



The Corporation of the District of Central Saanich

SPECIAL (OPEN) COUNCIL REPORT

For the Special (Open) Council meeting on Monday, October 6, 2025

Re: Redevelopment of Municipal Facilities – Recommended Concept

RECOMMENDATION(S):

1. *Adopt the preferred concept of a new civic facility on Hovey Road for the Municipal Facility Redevelopment as it most closely aligns with the District's Strategic Priorities 2024-2027, the Official Community Plan (2023), the Saanichton Village Design Plan, the District of Central Saanich Housing Needs Assessment, and the Long-term Financial Strategy and Asset Management Plan (AMP), and provides the greatest financial benefits to current and future residents of the District.*
2. *Approve continuing the project with HCMA architecture and design, through the Schematic Design Phase 2 for a fixed fee of \$271,000 and with the intent to complete the project with a fixed percentage of 6.064% of the Construction Budget as outlined in their RFP submission.*
3. *Direct staff to work with the Capital Regional District staff to:*
 - a. *establish and draft an ownership agreement model that enables capital borrowing for the Capital Regional District and,*
 - b. *negotiate and draft a partnership agreement, including roles and responsibilities pre, during, and post construction stages for a 10,000 square foot dry space recreation facility on Hovey Road.*
4. *That following completion, the draft agreements be brought back to Council for approval.*
5. *Support in principle that the allocation of the Fire Museum as the Fire Association's amenity space in the civic redevelopment project, to be based on costing and location analysis; and the CAO be authorized to continue discussions and engagement with the Central Saanich Fire Association and the Fire Museum committee.*
6. *Send a letter to WJOLELP (Tsartlip) and S'ÁUTW (Tsawout) Councils advising of the decision and request that staff meet with staff of the First Nations to advise them of the District's next steps.*

PURPOSE:

This report is intended to present Council with updated information regarding the recreation option on Hovey, offer a summary of key factors to support informed decision-making, and recommend that Council choose a preferred concept to advance the Municipal Facility Redevelopment project.

BACKGROUND:

Since 2006, the District of Central Saanich has been assessing potential solutions to address deficiencies in its municipal facilities located at 1903 Mount Newton Cross Road (Mount Newton), including the Municipal Hall, Police Station, and Fire Station 2. These buildings have exceeded their expected lifespan and do not meet current standards for seismic resilience, fire safety, post-disaster functionality,

accessibility, or energy efficiency. Additionally, they have capacity constraints and contain hazardous materials such as asbestos.

The following timeline provides a high-level summary of significant milestones:

2006–2014: Initial Reviews and Consultation

Between 2006 and 2014, the District undertook a series of initial reviews and public consultations related to the redevelopment of municipal facilities. After assessing the potential approaches and gathering community input, Council decided to defer any major redevelopment actions until 2025. This decision was made to allow for more comprehensive planning in the future and to ensure that the redevelopment aligned with the community's evolving needs.

2019: Central Saanich Recreation Needs Assessment

The Central Saanich Recreation Needs Assessment identified a notable gap in recreational services within the area. The assessment reflected a strong community desire for expanded recreation opportunities to better serve the growing and changing population of Central Saanich.

2021–2022: Strategic Financial and Asset Management Planning

During 2021 and 2022, the District adopted a Long-Term Financial Strategies and Asset Management Plan (AMP). This plan underscored the critical importance of facility renewal and identified the feasibility of redeveloping municipal facilities as a strategic priority for Council. These actions set the foundation for future facility planning and investment.

2022: Adoption of Panorama Strategic Plan

In 2022, the Peninsula Recreation Commission (PRC) adopted the 2022–2026 Panorama Strategic Plan. For dry-floor recreation, sport, and wellness spaces, the strategy emphasized exploring both the viability and the cost impact of projects that could address existing gaps and expand recreation and related opportunities. The highest priority action in this area called for the exploration of cost-effective opportunities to meet indoor community space needs and address identified gaps in Central Saanich. This initiative was intended to be implemented within three years and included the possibility of further feasibility analysis and partnership discussions.

