

STAFF REPORT TO COUNCIL

Report Prepared By: Jake Belobaba, Director of Development Services
Reviewed By: Allison McCarrick, CAO
Meeting Date: September 26, 2023
File No: 1855-23-08
Re: Rural Economic Diversification and Infrastructure Program (REDIP)

RECOMMENDATION:

That Council direct staff to include in the 2024-2028 Financial Plan \$125,000 for the planning of a mountain bike trail network with the funds to come from the Rural Economic Diversification and Infrastructure Program for \$100,000 and the remainder to come from prior year surplus.

EXECUTIVE SUMMARY:

Staff are recommending that the Town submit an application to the Rural Economic Diversification and Infrastructure Program (REDIP) with the support of Mosaic Forest Products and the Stz'uminus First Nation to seek funding for Mountain Bike Trail Development.

PREVIOUS COUNCIL DIRECTION:

N/A

INTRODUCTION/BACKGROUND:

On September 17, 2018 Council received the final report on Ladysmith's Economic Development Strategy [available online at www.ladysmith.ca/docs/default-source/brochures-other-publications-2021/final-sept-19-ladysmith-economic-development-strategy.pdf](http://www.ladysmith.ca/docs/default-source/brochures-other-publications-2021/final-sept-19-ladysmith-economic-development-strategy.pdf). The Strategy, developed in collaboration with key community stakeholders¹, listed developing a mountain bike trail network as an "Immediate Priority Project" and ranked the project highest in potential economic impacts, drawing parallels to similar communities such as Squamish.

Mountain biking (not to be confused with the broader category of "cycling") involves skilled riders using specialized bikes and equipment, to ride off-road, purpose-built trails.

¹ The steering committee included representatives from the Stz'uminus First Nation, Chamber of Commerce, Community Futures, Nanaimo Airport Commission, Chamber of Commerce and Ladysmith Downtown Business Association.

Nonetheless, mountain bike trails in BC are rarely restricted to mountain bikers and are frequently used by hikers, dog walkers, trail runners, equestrians and other users. Mountain bike trails have also proven to be highly compatible with forestry in BC; many of BC's best trail networks are on active forestry lands.

Since its entry into the mainstream in the 1990s, mountain biking has exploded in popularity. Mountain Bike tourism grew in tandem with the popularity of the sport, with riders travelling not only to high-profile locales like Whistler, but also smaller communities. Today, mountain biking is a 70 million dollar per year industry in BC. It is actively promoted by Destination BC and has a proven track record of creating economic resiliency in communities with resource-based economies (e.g., Squamish, Carcross YT, Cumberland and Burns Lake, among others). A sanctioned trail network offers a significant and mutual, economic opportunity for both the Town (where adjacent retail and food and beverage services are located) and the Stz'uminus First Nation (which is the only major accommodation provider within a 15km radius). It is for these reasons that this project was assigned such a high priority in the Town's Economic Development Strategy.

Ladysmith has several unique advantages as a mountain bike destination:

- Mountain biking, as the name implies, relies on terrain, and Ladysmith is located at the base of mountains. The combined vertical elevation of the Brenton, Coronation, Hall and Stanton Peak Massifs exceeds 4,200 meters and the foothills closer to Town offer gentler, undulating terrain. This topography supports the full spectrum of mountain biking subtypes and skill levels.
- Potential “ride zones” are situated for easy connections to the town centre and residential areas by either proximity or existing multi-use trail systems (e.g., the Stocking Lake and Trans-Canada trail networks and old logging roads).
- Southern Vancouver Island has the warmest winter temperatures in Canada. Ladysmith will have one of the longest, snow-free riding seasons in the country. This will draw riders in the fall, winter and spring who live in areas that are “snowed in”.
- Ladysmith is close to major transportation infrastructure—including an international airport.
- The above features of Ladysmith’s potential trail network cater to the full spectrum of mountain biking sub-disciplines and abilities and provides a major competitive advantage for Ladysmith as a mountain bike “destination”.

Potential areas for mountain biking are located to the west of town and approximately 66% of this land is owned by Mosaic. Almost all of the remaining lands are Crown land over which the Stz'uminus First Nation holds timber licenses. Unlike jurisdictions like North Cowichan, the Town does not have exclusive tenure over potential riding areas and must obtain permission from tenure holders to build trail networks. This necessitates devising mutually-agreed upon trails plans and land use agreements.

Since 2019 staff have engaged with Mosaic and the Stz'uminus First Nation in an attempt to secure access to backcountry areas. These efforts have finally reached a significant milestone where the two tenure holders are in a position to consider permitting access.

