

BRILLIANT SUSPENSION BRIDGE UPDATE AND DISCUSSION

For City of Castlegar Mayor and Council
November 20, 2006

Introduction

Good Evening. I would like to thank Mayor Chernoff and Council for having me here today to discuss and update the Brilliant Bridge Project. My name is Lawrence Makortoff and I am a committee member for the Brilliant Suspension Bridge Restoration Group. Other committee members at this time are: Gordon Zaitsoff, Director Area J, John Voykin Director Area I, Larry Ewashen, Harry Killough, Dean MacKinnon, Bob Kalmakoff, and Greg Nesteroff. Many others have participated very actively in the past but have not been so active of late. Those primary volunteers were Andrew Davidoff, Peter Oglow, former Mayor Mike O'Connor, and Chris D'Arcy. Many, many others have been associated with this Bridge project over the years and significant efforts have been made to get the project to its current stage. For that, we are very grateful.

The information provided to you is mainly historical and gives you a sense of the amount of work that has been accomplished. I may refer to the reports on occasion but they are primarily there for general information purposes.

First of all, our committee recognizes how busy you all are and how dedicated you are to the City of Castlegar. After reviewing your website and seeing how many committees you participate on, I truly began to understand how many issues affect your activities and how many interests are constantly seeking your time. Prioritizing issues is difficult since we all want **our** issues at the top of **your** list. I must admit, our committee is no different. We ask that the Bridge issue be moved up your priority list, mainly due to conditions involved with timing and the benefit of lower costs. Our discussion today is another step in trying to achieve this among other things.

Our committee's objective today is to provide an update to City Council that explains the facts and status of the Bridge project; to discuss a major stumbling block affecting the project's ability to move ahead. We will ask the City to participate with its Regional partners Area I and Area J to take ownership of the Suspension Bridge and create a new regional park making the bridge a centerpiece, and restoration a reality. We want to discuss the benefits of this project to the City of Castlegar, the residents, and businesses. We also wish to update you on funding activities and opportunities.

In the past we had former Mayor O'Connor sit in on our meetings, so we now ask that Mayor Chernoff or someone he chooses from Council to join our Committee to assist and guide us in moving this project forward.

Update

The Brilliant Bridge restoration project has been actively pursued since 1991. The initial committee put a great deal of effort into preparing the Bridge for Restoration as you will note by reviewing the 2004 presentation handed out to you earlier. Detailed engineering was completed along with cable clamp design, construction and testing. Much of the decking was prepared and some remains usable for the project going forward. Many of the details with respect to restoration are in place. Unfortunately, at every crucial point in this process, the issue of **ownership** has stalled the project. The committee has

identified the issue of **ownership** as the priority goal that requires resolution. After several meetings with Regional Directors, Regional District administration, representatives from City Council namely former Mayor O'Connor, and the Ministry of Transport officials, we concluded that the best and lowest cost ownership format moving forward was for the Regional District to take over ownership and create a new park with the Bridge as the centrepiece. Concerns have consistently been expressed by the City representatives about the funding formula so we remain aware of this.

In Spring 2005, The Regional District agreed to do a feasibility study. The report was completed in November 2005 and each of you has been provided with a copy. A resolution was brought forward in February 2006 by RDCK to accept the report's primary recommendation of accepting responsibility of the restoration of the Brilliant Suspension Bridge. At that time, the City of Castlegar was not prepared to consider the Bridge Project in 2006 due to budgetary constraints and a letter was forwarded to the Regional District that the City would oppose any attempt to establish a new park.

So here we are today, 2006 is coming to a close and 2007 will be here soon so here we are again requesting Castlegar's participation in the Brilliant Bridge Restoration Project. Participation involves the intent and objective to resolve the ownership issue under the Regional Park Plan as laid out in the RDCK Feasibility Study.

Major issue : Ownership

The current owner is the Ministry of Transport and they have made it very clear that they do not wish to continue as owners. Any future development of the Bridge and /or surrounding areas would have to proceed with new and capable owners.

Options

Many options have been considered over the years on how to deal with the ownership issue and it would take me too much time to discuss them here today. Suffice it to say the ownership issue has always been the stopping point. The key factor associated with this is the insurance required during the period of the restoration and continuing ownership. An owner with significant capabilities and a long term outlook is a necessity.

All avenues of consideration have led our committee to conclude the creation of a new Regional Park is the most effective way to proceed at this time. The RDCK Suspension Bridge Feasibility study supports this conclusion. We currently have support of Area I and Area J and we are seeking support from the City of Castlegar to consider the Bridge Project and negotiate an acceptable formula that allows the ownership issue to be resolved. This is an issue our Committee has no control over.

Our committee considers the resolution of the ownership issue as the tipping point for the success of this project. When ownership is resolved by the stakeholders a whole slew of opportunities arise with respect to funding and the major stumbling block of adequate insurance can be lifted by the blanket coverage of the RDCK Municipal Insurance Plan, allowing project tender to be issued relatively soon thereafter.

Benefits

To the City of Castlegar

It is my understanding, and correct me if I'm wrong, that the City of Castlegar generates approximately 40% of its tax revenues from its industrial large business tax base. If at some time in the future, any threats are posed to this revenue stream, the resulting cashflow issues could become a serious problem for the City. It has been evident that the City has begun looking at alternative options for economic growth. I use the Castlegar Cultural Scan completed in January 2006 as an example. The most obvious fundamental opportunities lie in tourism and the vast diversification alternatives to local business that the whole industry provides. The benefit of attracting tourists is obvious and to business the revenues are enormous if it is done properly. Baby Boomers are retiring in massive numbers beginning in 2008. Taking advantage of these opportunities requires action today to prepare for those opportunities. The question to ask is "What does Castlegar have that will draw tourists? What can be marketed that would attract tourists to Castlegar over some other community?"