2023: Adoption of the District's Official Community Plan 2023 (OCP)

In 2023, Council adopted the OCP. Staff utilized policies adopted through the OCP to guide the vision of this project, including the principles included in the Saanichton Village Design Plan (2020) which were integrated into the OCP.

2023: Feasibility Study

In 2023, the District engaged Kasian Architecture to conduct a feasibility study on the replacement or renewal of municipal facilities. Project criteria were developed to align with the District's Official Community Plan (OCP, 2023). A Project Steering Committee was established to conduct a qualitative evaluation of redevelopment options. The evaluation was guided by the adopted project vision, OCP principles, and program and operational requirements. Key evaluation categories included maintaining rural character, wise use of limited land supply, careful growth management, supporting economic development, providing a range of housing opportunities, fostering a sense of community, creating walkable neighbourhoods, and protecting and enhancing the environment.

2024: Site Selection, PRC Support, Site Design Principles and Public Engagement

In 2024, Hovey Road Lot A was chosen as the preferred location for new civic facilities. This site, a bare parcel within the urban containment boundary, offered several advantages: straightforward development with no service disruption, lower land value compared to the Mount Newton site, and improved financial viability. Redevelopment of Mount Newton with housing and commercial spaces aligned with the “highest and best use” of the site as identified in the Saanichton Village Design Plan and the OCP. The Hovey site was strategically acquired by the District for these purposes.

In June 2024, the PRC resolved to support further exploration of new recreation facilities in Central Saanich, instructing staff to report this direction publicly. At the October 24, 2024, PRC meeting, staff were directed to continue working with the District on preliminary concept drawings to advance the redevelopment project.

From July to October 2024, the District conducted public engagement activities focused on the redevelopment of its civic facilities. These initiatives aimed to gather public input on amenity priorities and collect feedback related to both the Hovey Road and Mount Newton sites.

In November 2024, Council developed design principles for the Mount Newton site, drawing on guidance from the OCP, Saanichton Village Design Plan, and community priorities identified through engagement. Council directed staff to further engage the public on these design principles, noting that the site could be redeveloped with or without the municipal facilities. Additionally, Council instructed staff to advance schematic design options for the redevelopment project and to prepare engagement materials for the second quarter of 2025. The options included: a new civic facility at Hovey Road Lot A (with one scenario including recreational space), a new civic facility with mixed-use development at Mount Newton (based on Council-endorsed design principles), and renovation and expansion of existing facilities to meet current standards.

2024–2025: Schematic Design and Renovation

To implement Council’s direction, the District awarded a schematic design contract to HCMA architecture and design in December 2024. HCMA was tasked with preparing schematic designs and Class D cost estimates for both the Hovey Road and new-build Mount Newton options. In February 2025, Number TEN Architectural Group was engaged to conduct a comprehensive renovation assessment of the Municipal Hall, Fire Station 2, and Police Station. Their scope included a full condition assessment, building code and systems review, recommendations, cost estimates, and conceptual expansion drawings. These designs and reports are provided in Appendix A and B.

2025: Financial Planning and Community Engagement

The 2025 Financial Plan included \$55M for the Municipal Facility Redevelopment project, funded by debt (\$33.5M), land sales and use of reserves. The Loan Authorization Bylaw of \$33.5M received three readings and Inspector of Municipalities approval.

From June to July 2025, the District presented three redevelopment concepts and corresponding financial models to the public for input.

- Concept A: New civic facility at Hovey Road, including one scenario with recreational amenities.
- Concept B: New civic facility with mixed-use development at 1903 Mount Newton Cross Road.
- Concept C: Renovation and expansion of existing facilities to meet modern standards.

Feedback was gathered through a survey (hosted by Central Saanich), in-person and virtual open houses, as well as community pop-up events, to inform the development of the final project plan.

