



Staff Report

CORPORATE ADMINISTRATION

To: Council File: 2240-20-(RMI) MMM Hwy 1 Enhancement-
From: Jon Wilsgard, CAO/CO Date: April 11th, 2017
Subject: Golden Visitor Centre Project Approvals

RECOMMENDATION

THAT per the April 11th, 2017 Staff Report Seasonal Visitor Centre Project Approvals received from the CAO, Council ACCEPT the tender bid of \$365,245.49 from Blaeden Contracting Ltd. for Golden Visitor Centre Site Works;

AND THAT Council APPROVE a capital expenditure of \$859,000 for this project including funds currently allocated and a borrowed amount of \$661,000 from the *General Surplus Fund*;

AND THAT \$369,000 of forthcoming RMI funds BE APPLIED to the *General Surplus Fund* in partial repayment of this bridge funding;

AND FURTHER THAT Council AUTHORIZE staff to make \$300,000 application to the *Economic Opportunity Fund*, the proceeds of which will also be applied to the *General Surplus Fund* in partial repayment of this bridge funding.

BACKGROUND

This is a file with a large and comprehensive background, most of which Council is familiar with. Attached to this report are background documents describing the story so far which has progressed to this juncture requiring a Council decision.

Succinctly, the project at hand has been precipitated by the imminent vacancy of Destination British Columbia (DBC) from the British Columbia Visitor Centre @ Golden (BCVC), as a component of the Province's termination of the provincial visitor centre program. As a result, the communities having been a part of this program will return to being a part of the standard visitor centre network in the province wherein they will be responsible for providing the infrastructure and operating needs to deliver visitor services with a modicum of support funding from DBC.

For Golden this has resulted Golden Area Initiatives' political and bureaucratic involvement with the Province in purchasing the lands surrounding the BCVC in order to garner marketability for sale to the private sector in 2017. It has also generated a long process of thought and collaboration between local organizations and the Province resulting in a pivotal decision by Tourism Golden to assume the role of a visitor services operator, along with the approval to the Town of Golden by the Province through the RMI Advisory Committee to re-purpose RMI funds in building a new seasonal visitor centre matched to the scope and nature of this new visitor services model.

Under the new model the infrastructure of the centre will be owned by the Town of Golden, use of the land permitted under MOTI, and operation of the centre under Tourism Golden. Under development is an MOU between the Town and Tourism Golden which will set the terms of reference for the operation of the centre and mutual expectations, wherein the Town will take upon ownership and exterior maintenance of the centre with the costs of all operations and internal improvements the responsibility of Tourism Golden on an ongoing basis.

Time is of material essence in this project; DBC will be vacating the BCVC at the end of June. Ideally, the new seasonal centre would commence operations immediately afterward in order for the community to deliver visitor services during the critical summer season.

The level of collaboration around this project and its components has been no less than extensive, including the Premier and two Cabinet Ministers, executive staff in three Ministries and that of DBC, local provincial line staff, and local stakeholders like Golden Area Initiatives, Tourism Golden, and the Chamber of Commerce.

Hundreds of hours of planning, collaboration, and technical study and design, have been dedicated to this project by a number of local organizations and provincial agencies. The project has now reached a point requiring a governing body decision as well as support in bolstering the budget to achieve the envisioned build-out of the new centre.

DISCUSSION

The project has reached a critical juncture, requiring Council's approval for a major contract award that will see the installation of surface works, landscaping, utilities, and lighting. Particulars include new water/sewer/electrical services, lamp standards, sani dump, curbing, irrigation, and a dog run. The tender package received just one bid (Blaeden Contracting), yet being nearly \$200,000 under expectations. Post tender analysis shows confidence in this bid and the local sourcing is great to have.

Assuming Council's agreement to accept the bid, work will begin as soon as possible with a target to meet an early July opening date.

The project remains subject to significant budgetary challenges. Despite re-dedicating the funds from Phase 3 of the Trans Canada Landscaping Project from RMI, this has not been sufficient to adequately fund the entire initiative. While the centre's seasonality does make it less to develop than a four season building and many cost effective measures have been designed for functionality, Building Code compliance, and attractiveness, it has required at least a modicum of design and construction elements to meet these needs. Some notable components of the centre include:

- Modular constructed office/reception and washroom buildings;
- The 'bus shelter' moved onsite from the BCVC;
- Curved roof design on washroom building to match bus shelter;
- Re-use of garbage containers, recycling bins, and picnic tables from the BCVC;
- Fee for use Sani Dump;
- Vendor kiosk recycled from the BCVC;
- Full accessibility decks;
- Dog run, KHMR gondola, kids play area;
- Landscaping informed by TCH Landscaping Project
- Dedicated parking for small vehicles.

The project is anticipated to cost nearly \$860,000, which includes a \$143,000 contingency. At this juncture, the amount of funds available to the Town for the project is just over \$197,000. Here's why:

1. The first reason for this is we have not received the RMI allocation for 2017, nor do we know what it will be. This is a result of the provincial election schedule and we likely will not have our allocation until the end of May if not June. Staff have conservatively estimated \$450,000, but it will likely exceed this. Without a confirmation or receipt

however, these funds cannot be legally expended. Moreover, with another prior approved and substantive RMI project also underway (the TCH sign at over \$500,000), there are not sufficient funds in our RMI account to fund the project.

