project requiring immediate attention. The Park Board should be commended for their rapid reaction before, during and after the holiday season, and their steadfast commitment to maintain safety for workers and the public since the first windstorm. The Park Board has also initiated work on a long-term restoration plan.

The costs associated with the restoration are substantial and cannot be absorbed within the Park Board's existing budget. The community and senior governments have generously donated or are considering funding more than \$6.6 million dollars. In light of these facts, it is appropriate that the City allocate \$2 million toward the restoration of Stanley Park. The City Manager RECOMMENDS approval of A, B, C, D and E.

COUNCIL POLICY

Council approves the allocation of capital expenditures.

PURPOSE

This report deals with funding to assist with restoration work in Stanley Park. Council is being asked to approve \$2 million in City funds, to endorse the submission of an application to the Provincial Government for \$1 million in 2007 and \$1 million in 2008, and to accept a \$2 million donation from the Federal Government.

BACKGROUND

Stanley Park is Vancouver's oldest (established in 1888), largest (391 hectares or 967 acres), and most popular (about 8 million visitors annually) park.



Stanley Park's vast forest (about 250 hectares or 620 acres) is one of its central features. It is estimated that there are more than 500,000 trees in Stanley Park. The forest performs a number of key functions, including:

- it is one of Vancouver's central symbols, here at home, across Canada and abroad;
- it is valuable ecological habitat in an urban environment;
- it is an important environmental education resource for Vancouverites and tourists; and
- it offers recreational and leisure opportunities for Vancouverites and tourists to enjoy walks, jogs, bike rides and drives through the forest.

DISCUSSION

On December 15, 2006, a severe windstorm struck Stanley Park. The result was a level of forest damage not seen since the Frieda windstorm in 1962. Eight areas were severely impacted, totalling approximately 40 hectares (100 acres). Two areas, comprising more than half the damaged area, lie between Prospect Point and Third Beach. There have also been random knockdowns throughout the park. Thousands of trees were uprooted or broken. Sections of the seawall between Prospect Point and Third Beach were severely damaged by the high waves. The escarpment above the seawall has been destabilized by the tearing out of root balls during the windstorms and periods of high run-off following rainstorms. The whole of Stanley Park, except the Causeway, was closed for 4 days for safety reasons.

On January 5, 2007, a second major windstorm struck Stanley Park, knocking down additional trees throughout the park. Most of Stanley Park was closed for 1 day for safety reasons. On January 9, 2007, a third major windstorm struck Stanley Park, knocking down additional trees throughout the park. Most of Stanley Park was closed for 3 days for safety reasons.