In August 2025, the District continued its efforts to gather community feedback regarding the concepts (an additional concept "D" - 'do nothing' option was added as per Council direction) by conducting a survey (blend of phone and online) administered by a third-party consultant; in total 845 responses were

received, and it was the District’s largest survey to date. Findings from all engagement initiatives since June, including the surveys, are included in the What We Heard Report (Appendix C).

DISCUSSION:

When undertaking significant government decisions, it is crucial to apply a structured and evidence-informed approach that evaluates several key factors. These include technical analysis, legislative requirements, policy alignment, financial implications, and community input. Each of these components plays an important role in guiding decision-making, but the emphasis placed on each should reflect the specific risks, costs, and the long-term impact associated with the decision at hand.

The Municipal Facility Redevelopment project has undergone thorough evaluation by staff, which includes technical assessments, long-term financial planning, and the application of Council-adopted policies informed by substantial public engagement. The following provides a high-level summary of several key factors:

- The Saanichton Village Design Plan (2020) identified 1903 Mt Newton Cross Road as a Special Plan Area, supporting a pedestrian-oriented, mixed-use village core. That vision was shaped with input from over 935 participants, including 140 individuals who provided in-depth feedback that helped define community priorities.
- These themes were further reinforced through the development of the Official Community Plan (2023)—the District’s guiding land use and growth policy—created through a multi-year process that reached over 26,000 residents and interest holders, with more than 4,000 actively engaged through surveys, events, and discussion forums.
- Principles from the OCP were used as part of the evaluation criteria for the redevelopment, helping ensure alignment with broader community objectives.
- The District’s AMP, launched in 2017 and updated in 2022, confirmed the condition and lifecycle challenges of the Municipal Hall, Fire Station 2, and Police Station, estimating a replacement cost of \$42 million over five years (2022–2027). The AMP is reviewed annually through the budget process.
- Every four years, Council established a policy to have a [statistically significant survey](#) to affirm community priorities prior to their Strategic Planning process.
- The project was then included in the District’s Strategic Plans (2021–2026) and advanced through the 2024–2027 Strategic Implementation Plan.

A Project Steering Committee, comprised of representatives from the Administration, Planning, Engineering, and Finance Departments, was established to conduct an evaluation of the concepts. The evaluation was guided by the key factors outlined above as well as specific programmatic and operational requirements. This evaluation is provided in Appendix D: Central Saanich Facility Options Evaluation 2025.

Based on the quantitative and qualitative impacts of each concept presented to the public, it is staff’s recommendation the preferred concept for the redevelopment and/or renewal of the municipal facilities is **Concept A on Hovey Road**. Presented below are the primary rationale points:

- ✓ Reflects highest and best use of land with respect to market value,
- ✓ It is the most financially viable option at \$45.6M total net costs,
- ✓ Provides the highest housing opportunities,
- ✓ Provides the highest potential annual tax revenue,
- ✓ Provides more exterior space for community use on site through private development,

- ✓ Organization of the Hovey site with respect to the surrounding area to minimize negative impacts (access points to site, visual sight-lines into the sites, noise transfer etc.), and
- ✓ Operational site access and internal site circulation is efficient and effective for all use types (fleet vehicle, passenger vehicle, bike, pedestrian).

Community Input

Community input remains an important component, particularly in shaping values-based outcomes and ensuring decisions reflect public priorities. The results from all engagement activities since June, along with the survey findings has been submitted to Council alongside this report, to support Council with the selection of a preferred concept. The following provides a high-level summary of the What We Heard Report:

There was broad agreement on the need to replace existing facilities, with most participants supporting new construction. There was significant agreement that the community wants to see action on this project, and ‘Do Nothing’ received minimal support. Notably, public feedback was almost unanimous in support for HCMA’s design of the new facilities. Differences of opinion centred on a) the location and b) the site design principles/redevelopment vision for Mount Newton.

