TOWN OF QUALICUM BEACH
STAFF REPORT

TO: Lou Varela, Chief Administrative Officer

FOR: Special Council Meeting

DATE: July 23, 2025

FROM: Raj Hayre, Director of Finance

SUBJECT: **Conditional Purchase Eaglecrest Golf Course Lands – Funding Allocations and Capital and Strategic Plan Workplan Adjustments**

GOVERNANCE DECISIONS:

1. Staff are requesting Council direction to approve the financing of the Eaglecrest Golf Course with amendment of the 2025-2029 Financial Plan at a future meeting of Council, prior to the potential close of purchase (November 28, 2025).

2. Council is also requested to provide direction to adjust the timelines for Strategic Initiatives and Capital workplans as reflected in the 2025 – 2029 Financial Plan in order to accommodate one year of due diligence associated with the Qualicum Commons and the conditional purchase of the Eaglecrest Golf Course.

RECOMMENDATIONS:

WHEREAS the Town of Qualicum Beach has made a conditional offer to purchase the Eaglecrest Golf Course in the amount of $8.5 Million;

AND WHEREAS the purchase of the Eaglecrest Golf Course will be funded through the future sale of Town-owned Lands;

AND WHEREAS short-term bridge financing is required through the reallocation of Reserve and Capital funds currently reflected in the 2025-2029 Financial Plan;

AND WHEREAS staff and financial resources currently committed to other Strategic and Capital workplans will need to be reallocated to support the due diligence period for the Qualicum Commons and the possible acquisition of the Eaglecrest Golf Course;

THEREFORE BE IT RESOLVED

1. **THAT** Council direct staff to amend the 2025-2029 Financial Plan to reallocate $2,000,000 for the acquisition of the Eaglecrest Golf Course from the Community Growth Reserve Fund, currently allocated to:
   - Bus Garage Site Planning / Public Engagement / Construction (2026 – 2028)
   - Saahtlam Park Amenity Improvements (2026)
   - Pickleball Courts (2026)
   - Workplace Modernization - Post Needs Assessment (2026-2027)

2. **THAT** Council direct staff to amend the 2025-2029 Financial Plan to allocate $6,500,000 from the following funding sources for acquisition of the Eaglecrest Golf Course:

   - $650,000 from Community Amenity Contributions
   - $1,275,000 from General Fund Accumulated Surplus
   - $1,200,000 from the Qualicum Beach Land Reserve Fund
   - $275,000 from the Park Land Reserve Fund
   - $700,000 from Development Cost Charges – Open Spaces
   - $400,000 from the Strategic Initiatives Reserve (2026-2029 allocations)
   - $2,000,000 from projected proceeds of the future sale of Town-owned lands

3. **THAT** Council direct staff to defer the Tree Protection Bylaw Update from fiscal year 2025 to fiscal year 2026.

4. **THAT** Council direct Staff to defer existing Strategic Initiatives, scheduled for implementation in fiscal year 2026 to fiscal year 2027 or until the Strategic Initiatives Reserve is replenished from subsequent property sales and the Initiatives can be referred to a future Strategic Planning Session of Council in consideration of staff capacity and work-planning, as attached to this report dated July 23, 2025 as Appendix A.

5. **THAT** Council direct Staff to defer existing Strategic Initiatives, scheduled for implementation in fiscal year 2027 to fiscal year 2028 or until the Strategic Initiatives Reserve is replenished from subsequent property sales and the Initiatives can be referred to a future Strategic Planning Session of Council in consideration of staff capacity and work-planning, as attached to this report dated July 23, 2025 as Appendix B.

6. **THAT** Council direct Staff to defer existing Strategic Initiatives, scheduled for implementation in fiscal year 2028 to fiscal year 2029 or until the Strategic Initiatives Reserve is replenished from subsequent property sales and the Initiatives can be referred to a future Strategic Planning Session of Council in consideration of staff capacity and work-planning, as attached to this report dated July 23, 2025 as Appendix C.

7. **THAT** Council direct Staff to defer existing Strategic Initiatives, scheduled for implementation in fiscal year 2029 to fiscal year 2030 or until the Strategic Initiatives Reserve is replenished from subsequent property sales and the Initiatives can be referred to a future Strategic Planning Session of Council in consideration of staff

capacity and work-planning, as attached as to this report dated July 23, 2025 as Appendix D.

8. **THAT** the Blue Sky Strategic Initiatives submitted for consideration for the 2026 Strategic Planning Session be deferred for consideration in 2026 and be referred to the 2027 Strategic Planning Session, as attached to this report dated July 23, 2025 as Appendix E.

