



City of Hamilton Report for Consideration

To:	Chair and Members Audit, Finance, and Administration Committee
Date:	May 22, 2025
Report No:	FCS25022
Subject/Title:	Binbrook Conservation Area Capital Funding Plan
Ward(s) Affected:	City Wide

Recommendations

1. That the Niagara Peninsula Conservation Authority's special benefitting capital levy request related to the new washroom facility (Comfort Station) at Binbrook Conservation Area (Binbrook CA) of up to \$500 K be funded from the Unallocated Capital Levy Reserve (108020) and repaid from the operating budget over five years at an interest rate of 3.02% for an annual payment of \$109,234.64 as outlined in Appendix "B" of Report FCS25022, **BE APPROVED**; and
2. That the Niagara Peninsula Conservation Authority submit financial documentation to the Director of Financial Planning, Administration and Policy for the release of funds for the capital projects of up to \$500 K, **BE APPROVED**.

Key Facts

- Binbrook Conservation Authority (Binbrook CA) has an unfunded capital pressure in the amount of \$500 K relating to a new washroom facility (Comfort Station).
- In line with the *Conservation Authorities Act*, City staff is recommending providing the Niagara Peninsula Conservation Authority (NPCA) with the required funding from a City reserve and to have the NPCA repay the reserve from future tax operating budgets.
- The purpose of Report FCS25022 is to outline the project the NPCA is seeking funds for and to receive approval for the release of capital project funds of up to \$500 K, as well as, to outline the repayment terms over the five-year recommended period.

Financial Considerations

Total project costs are estimated at \$500 K and are recommended to be internally financed from the Unallocated Capital Levy Reserve (108020) over a five-year period requiring annual tax operating budget of about \$109,000. The repayment schedule is attached as Appendix “B” to Report FCS25022.

Two NPCA FTE's will support this project over a two-year duration. These positions are in-kind contributions from existing staff to support the project and are not funded from the project costs of \$500 K.

Background

On October 18, 2024, the NPCA's 2025 Operating and Capital Budgets were presented to the Board of Directors. The report was then presented to the City of Hamilton's General Issues Committee on January 28, 2025.

A critical project that represented an unfunded capital pressure for 2025 amounted to \$500 K. The project relates to the Binbrook CA's Comfort Station Upgrade. The capital project was noted as a critical unfunded capital pressure for 2025.

Given that this capital project represents a significant financial impact on the special levy, NPCA staff engaged the City of Hamilton to explore an alternative funding source. This project involves the construction of a new washroom facility to complement the existing one in the main day-use area at the Binbrook CA. Due to a substantial increase in day-use visitation and the ongoing growth of Binbrook, which now has a population exceeding 10,000 with hundreds of homes still being built, there is a need for additional washrooms to accommodate the influx of visitors.

The new washroom facility will feature six family-friendly unisex washrooms, with two of them being fully AODA compliant. It will be located adjacent to the splash pad maintenance building, catering to day-use guests on the east side of the conservation area.

This project offers numerous benefits that collectively enhance customer service. By providing additional restroom amenities, the NPCA demonstrates commitment to visitor comfort and satisfaction, thereby improving the overall park experience. Additionally, the initiative promotes health and safety by ensuring access to clean and hygienic restroom facilities, which supports the well-being of park visitors and reduces the risk of health issues related to sanitation.

The NPCA is seeking \$500 K in funding to begin construction of the new washroom facility in the fall of 2025, scheduled to be completed before May 2026. This tight schedule impairs NPCA's ability to postpone this project to the 2026 budget cycle.

Analysis

An unfunded pressure of \$500 K relating to a new washroom facility (comfort station) for Binbrook CA has been identified as an urgent need.

This project includes a new washroom facility to complement the existing washroom facility in the main day use area at Binbrook Conservation Area. The new washroom facility will be located adjacent to the splash pad maintenance building to support day-use guests using the east side of the conservation area. The design and permit Phase 1 of the project had a total of \$159,915 approved in 2023 and 2024 to support Phase 1. Phase 1 has been completed and this project is now shovel ready and has a total estimated construction cost of \$650,000.

The project also links the new septic system that was completed in 2022 by now supporting an additional washroom facility. The septic system project was financed in a similar manner through Report FCS20096. Binbrook CA continues to see a substantial increase in day-use visitors and needs an additional washroom facility to support the increase. By deferring the project, there will be a decrease in customer satisfaction at NPCA's leading revenue generating park.