REDIP

The REDIP program is administered by the Provincial Ministry of Jobs, Economic Development and Innovation. The Province will invest up to \$33 million for the Rural Economic Diversification and Infrastructure Program, supporting projects in rural communities that promote:

- Economic diversification
- Resilience
- Clean growth opportunities
- Infrastructure development

There are three funding categories under the program:

- Economic Capacity (REDIP-EC), which provides up to \$100,000 to help communities of less than 2,500 people build internal capacity for economic development.
- Economic Diversification (REDIP-ED), which provides up to \$100,000 for projects that promote economic diversification in communities of less than 25,000 people.
- Forest Impact Transition (REDIP-FIT), which provides up to \$500,000 to support economic recovery and transition in rural communities affected by impacts in the forest sector.

The Town is ineligible for REDIP-EC and likely ineligible for REDIP-FIT². Eligible projects under REDIP-ED include community assessment projects such as identifying community economic development capacity, feasibility studies and engagement. Capital funding is also available for shovel-ready projects.

REDIP is open to local governments, indigenous communities, indigenous development corporations and not-for-profits and allows partnerships with the private sector. The program is open until October 30, 2023. Applications approved under this year's program will receive funding in the spring of 2024.

PROPOSAL:

Staff are recommending that the Town submit a REDIP-ED application with support from, or in partnership with Mosaic and Stz'uminus³. Staff propose that the funding be used to undertake a mountain bike trail planning process that would include:

- Sieve mapping to determine areas suitable for trails based on tenure holder buy in, terrain, connectivity to amenity areas (e.g., Downtown), forestry activities,

² REDIP-FIT was developed for the purpose of supporting communities with significant impacts to forestry sector, such as a mill decommissioning or catastrophic wildfire.

³ The program has specific considerations for applications made in partnership vs. applications made with support, staff are still evaluating which option is most likely to result in a successful application.

environmentally sensitive areas, other recreational uses, existing and planned forestry operations and similar factors.

- A feasibility and economic impact analysis to determine the return on investment (e.g., food and beverage sales, room night revenue, job creation) of the trail network on the respective economies of the Town and Stz'uminus' communities.
- Identifying companion improvements and programs such as improvements to multi-use trails, amenities (e.g., picnic shelters), facilities and programs that help businesses attract mountain bikers (e.g., bike racks in front of local restaurants, business resources, etc.).
- Regulations and improvements that would minimize user conflicts such as signage and trail rules.
- Preliminary costing.
- The preparation of negotiated tenure agreements.

Ideally, the outcome of the project would create a shovel-ready project that would set the Town up for future funding and approvals.

Approximately \$3,000 is needed for a consultant to prepare the grant application which is available in existing budgets.

ANALYSIS:

The proposal supports a major initiative under the Economic Development Strategy. Policy 7.1 of Part 7 (Local Economy) of the Town's OCP lists developing a mountain bike trail network as the third highest priority. Arts and Heritage Hub development, and Marina expansion are the top two priorities under this policy, however these projects are well underway under other funding streams and are less ideal for REDIP funding due to their complexity, status and eligibility for different funding programs.

A successful REDIP application sets the stage for a shovel-ready mountain-bike trail network and positions the Town to secure additional funding for trail development. Trail development projects are quick and comparatively inexpensive to implement; it is foreseeable that a trail network could be established and operating within the next five years. Staff recommend submitting a REDIP-ED grant as proposed.

ALTERNATIVES:

Council can choose to:

1. Not apply for REDIP.
2. Apply for REDIP for a different project.

FINANCIAL IMPLICATIONS:

REDIP-ED covers 80% of project costs. Staff recommend allocating \$25,000 from prior year surplus to cover the Town's portion of the project.

LEGAL IMPLICATIONS:

N/A

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

If funding is received the project will include consultation with stakeholders.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

If funding is received. Development Services/Economic Development will work closely with Parks and Recreation and other Town departments to implement the project.

ALIGNMENT WITH STRATEGIC PRIORITIES:

- | | |
|--|---|
| <input type="checkbox"/> Core Infrastructure | <input checked="" type="checkbox"/> Economy |
| <input checked="" type="checkbox"/> Official Community Plan Implementation | <input type="checkbox"/> Leadership |
| <input type="checkbox"/> Waterfront Area Plan | <input type="checkbox"/> Not Applicable |

I approve the report and recommendation.

Allison McCarrick, Chief Administrative Officer