9. **THAT** Council direct staff to bring forward the Blue Sky Strategic Initiatives and the Blue Sky Capital Projects for consideration at the 2026 Strategic Planning Session, as attached in Appendix F.

PURPOSE
The purpose of this report is to seek Council's direction on amendment of the 2025-2029 Financial Plan to include the Capital Expenditure for the Eaglecrest Golf Course acquisition. In addition, Council is requested to amend the timelines for Strategic Initiatives proposed for action in fiscal year 2026 and beyond in order to facilitate staff to undertake due diligence for the Qualicum Commons and the potential acquisition of the Eaglecrest Golf Course.

BACKGROUND
A conditional agreement to purchase the Eaglecrest Golf Course lands has been reached. The proposed $8.5 million land purchase would bring approximately 42.5 hectares (105 acres) of land into public ownership, ending years of uncertainty and allowing the Town to shape the site's long-term use. The agreement remains subject to public consultation, technical assessments and due diligence.

If finalized, the land acquisition would see approximately 40 per cent of the property converted to forested parkland with walking trails and habitat restoration. The remaining lands will be home to a nine-hole golf course and carefully planned housing developments to help meet community needs. The Town has until November 1, 2025 to finalize the purchase agreement if Council chooses to proceed.

The acquisition will be funded through the sale of up to 10 per cent of the land for housing, with the Town acting as the initial developer by subdividing the lands and establishing development guidelines in consultation with the community. Short-term costs will be covered by reallocating existing funds in the Town's budget, which would subsequently be replenished through land sales. The sale of existing Town-owned land in the Eaglecrest neighbourhood will be considered as part of the financing strategy. If the purchase of the Eaglecrest Golf Course lands does not go ahead, the funds from the potential sale of these properties will be invested in community improvements based on future Council decision making.

DISCUSSION
Under the *Community Charter*, municipalities are required to adopt a Five-Year Financial Plan by bylaw, which sets out anticipated revenues and expenditures. This Plan provides the legal authority for a municipality to collect revenues and incur expenditures, and it is a fundamental tool for financial transparency and accountability.

Municipalities must not make expenditures unless they are authorized in the Financial Plan or qualify as emergency expenditures under section 173 of the *Community Charter*. This applies to all types of municipal spending—operating, capital, and acquisitions. If a proposed expenditure is not included in the current Financial Plan, the municipality is not legally permitted to proceed with the spending until the Plan has been amended by bylaw to include both the cost of the expenditure and its proposed funding source.

In this case, the acquisition of the Eaglecrest Golf Course represents a significant capital investment. As this expenditure was not included in the 2025 Financial Plan adopted by Council, a Financial Plan amendment is required to reflect the transaction. This amendment will ensure that the purchase is legally authorized, is aligned with the Town's overall financial framework, and maintains consistency with statutory obligations and financial governance best practices.

Failure to amend the Financial Plan before proceeding with unapproved expenditures may result in non-compliance with the *Community Charter*, potential audit findings, and reputational risk.

Updating the Financial Plan by bylaw ensures that Council and the public are fully informed and that the Town's financial activities remain transparent and accountable.

These two significant initiatives, the one-year lease of the Qualicum Commons with associated due diligence, and the potential acquisition of the Eaglecrest Golf Course were not anticipated in staff's workplan for either 2025 or 2026. As such, timelines for Strategic Initiatives need to be adjusted and new Strategic Initiatives proposed for 2026 Strategic Planning need to be deferred until 2027 Strategic Planning.

Should the acquisition of the Eaglecrest Golf Course proceed, staff will have to undertake subdivision, develop servicing plans, undertake development planning and disposition of development lands. In addition, staff will be required to manage the operational hand-over of the Golf Course operations and undertake park planning and naturalization.

The work for these two significant initiatives simply cannot be achieved without adjusting timelines for Strategic Initiatives and staff's associated work plans in 2025 and 2026.

FINANCIAL IMPLICATIONS
The proposed $8.5 million acquisition of the Eaglecrest Golf Course lands is not included in the current 2025 Financial Plan and will require a Financial Plan amendment to authorize the expenditure and identify funding sources, as required under the *Community Charter*.

The purchase will be initially funded through existing Town reserves or reallocated capital funds, with costs to be recovered through the sale of up to 10 per cent of the acquired land for housing and potentially through the sale of other Town-owned lands in the Eaglecrest neighbourhood. If the acquisition does not proceed, proceeds from any land sales that have occurred will be redirected to other community improvements, based on future Council decision making.

