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REPORT TO SALT SPRING ISLAND LOCAL COMMUNITY COMMISSION MEETING OF THURSDAY, MAY 14, 2026

SUBJECT **Rainbow Recreation Centre Building Envelope Renewal Project**

ISSUE

The purpose of this report is to review project timelines and scope associated with debt funding for the Rainbow Recreation Centre (RRC) building envelope renewal project.

BACKGROUND

In 2022, the Capital Regional District (CRD) retained an engineering firm to assess damage to an exterior wall at the RRC, discovered during duct installation for the electrical system replacement project. The assessment identified deterioration of wall sheathing and localized concerns such as deteriorating beam overhangs, linked to building envelope issues including poor rainwater drainage, deficiencies in the rainscreen assembly, and air leakage at the roof-to-wall interface. Further investigation, including thermographic scanning, confirmed widespread air leakage and moisture-related deterioration at roof-wall transitions, exterior walls, doors and penetrations, compromising the building envelope. If the underlying causes of steel deck corrosion and wood beam rot are not addressed, accelerated deterioration could occur, potentially resulting in costly structural repairs or facility closure.

A budget of \$20,000 was approved in 2025 to support an Alternative Approval Process (AAP). The AAP was deferred pending the outcome of a grant application submitted to the 2025 Strategic Priorities Capital Infrastructure Stream. Funding decisions for this program are anticipated to be reported in August 2026. Should the grant application be unsuccessful, the AAP could be scheduled for the first quarter of 2027.

Given the delay in advancing the AAP, staff have been asked whether there is an opportunity to incorporate additional recreation infrastructure projects into the proposed debt borrowing. While other projects could be identified, upgrades to the Salt Spring Island Multi Space (SIMS) including a roof replacement and related energy-efficiency improvements are not eligible for debt funding, as the CRD does not own the asset.

IMPLICATIONS

Financial Implications

Class C cost estimates, with an accuracy range of approximately ± 15 – 20 percent, were prepared in 2025 for the RRC building envelope improvements and SIMS roof replacement. These estimates included allowances for contingencies related to construction inflation, supply chain volatility, and the potential impacts of tariffs and material cost increases.

Since the development of these estimates, construction prices have continued to rise. Prior to proceeding to a public approval process, through an AAP, updated cost estimates should be obtained to ensure financial information presented to voters is current and reflects prevailing market conditions.

	Estimated Cost	Contingency Reserve Funding	Debt/Grant Funding
RRC Building Envelope	\$1,800,000	\$50,000	\$1,750,000

The combined Salt Spring Island Parks and Recreation Capital Reserve balance is estimated to be at \$257,268 at the end of 2026. To fund the RRC Building Envelope Renewal Project in 2027, transfers to reserves need to be significantly increased and/or borrowing needs to be secured.

To secure borrowing, approval of the electors is required, and may be obtained either through assent voting (referendum) or through the AAP. Conducting an AAP is generally less expensive than assent voting. However, if the AAP fails the overall costs of holding both an AAP and assent voting will be more costly and time consuming.

Social Implications

The RRC estimates approximately 65,000 visitors in 2025 and provides opportunities for residents of all ages to be active and interact with other people. Having a publicly accessible recreation facility with low-cost barriers is key to the development of our healthy community.

CONCLUSION

The condition of the Rainbow Recreation Centre building envelope presents a significant risk to the long-term viability of the facility if not addressed. While the proposed debt funding process has been delayed pending the outcome of a grant application, this delay provides an opportunity to further refine project scope and cost estimates and consider the inclusion of additional priority recreation infrastructure projects. Updated financial information will be required prior to seeking elector approval to ensure transparency and accuracy.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Dan Ovington, BBA, Senior Manager, Salt Spring Island Administration
Concurrence:	Stephen Henderson, MBA, BSc, General Manager, Electoral Area Services,