Overall, support favoured **Concept A on Hovey Road**. This concept received the highest level of support and lowest level of opposition on the Deloitte survey, which is considered statistically significant and a representative sample of the District; it was also well received at District open houses. Many value the potential for recreation and synergy with Centennial Park, as well as the focus on creating public-oriented greenspaces and additional businesses through the redevelopment in Saanichton Village’s core. Some concerns included land expropriation, location being car-centric, and traffic impacts. Some residents, particularly those living in or near the Saanichton Village core expressed concerns about building height and the impact on the Village’s small-town charm.

Concept B received less support as well as more opposition than Concept A in the Deloitte survey. Concept B was commended for its central location, architectural design, pedestrian accessibility, additional businesses, and limited disruption. Main concerns centred on the potential reduction of greenspace, construction-related impacts, proposed village density as well as issues regarding financial accountability.

Concept C received little support compared to the new construction in all forms of engagement; the highest interest was seen on the District survey (297 respondents), which demonstrated polarized views and where 29% of respondents ranked it as first choice (considered low level support) and comments reflected it was seen by many as a path to ensure no density on the site.

Concept D (do nothing) was included on the Deloitte survey, which is considered statistically significant and representative of District residents. It was the least popular option with low level of support and the highest level of opposition.

Table 1. Summary of Concept Preferences from Community Input

Concept	Support Level	Key Likes	Key Concerns
A - Hovey	Highest	Recreation, vibrancy, design	Expropriation, traffic, location
B - Mt Newton (New Build)	Moderate	Central location, design, housing	Density, loss of character, cost
C - Mt Newton (Renovation/expansion)	Low	Same location, small buildings	Cost, lack of amenities, design
D - Do Nothing	Lowest	N/A	Not favored by most respondents

Proposed Peninsula Recreation Facility in Central Saanich

The Senior Manager, Peninsula Recreation provided a verbal update to the Peninsula Recreation Commission (PRC) on August 28, 2025, regarding the opportunity for community recreation space within the District. The verbal update provided the following:

- The need for indoor community recreation space in Central Saanich, particularly near Brentwood Bay, as identified in previous assessments and strategic plans.
- The recently drafted Facility Needs Assessment reinforced the demand for fitness, multi-purpose, and accessible recreation areas.
- The proposal involves developing dedicated recreation space at the Hovey Road site, including a weight room, fitness studio, art areas, and multi-purpose rooms, with estimated costs around \$13M.
- Financial and legal complexities, such as ownership structure and borrowing restrictions, require further analysis.
- PRC and Central Saanich are considering all partnership models, and detailed reports are forthcoming.

PRC staff then presented a detailed report to the PRC on September 18 and October 2, 2025¹, that included information on the design, costing, financing, partnership considerations and ownership models.

Summary of information provided and discussed:

- The PRC and District have collaborated since 2024 to assess and plan for incorporating recreation facilities into the redevelopment project.
- The proposed facility includes approximately 10,000 square feet of ground floor recreation space with five or more rooms for specific or flexible programming.
- Prioritized recreation spaces include a weight room and fitness studio, arts programming areas such as pottery, licensed after-school care, multipurpose spaces for camps and general use, plus necessary support areas.
- Co-locating recreation with municipal services promotes operational efficiencies, improves geographic equity especially for residents in Brentwood Bay and Keating, and allows expansion of programs limited by current space constraints.
- Adding recreation space is estimated to cost approximately \$15M including contingencies, with borrowing required that would increase Panorama Recreation's requisition by about \$48-\$72 per household annually, depending on the debt servicing term.
- The new facility is expected to generate revenues of about \$902,000 annually against expenses of \$1.2M, with staffing needs increasing by approximately 6.5 full-time equivalents and potential efficiencies from consolidating existing programs.
- A joint governance approach is proposed for project management, with further negotiations needed to establish ownership models that enable capital borrowing and agreements to define long-term operational responsibilities.
- The facility will comply with CRD's Green Building Policy, aiming for low carbon and energy-efficient standards. Detailed design is planned for late 2025 with construction targeted for Fall 2026.