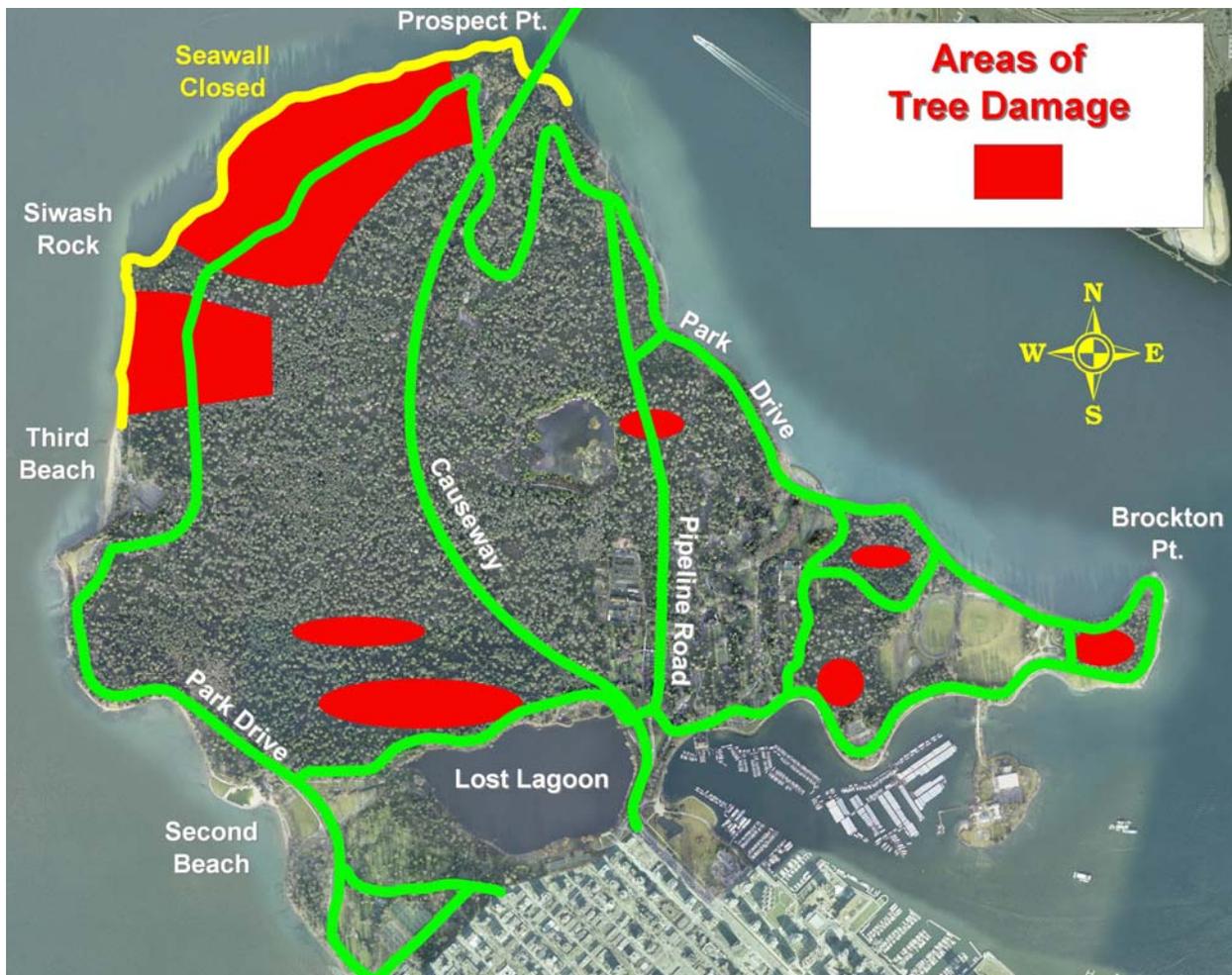


The damage caused to the forest by the three windstorms is significant. Many people were shocked after seeing images on the television and/or viewing the damage from Park Drive. People are deeply attached to Stanley Park and want to see the forest restored. Many have offered support, advice and/or money to help the Park Board cope with the situation.

PARK BOARD RESPONSE

After each windstorm, Park Board crews worked diligently to restore public access to key areas in the park. Below is the status of public access in Stanley Park as of January 23, 2007:

Causeway:	Open to the public.
Park roads:	Open to the public.
Seawall:	Section between Prospect Point and Third Beach is closed to the public.
Forest trails:	All trails north of Lost Lagoon and west of Pipeline Road are closed to the public. Some trails east of Pipeline Road are also closed.
Facilities:	Facilities normally operating during winter months (Aquarium, restaurants) are open to the public.



On January 15, 2007, the Park Board approved the preparation of a restoration plan for Stanley Park. The plan will be prepared over the next several months and involve individual citizens, community groups, First Nations, and experts in various fields such as forestry, geotechnical engineering and environment/ecology.

ESTIMATED COSTS

Although a detailed assessment of the damage has not been completed and restoration options have not been prepared, Park Board staff estimate that restoration work will take years and cost millions of dollars. A preliminary cost estimate has been drafted, noting that the numbers are likely to change once the restoration plan is finalized later this year:

General Task	Estimated Cost (preliminary, subject to change)
Preparation of restoration plan (public consultation, technical studies)	\$0.5 million
Clean-up of roads, seawall, trails, public gathering places, and forest	\$1.0 million
Reconstruction of seawall and stabilization of slopes from Prospect Point to Siwash Rock	\$3.25 million
Tree planting and forest interpretation/legacy	\$1.75 million
Forest management measures to prevent significant damage from future windstorms	\$2.5 million
TOTAL:	\$9.0 million

FUNDING

These costs are unexpected and therefore not planned as part of the Park Board's operating or capital budgets. In view of the severity of the damage to Stanley Park, the Park Board cannot reallocate funds within the budget to fund these unforeseen costs. The Park Board is therefore seeking assistance from a variety of organizations, stakeholders, partners, the public and senior governments.

a) Donations:

In the past five weeks, more than \$2.6 million has been received from private and corporate donations. As well, a number of groups have expressed a desire to host fundraising events to support the restoration of Stanley Park.

b) City Funding:

The Park Board is seeking \$2 million from the City to assist with restoration work in Stanley Park in 2007 and 2008. The Director of Finance has identified \$2 million of surplus from the 2006 Operating Budget as the source for funding this project.

c) Provincial Funding:

The Premier of British Columbia, the Honourable Gordon Campbell, visited Stanley Park on January 15, 2007, and indicated that the City could apply for Provincial funding under its "LocalMotion" program. This program aims to "maximize the options for healthy, active living in communities throughout British Columbia" by investing "in capital projects including bike paths, walkways, greenways, and improved accessibility for people with disabilities". The program requires that municipal governments match the Provincial government funding, up to a maximum of \$1 million per year per municipality.

