

**REPORT TO CAPITAL REGIONAL DISTRICT BOARD  
MEETING OF WEDNESDAY, SEPTEMBER 10, 2025**

---

**SUBJECT     Strategic Priorities Fund – Grant Applications**

**ISSUE SUMMARY**

To seek Capital Regional District (CRD) Board support for four grant applications to the Strategic Priorities Fund (SPF).

**BACKGROUND**

The SPF is one of three funding streams, alongside the Community Works Fund and the Metro Vancouver Regional Fund, delivered through the Canada Community Building Fund. In British Columbia (BC) the program is administered by the Union of BC Municipalities (UBCM) on behalf of the Government of Canada.

SPF is an application-based funding program open to all local governments outside of Metro Vancouver. The current intake opens from May 20 to September 12, 2025. This SPF intake will see an investment of up to \$125 million to support infrastructure and capacity building projects across BC through two streams:

1. Capital Infrastructure Stream (Up to \$119 million)

The SPF-Capital Infrastructure stream provides grant funding specifically targeted for the capital costs of local government infrastructure projects that are large in scale, have a regional impact, or are innovative and support the national objectives of productivity and economic growth, a clean environment and strong cities and communities.

2. Capacity Building Stream (Up to \$6 million)

The SPF-Capacity Building stream provides grant funding for local government capacity building projects including asset management, long term infrastructure planning and integrated community sustainability planning that support the national objectives and are large, have a regional impact or are innovative.

Regional districts may submit up to four applications in total, with a maximum of three applications under the Capital Infrastructure Stream. SPF can contribute a maximum of 100% of the cost of eligible activities, up to a maximum of \$7 million per project.

To maximize the SPF grant opportunity staff have identified three projects under Capital Infrastructure Stream and one project under Capacity Building Stream. UBCM requires a Board resolution supporting the projects, committing to cover any cost overruns and providing overall grant management. Please refer to Appendix A for detailed program guidelines.

## **ALTERNATIVES**

### *Alternative 1*

The Capital Regional District Board supports the following four projects' application submissions and commits to covering any cost overruns. Staff are instructed to apply for, negotiate, and if successful, enter into an agreement and do all such things necessary for accepting grant funds and overseeing grant management for the proposed projects as below.

#### **Capital Infrastructure Stream**

- 1) Biosolids Advanced Thermal Plant
- 2) Main No. 1 Hydraulic Grade Line Increase
- 3) Rainbow Recreation Centre Building Envelope Renewal Project

#### **Capacity Building Stream**

- 4) SEAPARC Infrastructure Growth Plan

### *Alternative 2*

That this report be referred back to staff for additional information.

## **IMPLICATIONS**

### *Financial Implications*

#### **Capital Infrastructure Stream Projects**

<b>Project Title</b>	<b>Brief Project Description</b>	<b>Grant Request</b>	<b>Estimated Total Project Cost</b>	<b>Other Funding Sources</b>
<b>Biosolids Advanced Thermal Plant</b>	Construction of a thermal processing plant to convert biosolids into biochar and energy	\$7,000,000	\$10,000,000	Debt
<b>Main No.1 Hydraulic Grade Line (HGL) Increase</b>	Multiple infrastructure upgrades to raise the HGL of Regional Water Supply Main No. 1 to increase pressure and flow rate	\$7,000,000	\$15,700,000	Debt
<b>Rainbow Recreation Centre Building Envelope Renewal Project (Salt Spring Island)</b>	Building envelope restoration of the Rainbow Recreation Centre Building to address air leakage performance issues	\$1,750,000	\$1,800,000	Debt and Reserve

### Capacity Building Stream Project

Project Title	Brief Project Description	Grant Request	Estimated Total Project Cost	Other Funding Sources
<b>SEAPARC Infrastructure Growth Plan</b>	Develop a long-term plan for recreation infrastructure growth for SEAPARC Recreation	\$150,000	\$180,000	Reserve

### *Service Delivery Implications*

### Capital Infrastructure Stream Projects

#### Biosolids Advanced Thermal Plant

Advanced thermal technology was selected by the CRD as the preferred method of biosolids management under the Long-Term Biosolids Management Strategy. The Biosolids Advanced Thermal Plant Project involves the installation of additional equipment at the CRD's Residuals Treatment Facility, to further process dried biosolids into biochar.

