

UPDATED FINANCIAL STRATEGY APPROVED FOR HARRY JEROME COMMUNITY RECREATION CENTRE

City of North Vancouver – January 31, 2022 -- The construction of the new Harry Jerome Community Recreation Centre (HJCRC) takes another step forward as Council approved last night an updated financial strategy for delivering the community recreation centre while minimizing impacts on local taxpayers.

The updated financial strategy combines low-interest, short-term financing from B.C.'s Municipal Financing Authority (MFA) to fund the construction of HJCRC, and paying back the loan through disposition of city-owned land when the project is completed in 2025.

"A new Harry Jerome Community Recreation Centre has long been a priority for residents," said Mayor Linda Buchanan "This is the largest capital project the City has embarked on. The financial risk mitigation measures that Council put in place has given us the ability to move forward with minimal impact to taxpayers while delivering a state-of-the-art facility that will support the wellbeing of all people."

The total funding required for the HJCRC capital program is unchanged at \$226 million, which includes \$181 million for the community recreation centre. The program – which includes the new HJCRC and other facilities and amenities – will also be funded in part by an existing levy, community amenity contributions (CACs) and development cost charges (DCCs).

To date, \$92 million (40%) has already been secured and includes funds received through completion of a land lease agreement for Phase 1 of the Harry Jerome Neighbourhood Lands (HJNL). In November 2021, the City terminated its Offer to Lease for Phase 2 of the HJNL as a result of the developer not meeting a key contractual term of the agreement – prompting Council's request for an updated financial strategy for the project.

Reducing Impacts on Taxpayers

The strategy avoids burdening City taxpayers as it will enable staff to recommend a 2022 budget that limits the increase in property tax to 3.75%. This increase is less than 2021 and within the range of increases brought in by other Metro Vancouver municipalities. Details of the proposed 2022 capital and operating budgets will be brought to Council for consideration at the February 14 and 28 meetings.

"As we developed this financial strategy, we kept in mind Council's direction to limit any impacts on City taxpayers," said Larry Sawrenko, the City's new Chief Financial Officer who led the development of the strategy with input from project costing and management consultants. "By taking advantage of low interest rates offered by the Municipal Financing Authority, we can take out a short term loan that is well within the limits of the City's borrowing capacity, and still leverage the value of the city-owned land as part of our longer-term strategy."

Plans, Construction on Track

The HJCRC project remains on track with the project scope and timelines unchanged and construction set to start this year with completion in 2025. The existing HJCRC will stay open and operating during the construction phase.

As the City of North Vancouver's largest ever infrastructure program, replacement of the 56-year-old HJCRC provides an opportunity to create a vibrant new community hub in the area of Lonsdale Avenue and East 23rd Street which will also include a new Silver Harbour Seniors' Activity Centre, upgrades to the Mickey McDougall Community Recreation Centre, relocation of the Flicka Gymnastics Club, a new North Vancouver Lawn Bowling Clubhouse and Greens and a new community park.

Background

The current HJCRC was constructed in 1966 and is reaching the end of its useful life. The new facility will be located on the north side of 23rd Street East between Lonsdale Avenue and St. Georges Avenue.

The new centre will provide a vibrant, social heart to the community and will include an arena with a 500-spectator capacity, more aquatic space, indoor and outdoor fitness amenities, preschool and youth spaces and a new facility for Silver Harbour Seniors' Activity Centre.

For more information visit cnv.org/hjcrc.

- 30 -

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