After the PRC considered and discussed the proposed project, the following motion was unanimously approved at the October 2, 2025, meeting:

The Peninsula Recreation Commission recommends to the Capital Regional District Board:

¹ [Peninsula Recreation Commission - October 2, 2025](#)

1. That the five-year Peninsula Recreation Capital Plan be amended to include the Peninsula Recreation Facility in Central Saanich project including \$1 million from Capital Reserves and an additional \$14.2 million, to be scheduled as outlined in this staff report;
2. That staff engages in discussions with District of Central Saanich staff to develop a partnership agreement, including roles and responsibilities pre, during, and post construction stages;
3. That a draft of such an agreement and an updated project budget be brought back to the Peninsula Recreation Commission for consideration; and
4. That following an agreement approval, staff engage in further design to update the budget for a loan authorization bylaw recommendation to be considered by the Peninsula Recreation Commission.

Recommended Concept and Next Steps

The District now possesses the necessary information regarding key factors to support an evidence-informed decision. After reviewing the technical analysis, legislative and policy alignment, financial implications, participation of the PRC in a partnership for 10,000 square feet of dry floor recreation space, and statistically significant community input, staff are recommending that **Concept A on Hovey Road** is the preferred concept for the redevelopment or renewal of the civic facilities.

Mount Newton Rezoning

Constructing the new facility at Hovey Road would enable the Mount Newton site to be repurposed for housing, commercial development, and public amenities. It is advised that rezoning of Mount Newton occur prior to releasing a Request for Proposals (RFP). If Hovey is adopted as the preferred option, the District can initiate amendments to the Official Community Plan and zoning bylaw for Council review. Undertaking rezoning in advance enhances confidence in the RFP's objectives and may attract more compelling proposals from developers. While community development rezoning typically involves amenity negotiations, the recommended strategy is to rezone the property to its optimal use and provide site design principles and Council directives through the RFP process. Staff will return to Council with a consultation process related to the OCP and zoning bylaw process.

The Council endorsed site design principles provides flexibility to encourage the development community to be innovative in their approach, garnering the best potential design options for the site. The principles also aim to reduce potential impacts on neighbouring properties through a mix of building heights including four storey maximum height towards residential neighbourhoods (West & South) with increased setbacks and screening. This approach ensures that Council can address community concerns regarding density and traffic. Additionally, Shoreline Medical's recent proposal to collaborate with the District for a new primary care clinic, requesting 10,000 square feet at a nominal lease, can be considered within this framework. The RFP process offers flexibility, allowing developers to submit various options for Council evaluation. Should Council require further details on available alternatives, staff will provide additional information ahead of issuing the RFP.

Peninsula Recreation Facility

To advance the proposed recreation facility in Central Saanich, a coordinated approach will be required to complete design, funding, and governance processes with the CRD. Therefore, it is recommended that staff engage in discussions with CRD staff regarding an ownership agreement model that enables capital borrowing and a partnership agreement, including roles and responsibilities for all construction stages. Following completion, the draft agreements will be brought back to Council for approval.

Construction Design

Pending Council approval, if Concept A on Hovey Road is selected for the redevelopment, HCMA will complete the Schematic Design phase at the fixed fee of \$271,000. A class C will be provided for this design phase. Once that design phase is completed, with Council approval, HCMA will then continue through the remaining Development & Construction phases at a fixed percentage of 6.064% of the Construction Budget as outlined in their proposal.

As described above, the project will be implemented in phases allowing the District “off-ramps” should it be required as each phase requires Council approval. It is anticipated that the Schematic Design phase will be completed in Q1 2026.