A significant portion of the restoration work in Stanley Park meets the criteria of the "LocalMotion" program: namely the work required to repair and upgrade the seawall and the forest trails. The seawall is Vancouver's busiest recreational corridor, with about 2 million users walking, jogging, in-line skating or cycling along its 9 km length. The forest trails get several hundred thousand visitors each year, mostly focussed on walking and jogging.

The Park Board is therefore seeking Council's endorsement to submit an application for Provincial Government funding to assist with restoration work in Stanley Park. The proposal is to apply for \$1 million in 2007 and \$1 million in 2008 from the "LocalMotion" program, using the City's \$2 million as the matching funds. The deadline for applying is February 17, 2007. Successful projects will be announced by the Provincial Government in the spring.

d) Federal Funding:

The Honourable John Baird, Minister of the Environment, and the Honourable Gary Lunn, Minister of Natural Resources, visited Stanley Park on January 18, 2007, and announced that the Federal Government will contribute \$2 million to assist with restoration work in Stanley Park. Stanley Park, which is owned by the Federal Government and leased to the City of Vancouver, is a National Historic Site.

The restoration plan will likely be realized over several years. Professional advice to date is to take the time required to amass the required information and to process it prior to making action decisions. The choices will be multi faceted and interrelated. For example, safety phase choices will affect restoration choices and vice versa. At the same time, staff recognize the community interest in rapidly re-establishing safe access to the trails and particularly the seawall. The success of the restoration plan will be in balancing these two pressures.

As the Park Board Operating Budget cannot absorb such unexpected expenditures, and as the Park Board Operating Budget should be used to cover normal day-to-day expenditures, all expenditures will be budgeted in the Park Board Capital Budget and be drawn from this reserve.

In order to properly account for the funding and liabilities associated with the restoration plan, staff recommend that Council establish an interest bearing reserve account (Stanley Park Restoration Reserve) to capture all funding sources/grants/donations for the Stanley Park Restoration Project. Establishing this funding in a separate reserve under the care of the Park Board will bring transparency to the decisions made as the plan unfolds. Making it interest bearing will recognize the valuable contributions of the public and senior governments and will maximize the funding available to complete the necessary work.

Under normal financial authorities, the Park Board would require Council approval to allocate these reserve funds to the components of the restoration project. However, as the timing of this work does not fit well into the capital budget cycle, it is recommended that the Park Board be delegated the authority to approve expenditures from the Reserve subject to an annual report to Council on the progress of the restoration plan and financial position of the Reserve. All expenditures from the reserve will be reflected in the Park Board Capital Budget and otherwise be part of the normal capital budget reporting cycle.

FINANCIAL IMPLICATIONS

This report seeks funding of \$2.0 million toward the restoration of Stanley Park. The Director of Finance notes that the major damage caused to the park occurred in 2006 and believes that the appropriate source for the City's share of the costs is the 2006 Operating Budget. While the 2006 financial results have not been finalized, the Director of Finance anticipates that the City will report a modest surplus as a result of under expenditures in some areas of the budget, including Contingency Reserve. As a result, it is recommended that Council allocate up to the first \$2.0 million of surplus to the Stanley Park Restoration Reserve, with the Director of Finance to verify that allocation when reporting on the 2006 financial year-end. Should the 2006 allocation fall short of the recommended \$2.0 million, that report will identify an alternative funding source for the balance of the City funding.

This report also seeks Council support for the payment of interest on the Stanley Park Restoration Reserve. The Director of Finance is supportive of this request as it maximizes the significant benefit provided to the City by the public and senior government in the restoration of Stanley Park.

CONCLUSION

Stanley Park, one of Vancouver's cherished landmarks, has been significantly damaged by recent windstorms. About 40 hectares (100 acres) of the forest and a portion of the seawall have sustained serious damage. Restoration work will take years and is estimated to cost about \$9 million. Broad-based support for park restoration by the community and governments has translated into generous donations and financial commitments. About half of the estimated cost has already been received from private and corporate donors (\$2.6 million to date) and the Federal Government (\$2 million). An additional \$4 million in funding is being sought: \$2 million from the City of Vancouver and \$2 million from the Provincial Government.

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