

REPORT

Office of the Chief Administrative Officer and Parks & Recreation

To: Mayor Johnstone and Members of Council **Date:** October 16, 2023

From: Dean Gibson,
Director of Parks and Recreation **File:** #2367060

Lisa Spitale,
Chief Administrative Officer

Item #: 2023-644

Subject: Westminster Pier Park Fire Site – Next Steps

RECOMMENDATION

THAT Council receive this report for information; and

THAT Council direct staff to proceed with Next Steps as outlined in this report.

PURPOSE

The purpose of this report is threefold: firstly, to provide information on the settlement of the Westminster Pier Park (referred to as “WPP”) insurance claim; secondly, to provide the City’s commitment and next steps for advancing our relationships with First Nations by way of this project; and thirdly, to outline the City’s commitment to community engagement and communication regarding the future of the site.

SUMMARY

The insurance claim resulting from the 2020 fire at Westminster Pier Park has now been settled and preparation of a Reserve Fund Bylaw for the insurance proceeds is underway. Staff propose (through a third-party facilitated process) to create a true partnership and genuine collaboration with Rights and Title Holders to establish principles/ criteria for a riverfront project that reflects Indigenous rights, history, values and priorities. Together, the project partners would then co-create a subsequent

process and timeline for community engagement, concept development and implementation.

BACKGROUND

The Westminster Pier Park fire occurred on September 13, 2020, after which the site was secured and the “non-fire” portion of Westminster Pier Park was closed to the public. Clean up and debris removal of the fire damaged infrastructure (e.g. park structure, piles, decking, public art structure, etc.) commenced, along with clean-up of areas surrounding the fire site that were impacted by smoke and other fire effects (e.g. remainder of Westminster Pier Park, Downtown parkade, etc.). In January 2021, demolition of the remaining fire-damaged structure occurred, followed by the in-water environmental process for removal of submerged fire debris that had settled during the course of the fire. The in-water works were completed by winter 2022. The non-fire-damaged sections of Westminster Pier Park were re-opened for public use in April 2021.

Staff are working towards obtaining a Certificate of Compliance with Provincial and Federal regulators to ensure work plans and execution was compliant with all environmental regulations. Water and soil testing commenced at site and down river, and data continues to be requested as part of on-going monitoring and obtaining the Certificate of Compliance.

In late 2021 a marine engineering consultant was retained to assist the City in the calculation of the replacement costs with respect to the insurance claim. This work formed the foundation for subsequent negotiation with the City’s insurance providers. Negotiations with the insurance adjustor and the City’s three insurance providers regarding settlement options for the City’s insurance claim were ongoing from summer 2021 to mid-2023.

In June 2023, the insurers provided a final written settlement offer of \$30M, inclusive of \$10M that had been interim advanced, and without any conditions or limitations. The City has accepted the offer and will now begin next steps towards allocating the proceeds of the claim.

DISCUSSION

Insurance Claim

Now that the insurance claim has concluded, the settlement monies are in process of being transferred to the City. To ensure transparency in financial reporting, a reserve fund for the monies is being created. Creating a reserve offers several benefits including transparency and allowing any interest earned on this significant fund to be allocated back to the reserve. To establish the reserve, staff will be preparing the necessary bylaw for Council review and approval by December 2023.

Inviting Partnership with Rights and Title Holders

The City is committed to partnering/collaborating with First Nations leaders (Government to Government), to ensure Indigenous rights, land title, history, values and priorities are understood and established as a first step before any work on a future riverfront project commences.

Recognizing and considering the history of the river and that it was a key resource for the Indigenous peoples who were active in this area before colonists arrived, the aim is to foster a co-development model as a way to rebalance how the City works with the Nations, and co-create the riverfront holistically.

This past July, a memo was sent to six First Nations through each of their referrals processes (these Nations are part of the provincial list and have indicated to the City that they would like to work with us more closely). The memo provided an update on the WPP fire site, outlined the City's desire for potential partnership, and proposed next steps including inviting the Nations to an information session the City proposes to hold this fall. The City's primary focus of this information session would be to inquire regarding if/how each of the Nations wish to partner/collaborate with the City of New Westminster and other invited Nations in exploring hopes and priorities for the future of the fire site, and more broadly their interest in partnering on a riverfront project. The memo also included the following proposed next steps:

- Schedule a casual information session with Rights and Title Holders on the opportunity to collaborate on this project;
- Inquire with First Nations if and how they want to partner/collaborate through their respective referrals departments;
- In collaboration with Rights and Title Holders, develop principles related to how/where funds should be invested;
- Retain a project facilitator to support the partnership/co-development with the First Nations, and co-select a project manager to lead project definition, planning and implementation.

Community Engagement

Broader community engagement will be incorporated into the process the City intends to co-create with the Nations. Staff understand the importance of giving community members a voice and role to play in helping shape the future of this stretch of the riverfront; however, it is important that any potential options or opportunities not be presupposed prior to initiating collaboration with interested Nations.

In addition to a model of co-development with First Nations, it is acknowledged that there are a number of stakeholder interests, permitting approvals and potential limitations to rebuilding at this complex site and along the river foreshore in general. For example, the Council of Marine Carriers (e.g. tug operators), Transport Canada, Port of Vancouver, and Ministry of Land, Water and Resource Stewardship, will all need to be consulted with any future plans.