Fire Museum

With the advancement of the redevelopment, the District will need to make decisions regarding the spaces currently allocated to the Central Saanich Fire Association. Staff are recommending that the Fire Museum be moved to Fire Station #1. That the first floor continues to house the historical artifacts and be used as a museum to continue to promote the history of Firefighting in Central Saanich, and the second floor be used for Association purposes. An agreement would be negotiated with the Association, that would cover community use of the first floor and responsibilities associated with maintenance of the building.

IMPLICATIONS:

Strategic

Staff are recommending Concept A on Hovey Road as it most closely aligns with District policy and has the greatest financial benefit to residents over the long term. Redevelopment of the Mount Newton site aligns with the OCP as it supports economic development, creates a range of housing opportunities, uses limited land wisely, and provides growth within a village center where density is supported. Saanichton Village Design Plan identified the Mount Newton site as a “Special Plan Area”, where redevelopment plans will consider a mix of additional and uses while prioritizing those that provide a community service and benefit.

The 2024-2027 Strategic Plan details infrastructure and housing as significant priorities. This project supports the goals of municipal investment in infrastructure renewal, increasing public amenities and expanding housing diversity and options. With the recommendation to build the civic facility at Hovey Road, the Mount Newton site available for additional housing, businesses and other public amenities.

Central Saanich’s Housing Needs Report (HNR), required by the Province every five years, estimates the District will require 1,117 units of new housing by 2029 and 3,476 units by 2044. The recent Provincial housing target of 588 units is to meet the ‘current’ housing demand for the District, while the total number of units in the HNR includes a demand buffer, which accounts for the number of units required to achieve a ‘healthy’ housing supply.²

Legal

1903 Mount Newton Cross Road Land Sale

² BC Housing Progress Report presented on January 27, 2025 Regular Council meeting.

Under provincial legislation the District has the authority to rezone, subdivide and sell lands. Legal support will be required for the sale and registration of documents at land titles. Legislation requires the District to provide public notice of land disposition.

Hovey Road Expropriation

The previous owners have filed a compensation claim, which is before the courts. Therefore, the District is limited in releasing any financial information regarding any contingency. The amount paid for the site was determined from the District's two independent land appraisals; these were based on market value, which includes current zoning and the potential use of the land (determined by the Official Community Plan and supporting policies), and data such as current similar land sales, as required by the BC Expropriation Act. The final price paid to the owner for Lot A was \$4.64M. The owner obtained their own appraisal, which had a much higher value (\$7.27M) than the District appraisal. The District's appraiser reviewed the owner's appraisal and determined there were factors in the owner's appraisal that resulted in the owner's appraisal overvaluing Lot A. The District is well supported in the price paid and any contingency calculated takes this into account.

First Nations

The District is working to strengthen its relationship with neighbouring First Nations, including WJOLELP (Tsartlip) and S7ÁUTW (Tsawout). As the District works towards more formalized relationships, including through the development of Memorandums of Understandings (underway), mutual agreements of requirements may become clearer throughout the next phases of the redevelopment project.

For this phase, staff are recommending that Council write a letter to WJOLELP (Tsartlip) and S7ÁUTW (Tsawout) Councils informing them of the decision and request staff to meet with staff of both Nations to discuss the District's next steps.

Included in the concepts, and available for further refinement as the project continues, are possible placemaking and design elements including public art.

Financial/Resource

As this project was identified as coming due almost 20 years ago, the District is in a strong financial position. Through the Asset Management Plan annual levy and utilizing reserve balances (savings) to reduce the amount of debt required, the District can undertake the project now with no anticipated additional increases to property taxes. Redevelopment on Hovey represents a financially strategic opportunity. The land value of Mount Newton is significantly higher than Hovey (twice as large, and close to a commercial center). Hovey also allows more housing on Mount Newton, thus increasing the District's tax base more than the other options. The District would utilize the same debt amount for all options and the remaining funding would be offset through use of reserves. Further, the community will benefit from a recreation centre through the shared subregional recreation service, PRC, to create geographic equity for recreation services on the Peninsula which has been a longstanding gap in the District.