2. The second reason is that whether the forthcoming RMI allocation is conservative or measurably higher, we still face a project budget shortfall. Under a conservative allocation scenario we face a \$300,000 deficit, adjusted downward, the greater the RMI amount is.

It is worth noting that were there confidence in future continuation of the RMI program, these funds could be bridge funded to what would be the next allocation date of November, but as Council is aware the fate of the program has yet to be announced by the Province. Moreover, had the pedestrian bridge repair project not surfaced, we would have another \$150,000 of RMI funds to put towards this initiative.

As a result of these two circumstances listed above, the project is facing a current \$661,000 shortfall, which staff propose be bridge funded internally, and repaid in part with the eventual RMI allocation.

It is very unlikely however that the RMI allocation will be able to repay all of the bridge funding. Staff propose that an appropriate source of funds to meet the project's need of up to \$300,000 lies in the *Economic Opportunity Fund* – for the following reasons:

1. The EOF is designated to provide funding assistance for projects supporting and stimulating economic development in the area. The criteria for accessing funds are based on the demonstrable and enduring benefit to the economy of Golden and Area A. The continuing and enuring economic benefit to the region by visitor services provision has been clear. A 2007 special report commissioned by Tourism British Columbia determined that BCVC visitors spent \$2.9m in the local economy.
2. The funds are not sourced from local taxpayers, but through BC Hydro as a grant in lieu of taxes. This is in keeping with Council's original prerogative that the seasonal visitor centre would not be developed with local property tax sourced funds.
3. The EOF is a regionally approved mechanism. It therefore provides for the inclusion of Area A/CSRD in support for the project, also in keeping with RMI funds which apply to the *Resort Region* which Golden and Area A are designated.
4. The EOF is annually replenished at approximately \$400,000 per annum; there are sufficient funds in 2017 to fund the required portion of this project.

IMPLICATIONS

Strategic

(Guiding Documents Relevancy -Strategic Plan, OCP)

Official Community Plan – Community Economic Objective 10. – To support Tourism Golden as the main agency for tourism promotion and marketing for Golden and Areas.

Resort Development Strategy (RMI) 2017 Amendment – Council support for the abeyance of Phase 3 TCH Landscape Project in favour of the Seasonal Visitor Centre Project.

Financial

(Corporate Budget Impact)

Under the Community Charter Section 165 (4) (a) (b), the five year financial plan must set out the proposed expenditures and funding sources for the municipality. The Town of Golden Five Year Financial Plan Bylaw 1371, 2016 proposed an RMI operating & capital budget of \$1.347 million dollars. The estimated RMI budgeted

funding sources for this included funds on hand of \$897,000 and a 2017 contribution of \$450,000 for a total \$1.347 million.

The province recently informed the Town that the 2017 RMI funding total would not be made until after the May election. This means that the budget needs to be amended until the actual RMI funding level is known. The RMI budget changes are as follows:

The impact of the budget amendment requires Council to approve an interim funding source for the Visitor Centre project and delay the Trail Enhancement project (\$81K) until the RMI funding level is confirmed for 2017.

The Visitor Centre budget is estimated to be \$859,000 thousand (Attachment A).

Town of Golden 2017 RMI Budget			
	2017 Approved Budget	2017 Amended Budget	Difference
Funds On Hand	897,199	897,199	-
Add:			
2017 Estimated Funding	450,000		(450,000)
Total Estimated Funding	1,347,199	897,199	(450,000)
Less: RMI Projects			
Snowmobile Trail Grooming	45,000	45,000	-
Visitor Sign Program	520,216	520,216	-
Corridor Enhancement	42,100	42,100	-
Trail Enhancements	92,393	11,250	(81,143)
Pedestrian Bridge	126,299	126,299	-
Visitor Information Infrastructure	521,192	152,335	(368,857)
Total Projects	1,347,199	897,199	(450,000)
Net Surplus (Deficit)	-	-	-

The total proposed funding breakdown includes:

- RMI Funding on Hand \$152,000,
- Tourism Golden Contribution \$45,000.
- Town of Golden interim funding (*General Surplus Fund*) of \$661,000.

Under this proposal, the *General Surplus Fund* would be used as an interim financing source for the project, the intent being to repay a portion of \$661,000 thousand from the 2017 RMI funds eventually received. Assuming the 2017 funding amount is \$450,000, the *General Surplus Fund* would be reimbursed for \$369,000. EOF funds could then be used to repay the remaining balance of \$292,000.

Administrative

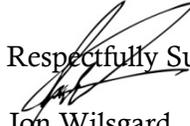
(Policy/Procedure Relevancy, Workload Impact and Consequences)

This project is a staff priority and forms a significant component to the 2017 work plan. It is also a contractual obligation under the RMI amended Resort Development Strategy.

OPTIONS

1. Approve the recommended capital expenditure amount and source, terms of repayment, and application for EOF funds.
2. Approve an alternative capital expenditure level, repayment terms and EOF application amount as Council deems appropriate.
3. Disallow any bridge funding initiative; determine a new project capital budget.
4. Do not approve bridge funding options; direct change in project scope to accommodate.

Respectfully Submitted,


Jon Wilsgard
Chief Administrative Officer/
Corporate Officer

Attachments-