Project Facilitator

The 2023 approved Capital Budget includes \$205,000 to support the Planning and Engagement works for the Westminster Pier Park fire site. These funds were anticipated to be drawn upon, in part, to supplement staff's work in collaborating with the Nations. To advance this work, staff have issued an Expression of Interest (referred to as "EOI") for a Project Facilitator who has experience working with First Nations and can assist the City with these early discussions and guide us through this new way of working. This process will focus on further understanding:

- Priorities, values, and uses for the riverfront;
- What it means to partner/collaborate; and
- What will be an effective process for sorting through the complexities and establish priorities to co-develop a riverfront project.

It is staff's intention to retain the project facilitator in advance of a proposed open workshop with Council (anticipated October 30, 2023) and the early meetings with interested First Nations partners (anticipated to commence in late fall 2023).

Council Workshop

The purpose of the proposed Council workshop is to better understand Council's vision and goals for the fire site, within the context that Council is not the only decision-maker for this project. At the workshop it is proposed that staff will provide a brief overview of the "lessons learned" since the fire occurred, an overview of the current Riverfront Vision and current projects planned and/or underway along the riverfront including:

- Overview of the Riverfront Vision to include the Pier 2 Landing project (floating connection between Sapperton Landing Park and WPP (including summary of previously conducted risk assessment and costing), information on the future development of Poplar Landing including foreshore/dyke improvements and Muni Evers Park.
- Changes since the creation of the [Westminster Pier Park Master Plan](#) (2009/2010) including:
 - Overview of WPP Master Plan (2009/2010)
 - Westward expansion of WPP with a 2 acre park (660 Quayside development) and lessons learned from the stakeholder engagement process;
 - Knowledge gained during debris clean up and valuation of the fire site and requirements/ costs to rebuild the park to current day code/standards;
 - City's commitment to advancing Truth and Reconciliation and adoption of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP); and
 - Update to Council's strategic priorities.

NEXT STEPS

Proposed next steps are outlined below for Council's consideration and input. Staff acknowledge that these steps are iterative in nature, may not take place in a linear fashion, and will be revisited as information is gained and shared amongst project partners.

First Nations Update on Fire Site – July/August 2023

- Project update memo and outreach on future collaboration submitted to six Nations through their referral process. *Completed July 28, 2023*
- Email to Chiefs from the Mayor advising that a project update/initial outreach for collaboration has been submitted through their referral process. **Complete.**

Retain project facilitator – early October, 2023

- Facilitator to have experience working with Indigenous communities and can assist the City with these early discussions of understanding priorities, values and uses for the riverfront and a shared understanding of what partnering/collaboration means to all involved.
- A request for expressions of interest when scope of work has been prepared and sent to a list of potential project facilitators.

Council Report – October 16, 2023

- Update on insurance claim settlement, First Nations partnership/co-development model and project steps going forward (as known to date)

Workshop with Council on vision/goals for the project – October 30, 2023

- Project facilitator and graphic recorder may be retained to include Indigenous knowledge systems into process

Staff to staff meeting with the Nations – late fall 2023

- Follow-up letters to be sent to Nations who have expressed an interest in this undertaking, inviting them to an informal meeting to discuss interest in partnership/co-development approach.

Community engagement process - TBD

- To be determined with project partners once discussions with Nations have occurred and further scope of partnerships/co-development model is known.

Future Funding Strategy - Senior Levels of Government

This project is at a preliminary phase of development. As the understanding of the project advances, options for funding from Provincial, Federal and regional governments, as well as other sources, will be explored. There are several project components that require advancement prior to the project being "funding ready" from government programs:

- Develop the project concept;
- Consult/ engage partners and consult with key stakeholders;
- Establish formal partnerships (if required);

- Develop detailed design and cost estimates; and
- Conduct due diligence including environmental and archeological permits and feasibility studies.

There are various funding programs available and when appropriate, a funding strategy will be developed.

FINANCIAL IMPLICATIONS

The financial implications of the insurance settlement will continue to develop throughout this process. Currently, it is estimated that the settlement will result in \$22M in unrestricted cash balance after accounting for cleanup costs. This estimate is based on the total insurance claim of \$30M, less costs invoiced to date, which amount to \$7.96M. The Finance Department has also estimated potential additional expenses of \$280K for cleanup efforts, which should be covered by the remaining insurance balance.

Finance is creating a reserve for the insurance proceeds. Exploring opportunities for third-party grant funding could enhance the reserve's financial capacity. By seeking additional funding sources through grants and partnerships, the City can maximize the impact of the insurance proceeds and potentially support more extensive projects or initiatives for the community's benefit.

The financial implications are closely linked to the ongoing consultation process with Indigenous communities, Council, and the community. The 2023-2027 approved Capital Plan includes \$205,000 for the planning and engagement process towards the future of the redevelopment of the fire site. These funds will be returned to the general fund and the insurance claim funds will be used to retain a project facilitator and provide capacity funding to the Nations.

As the City advances discussions with our partners to determine the best course of action for the riverfront, the financial outlook and information will vary accordingly.

INTERDEPARTMENTAL LIAISON

The Office of the CAO and the Finance Department have led the efforts on the insurance claim. Staff from Parks and Recreation, Engineering, Finance, Intergovernmental Relations and Office of the CAO are collaborating on next steps towards developing a relationship (staff to staff) with each of the Nations and working towards a genuine collaboration.

OPTIONS

Options for Council's consideration include:

1. To receive this report for information; and
2. To proceed with the next steps as outlined in this report; or
3. Provide alternate direction to staff.

Options #1 and #2 is recommended.

CONCLUSION

The settlement of the insurance claim and discussion with Rights and Title Holders is very timely and is aligned with existing and emerging policies that will help the City, the Nations, and the broader community to sort through the complexities and establish priorities in developing a project on the riverfront. It is an exciting process that will advance the City's Truth and Reconciliation goals in a genuine and meaningful way.

APPROVALS

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