Land Sales and Use of Reserves

Reserve funds are allocated for specific purposes by Council and/or by Bylaw. Certain capital reserve funds are also allocated to various asset categories as outlined in the District's 2022 AMP and LTFS.

Depending on the redevelopment option for the project, land sales would generate significant revenue to offset civic redevelopment costs. Land valuations have been calculated based on Council's adoption of design principles for Mount Newton. Taking into consideration the reserve capacity, AMP/LTFS allocations, and land sales values, the following reserves in Table 2 are available for the Municipal Facility Redevelopment project.

Table 2. Reserves & Land Sales Summary for Redevelopment Option

Summary:	Hovey	1903 Mount Newton	
	New	New	Reno & Exp
Land Sales Revenue*	\$17.0M	\$12.5M	\$0
Reserves	\$12.1M	\$16.6M	\$13.9M

*Projected land revenue, including land acquisition, sales and contingency

Debt & Debt Capacity

Under British Columbia's Community Charter and the Municipal Liabilities Regulation, municipalities are restricted from incurring liabilities that would cause their annual debt servicing costs to exceed 25% of their controllable revenues. This threshold is known as the liability servicing limit.

Based on the 2025 Financial Plan, the District plans to incur new debt in 2025-2029 for capital replacements and improvements. The 2025 Financial Plan includes a funding allocation of \$33.5 million for the civic facilities, estimated at \$2.2 million at a 30-year indicative lending rate of 4.68% through MFABC³. The annual debt servicing costs for other new debt is forecasted to be \$1.8 million for a total of \$4 million annually. The District's total annual debt servicing cost will be approximately 8.9% of annual revenues, well below the 25% threshold.

Funding and Tax Implications

AMP funding is projected to be \$7.2M in 2028, based on a projected funding trajectory. As this facility was identified in the District's 2022 AMP, funding is available for the project. This funding is currently an annual transfer to capital reserves and the use of the reserves is identified in the previous paragraph. However, for any debt that is incurred, this annual funding would be allocated to the annual debt servicing payments.

New residential and small commercial construction would increase non-market assessments and could increase the District's tax base. Current practices utilize new construction assessments to lower tax increases to existing tax payors. It is recommended that the funding strategy includes the use of new construction tax revenue for this project to offset the annual debt servicing costs.

The projected property tax impact for the redevelopment project is provided in Table 3.

Table 3. Projected Tax Revenue⁴

Description:	Hovey	1903 Mount Newton	
	New	New	Reno & Exp
Projected Annual Tax Revenue	\$750,000	\$480,000	\$0

Financial Costs Summary

The financial costs summary for the 3 options is provided in Table 4 below. This summary expenses include the total projected construction costs (hard and soft) plus contingency.

³ As of October 2025, the Bank of Canada has reduced its overnight interest rate from 5.00% in May 2024 to 2.5%, aligning with rates observed over the past two decades .

⁴ The projected property tax is calculated based on Council's adoption of design principles for 1903 Mount Newton, current market valuation for different strata market unit types (1,2,3-bedroom units) and average mill rate for Class 1 & 6.

Table 4. Summary for Redevelopment Option

Summary: (in millions \$)	Hovey New	1903 Mount Newton New Reno & Exp	
Hard Costs			
Building Construction & Site Development	43.0	43.0	30.5
Contingency	12.7	12.7	10.5
DCS Expense - Fire Museum/Fire Temp Facility	1.0	1.0	1.5
TOTAL HARD COSTS	56.7	56.7	42.5
Soft Costs			
Consultants (Architect as prime)	4.0	4.0	3.0
Construction Manager	1.2	1.2	1.2
Other (legal, procurement, communication)	0.7	0.7	0.7
TOTAL SOFT COSTS	5.9	5.9	4.9
TOTAL CONSTRUCTION COSTS	\$62.6	\$62.6	\$47.4
Land Sales Revenue*	17.0	12.5	0
TOTAL COSTS	\$45.6	\$50.1	\$47.4
FUNDING			
Capital Reserves	12.1	16.6	13.9
Debt	33.5	33.5	33.5