The project offers numerous benefits that collectively result in an enhancement of customer service. By offering additional restroom amenities, it showcases a dedication to ensuring visitor comfort and satisfaction, ultimately elevating the overall park experience. Moreover, the initiative enhances health and safety by providing access to clean and hygienic restroom facilities, thereby promoting the well-being and safety of park visitors and reducing the likelihood of health issues related to sanitation. The introduction of this new washroom facility at Binbrook CA will enable the park to accommodate a larger number of visitors, leading to increased revenue from entrance fees, concessions and other park services.

Given the project's location in the main day-use area, the construction window is extremely narrow. To open the new washroom building by spring 2026, construction must commence in fall 2025 and be completed before May 2026.

In the last several years, NPCA's ability to undertake both operating special projects and capital investments have been significantly impacted by a lack of financial resources. The following issues contributed in part:

- NPCA needs to make significant investments in infrastructural upgrades and staffing resources to safely serve our communities. An Asset Management Plan and Financing Strategy is currently being completed and will provide further refinement to the Asset State-of Good Repair Gap and funding requirements.
- Staff anticipates significant planning and growth pressures in the coming years in NPCA's jurisdiction requiring NPCA to proactively invest in science and information to support decision making.

- Completion of NPCA 10-Year Strategic Plan has identified several gaps and priorities that NPCA must address in the coming years.
- *Conservation Authorities Act* amendments and associated regulations requires several priorities to be completed. This includes a significant number of investments in updating conservation areas management plans, shoreline and coastal resilience technical updates and flood and erosion hazard mitigation projects.

The *Conservation Authority Act* outlines the power of the authority to determine the proportion of total benefit for capital projects afforded to the benefitting municipality. The City of Hamilton has several options to fund the costs of projects that include:

- (i) Provide the NPCA with the required funding from a City reserve and repay the reserve from future tax operating budgets.
- (ii) The City could loan the NPCA the funds with a repayment plan. The NPCA would repay the City, but also fund that repayment through their levy to the City.
- (iii) The City could provide the NPCA the required funding and then secure debt (loan or debenture issue) to fund the project over a number of years. The financing cost of the debt would be added to the City's tax operating budget.

City staff is recommending (i) above. This is the most efficient option available while still ensuring transparency in reporting.

The City is obligated to fund the levy request submitted by the NPCA for capital projects as the benefitting municipality. Appendix "A" to Report FCS25022 details the full request of the \$500 K for the Binbrook Comfort Station. Staff is recommending that the City provide the funds up to \$500 K from the tax operating budget and fund it from the Unallocated Capital Levy Reserve (108020) and then pay back the reserve over five years through the tax operating budget. The annual repayment with interest at a rate of 3.02% is \$109,239.64. As per the City's reserve policy, the interest rate used is the City cost of borrowing. This method of funding is the most efficient and supports transparency in reporting the annual impact of the NPCA levy.

The recommendation would approve an upset limit of \$500 K requiring the NPCA and City staff to seek approval from their Board and Council to exceed the project cost. Appendix "B" to Report FCS25002 highlights the proposed repayment schedule.

The NPCA has agreed to fund these projects and submit requests for reimbursement of actual costs, along with supporting documentation satisfactory to the Director of Financial Planning Administration and Policy.

Alternatives

As indicated, the *Conservation Authority Act* requires that the benefitting municipality levy for capital projects that are deemed by the Conservation Authority to directly benefit that municipality. The City of Hamilton has several alternatives to fund the cost of the NPCA Binbrook Conservation Area Comfort Station.

Alternative 1:

- The City could loan the NPCA the funds with a repayment plan. The NPCA would repay the City, but also fund that repayment through their levy to the City.

Alternative 2:

- The City could provide the NPCA the required funding and then secure debt (bank loan, Infrastructure Ontario (IO) loan or, possibly, debenture issue) and fund the project over a number of years through the repayment of the debt. The financing cost of the debt would be added to the City's Tax Supported Operating Budget.

Relationship to Council Strategic Priorities

The recommendations in Report FCS25022 align with the Council Priority of Safe & Thriving Neighbourhoods by providing vibrant parks, recreation and public space to citizens.

The City of Hamilton's 2023 Parks Master Plan outlines the overarching goals of enhancing park amenities, including washrooms, to improve visitor experience and accessibility. The new Binbrook Comfort Station project directly supports these goals by providing additional, accessible restroom facilities.

The forthcoming washroom facility will feature accessible restrooms, fostering a more inclusive and accommodating environment for individuals with disabilities. This promotes diversity and equality within the park.

Consultation

City staff has been corresponding with NPCA staff regularly with respect to financing options, project costs and disbursement of funds.

Appendices and Schedules Attached

Appendix "A" to Report FCS25022 – 2025 Binbrook Comfort Station Business Case
Appendix "B" to Report FCS25022 – Binbrook Capital Financing Plan

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