Our committee's answer to that question is the following: A declared National Historical Site, A Suspension Bridge built in 1913, restored to original quality that you can walk on, take pictures, soak in the valley's history. It is something that is different that will draw tourists. You can have joint association with the Doukhobor Museum, the Railway Museum, the Trail Network, and businesses. The opportunities are truly huge. All it takes is a vision and some ingenuity and we think Castlegar could be the lead in that regard. The restored Bridge Project would do many things for Castlegar: the past can be honored in all aspects of the area's history, the present generates the economic activity required from the tourist draw, and the future presents cooperation and marketing opportunities that could lead to increased business development and ultimately revenue diversification opportunities for the City.

The residents of Castlegar benefit from a new Park that has the Suspension Bridge as the centerpiece. Development in that area for the purpose of recreation is very positive. The residents of the entire area benefit by seeing beautification activities and increased health related activities.

Non residents to the area are the target market. When they decide what route to take for their holiday trips, their attention span is short and the **draw** that will attract is the one that provides something new and different. The Suspension Bridge, the National Historic Site is that type of draw! Businesses already know the benefit of the tourist draw. Increased cash flow speaks volumes as does the spin-off revenues generated to the City as a result of those cashflows.

Another benefit that's significant is that at no other time since the Bridge has been on the table is the cost to the City of Castlegar potentially lower to participate in the restoration phase as it is today. Joint funding opportunities exist with the Provincial government as announced in their news release on October 27, 2006. The provincial government is very aware that the Bridge project is on the table as evidenced by those who participated at the UBCM conference this year. The BC government wants to put its best foot forward in the lead up to the Olympics. An example of a program is the \$20 million Spirit Squares program that was recently announced with matched funding up to \$500,000 for new or improved parks and meeting places.

Funding

With respect to funding, any rumors that the City of Castlegar will have to come up with the lion's share of funding for the initial restoration are false. In my time on this committee, nobody in any official manner has asked the City to pay for the entire cost of the restoration phase. We have only asked Castlegar to consider providing **something** toward the restoration of the Bridge and any amount would be completely up to Castlegar within their budget and priority considerations. If Castlegar decides to participate and become the major contributor, it is strictly up to you, and we know this.

Project Requirements

The budget for this project as determined by the engineer is approximately \$807,000. This is to completely finish the Bridge. We have gone through the information and concluded that \$245,000 of these capital costs need not be incurred at this time since painting the Bridge is 'a nice to have' not 'a need to have'. The cable clamps have already been constructed and tested and are in storage here in Castlegar. This reduces the initial cost to \$562,000. In addition to those savings, the hiring of a local project manager with a strong network of connections can yield further cost savings estimated at approximately \$60,000 to \$100,000 by requesting volunteer labor where possible and in kind service and equipment donations. We therefore view the cost to restore in the range from \$450,000 to \$550,000. As of today, **we have raised commitments and cash of a little more than \$250,000**. All that is needed now is \$200,000 to \$300,000 to begin the project restoration. We believe it is safe to conclude that the returns to Castlegar from tourism opportunities alone are significantly higher than that.

With ownership resolved, many other funding opportunities exist. We believe that conditions today are better for this project than ever before. We also believe that many corporations, quasi- government and government agencies would be willing to partner with you in support of this worthy project. Our committee is prepared to continue seeking funding alternatives to meet the Bridge restoration requirements.

Timing Issues

Timing is critical to move the project ahead. Provincial government overtones of support, a strong economy, and overall fundamental factors indicate that the time for action is now. The ownership issue needs to be resolved by March 2007. The title for the Suspension Bridge should be transferred to the RDCK from the Ministry of Transport by the third quarter of next year and a qualified project manager should be tendered by that time. This restoration phase of the Bridge should be engaged by early 2008 and completed by the end of 2008. If this timing schedule is followed, our view is that the restoration of the Bridge and the development of the Park Plan would allow for the City and regional partners to take full advantage of the coming tourist boom starting with the 2010 Olympics.

Conclusion

In conclusion, Mr. Mayor and Councilors, we ask for your participation. The project fits in with the strategic direction conclusions and the vision of the Castlegar Cultural Scan Report. The benefits to Castlegar can be significant if the Restored Bridge is used as a **draw mechanism** within the tourist industry and it is marketed properly. We believe Castlegar will most certainly benefit over the long term.

The **ownership** issue needs to be resolved. A framework for the resolution is in place, partial funding is in place and our committee is prepared to seek additional funding as required.

The City of Castlegar is being requested to provide what it chooses to and not any specific amount to the Restoration phase, knowing that the project needs only \$200,000 to \$300,000 more in funding.

We need your support, we are asking for it, and we look forward to a positive response and committed movement forward to restore the Brilliant Suspension Bridge for the benefit of the City of Castlegar, its residents and businesses and surrounding communities.

Thank you. If you have any questions, I'll do my best at answering them now. If I can't answer them to your satisfaction right away, I'll get the answers for you.

Lawrence Makortoff,
Brilliant Suspension Bridge
Restoration Committee