**Projected land revenue, including land acquisition, sales and contingency*

Legislative/Policy

Elector Approval Process

As with the liability service limit, the Municipal Liabilities Regulation (Community Charter) also specifies an approval-free liability zone at 10% of specific municipal revenues. This means that once the total annual debt servicing costs exceed the 10% approval free limit, all subsequent borrowing must receive elector approval. Elector approval can be obtained in one of two ways – an Alternative Approval Process (AAP), or referendum; the method is at the discretion of Council. Given that the District’s total annual debt servicing cost will be approximately 8.9% of annual revenues, there is no required elector approval on the borrowing for the redevelopment project.

Debt Bylaw

Municipalities must follow the Community Charter and Local Government Act when incurring debt. The process involves several steps, each taking weeks or months. It also involves coordination with the Capital Regional District, Municipal Finance Authority, and the Province of BC. Loan authorization bylaws are valid for five years. Loan Authorization Bylaw 2240 for \$33.5M was given received three readings by Council and has now received Inspector of Municipalities approval. Staff will present the Bylaw to Council for adoption in October.

Communication

The District is committed to providing accurate and timely information to the community. Following a decision of Council, an update to the community will outline the community’s input, Council’s decision and the next steps for the project, such as partnerships with community agencies, timelines, potential Request For Proposal, rezoning or public hearing or other. This will be published on the Let’s Talk site, the

main website, social media posts, shared with the business community, and a press release issued. An update will also be included in the January Community Focus Newsletter.

OPTIONS:

OPTION 1 (recommended)

1. *Adopt the preferred concept of a new civic facility on Hovey Road for the Municipal Facility Redevelopment as it most closely aligns with the District's Strategic Priorities 2024-2027, the Official Community Plan (2023), the Saanichton Village Design Plan, the District of Central Saanich Housing Needs Assessment, and the Long-term Financial Strategy and Asset Management Plan (AMP), and provides the greatest financial benefits to current and future residents of the District.*
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OPTION 2

Provide staff with alternative direction.

CONCLUSION:

The District has been planning for Municipal Facility Redevelopment since 2006, with the redevelopment of Fire Station 1 completed in 2012. This initiative represents a significant project, requiring numerous steps, tasks, and decisions to achieve completion. The District now has sufficient information on key factors to support an evidence-based decision. After careful consideration of technical evaluations, legislative and policy criteria, financial impacts, and recent community feedback, Concept A on Hovey Road has been identified as the preferred option for redeveloping the Municipal Hall, Police Station, and Fire Station 2. With the PRC approved motion, recreational space will now be included, which is a significant and long-sought-after amenity in Central Saanich. This integrated facility will serve multiple community functions efficiently and accessibility. Recommending the construction of the new facility at Hovey Road would subsequently make the Mount Newton site available for additional housing, business opportunities, and public amenities, contributing to a more vibrant Saanichton Village. As this project has been anticipated for nearly two decades, the District is currently well-positioned financially. By leveraging

the Asset Management Plan’s annual levy and reserve balances to minimize required debt, the District anticipates proceeding without the need for additional increases to property taxes.

Respectfully written and submitted by:	Fernando Pimentel, Deputy Director, Finance Strategic Capital Planning
Concurrence by:	Kristin Tryon, Chief Financial Officer
Concurrence by:	Christine Culham, Chief Administrative Officer

ATTACHMENTS:

Appendix A: Central Saanich Civic Facility - Concept Design Options

Appendix B: 1903 Mt Newton Conditional Assessment - Renovation and Expansion

Appendix C: What We Heard Redevelopment report – Oct 2025

Appendix D: Central Saanich Facility Options Evaluation 2025