Processing of biosolids under high heat and low oxygen results in the substantial reduction in contaminants and microplastics, as well as the sequestering of carbon. This will protect our environment by reducing contaminants and carbon dioxide emissions.

#### Main No.1 HGL Increase

The project involves work at a series of eight locations along the CRD Regional Water Supply Main No. 1 throughout Langford, Colwood and View Royal. This includes upgrades to the Humpback, Millstream and Watkiss pressure control stations, construction of four new pressure control stations (three in Langford and one in Colwood) and construction of one new distribution tie-in to Main No. 3 at Fairway Avenue.

Raising the HGL of Regional Water Supply Main No. 1 will increase the pressure and flow rate in the main. Upgrading and constructing new pressure control stations along the water main will facilitate distribution to users from the increased main pressure. The result is increased water supply capacity and redundancy across all municipalities in the CRD's Regional Water Supply system while supporting additional housing in the region.

#### Rainbow Recreation Centre Building Envelope Renewal Project

The Rainbow Recreation Centre (RRC) is a community recreation center including a 25-metre lap pool located on Salt Spring Island. A 2022 assessment of a damaged exterior wall at RRC has indicated that the building envelope had been compromised and requires restoration in the next five years. There are known performance issues including roof-wall transitions, exterior walls, exterior doors and penetrations.

The Building Envelope Renewal Project is required to maintain the facility for public use by addressing performance issues associated with air leakage. The RRC is utilized by over 60,000 visitors each year and is home to the only public indoor pool on Salt Spring Island. The facility

also houses a day care, swim club, aquafit classes, group swimming lessons, Special Olympics, recreation programs and special events.

### **Capacity Building Stream Project**

#### **SEAPARC Infrastructure Growth Plan**

The project develops a long-term plan for recreation infrastructure growth for SEAPARC Recreation. The 2025-2035 SEAPARC Recreation Strategic Plan identifies community need and desire for a second arena, a large-span community gymnasium and multi-use/classroom/program spaces.

Rapid population growth underscores the urgent need for expanded recreation infrastructure to sustain a healthy, active and connected community. To ensure that facility expansion is thoughtful and fiscally responsible, a long-term plan is required. This plan will consider: the condition and lifespan of existing infrastructure, climate implications, opportunities for collaboration with community partners, siting options and preliminary costing. By taking a strategic and forward-looking approach, the project will help ensure that recreation services remain accessible, sustainable and responsive to the evolving needs of the community.

### **CONCLUSION**

The SPF presents an opportunity for the CRD to receive substantial grant funding for critical high impact projects. Staff have identified four eligible projects to maximize this grant opportunity. SPF requires a Board resolution supporting the projects, committing to grant management and covering cost overruns. The SPF intake closes on September 12, 2025.

### **RECOMMENDATION**

The Capital Regional District Board supports the following four projects' application submissions and commits to covering any cost overruns. Staff are instructed to apply for, negotiate, and if successful, enter into an agreement and do all such things necessary for accepting grant funds and overseeing grant management for the proposed projects as below.

#### **Capital Infrastructure Stream**

- 1) Biosolids Advanced Thermal Plant
- 2) Main No. 1 Hydraulic Grade Line Increase
- 3) Rainbow Recreation Centre Building Envelope Renewal Project

#### **Capacity Building Stream**

- 4) SEAPARC Infrastructure Growth Plan

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services and Corporate Grants
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Alicia Fraser, P. Eng., General Manager, Infrastructure and Water Services
Concurrence:	Rory Tooke, Acting General Manager, Parks, Recreation & Environmental Services
Concurrence:	Stephen Henderson, MBA, P.G.Dip.Eng, BSc, General Manager, Electoral Area Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENT**

Appendix A: Strategic Priorities Fund Program Guidelines - 2025