SUMMARY
A conditional agreement has been reached for the potential acquisition of the Eaglecrest Golf Course lands at a purchase price of $8.5 million. As this expenditure is not currently included in the 2025 Financial Plan, an amendment to the Plan is required in accordance with

the *Community Charter*. The proposed amendment will authorize the acquisition and identify the intended funding sources, including the short-term use of existing reserves or reallocated capital funds, to be replenished through future land sales. The amendment ensures legal compliance, financial transparency, and supports Council's consideration of a strategic land acquisition that would bring 42.5 hectares into public ownership and enable long-term community planning.

These two significant initiatives, the one-year lease of the Qualicum Commons with associated due diligence, and the potential acquisition of the Eaglecrest Golf Course were not anticipated in staff's workplan for either 2025 or 2026. As such, timelines for Strategic Initiatives need to be adjusted and new Strategic Initiatives proposed for 2026 Strategic Planning need to be deferred until 2027 Strategic Planning.

Staff are currently underway with due diligence associated with the one-year lease of the Qualicum Commons. In addition, should the acquisition of the Eaglecrest Golf Course proceed, staff will have to undertake subdivision, develop servicing plans, undertake development planning and disposition of development lands. In addition, staff will be required to manage the operational hand-over of the Golf Course operations and undertake park planning and naturalization.

ALTERNATIVES

1. THAT Council provides alternative direction to staff.

APPROVALS

Report respectfully submitted by Raj Hayre, Director of Financial Services.

Raj Hayre, CPA,
Director of Financial Services
Report Author

For: Lou Varela, MCIP, RPP
Chief Administrative Officer
Concurrence

Appendix A

Existing Strategic Initiatives Deferred from Scheduled 2026 to 2027 Implementation	
Fire Department Strategic Plan	50,000
Accessory Dwelling Unit Design Template	30,000
Food Action Plan	30,000
Identify Land for a Multi-purpose Performing Arts/Cinema	30,000
Visual Identity Refresh	20,000
OECM Management Plans	10,000
Parking Management Strategy Including Review of Off Street Parking and Reserve Fund	42,000
Community Park Needs Assessment	50,000

Appendix B

Existing Strategic Initiatives Deferred from Scheduled 2027 to 2028 Implementation	
Adopt a Bylaw to Prohibit Smoking in Parks & Trails	45,000
Visual Identity Refresh	50,000
OECM Management Plans	10,000
Encroachment Policy Review	30,000
Ravensbourne Affordable Housing Phases 1&2	10,000
Asset Management - Natural Asset Consolidation	10,000
Encourage Residents to Fossil Free Power Equipment	10,000
Implementation of Climate Mitigation Actions Matrix	25,000
Seniors Activity Centre Expansion & Needs Assessment	30,000

Appendix C

Existing Strategic Initiatives Deferred from Scheduled 2028 to 2029 Implementation	
Controlling Outdoor Cats	30,000
Dementia Friendly Community	5,000
Review Form and Character Guidelines to Advance Climate Adaptation & Mitigation	75,000
Update Noxious Weeds & Unsightly Premises Bylaw	15,000
Regulate Light Trespass	50,000
Visual Identity Refresh	50,000
Update Youth & Family Retention & Attraction Strategy	50,000
Improve Accessibility to Foreshore - Planning & Research	15,000
Retired Engine 2 - Control Operation & Usage	10,000
Uptown Mobility Study - Phase 2	50,000
Commercial Centre Delivery Hours	20,000
Park Inventory Prioritization Plan	100,000
Ravensbourne Affordable Housing Phases 1&2	10,000
Robust Accessibility Plan "Whistler Village Style"	50,000
Develop and Accessibility Action Plan	50,000

Appendix D

Existing Strategic Initiatives Deferred from Scheduled 2029 to 2030 Implementation	
Urban Forest Master Plan - Update	40,000

Appendix E

Bluesky Strategic Initiatives Initially Planned for Consideration at 2026 Strategic Planning That Will Need to be Deferred to the 2027 Strategic Planning Session.
Support for Orca Place residents re-entering the workforce.
Heritage Designation for the Old Baptist Church by the Train Station
Committee/ Commission Review (Environment & Sustainability, APC, Board of Variance)
THAT staff present a report on how to align the Towns development policies in order to become eligible for funding under the $1.3 billion Housing Accelerator Fund from the federal government, subject to further clarification (R23-343)
THAT a "right tree right place" concept be considered as part of the Tree Bylaw Review (R23-082)
Pride Flag-raising Event
25-CA-03 IMPLEMENTATION OF CLIMATE MITIGATION ACTIONS MATRIX - THAT a budget provision of $25,000 be included in fiscal 2027 in the 2025 – 2029 Financial Plan for the Initiative titled Implementation of Climate Mitigation Actions Matrix, with further clarification to be provided in the 2026 Strategic Planning session.
25-CA-01: Encourage Residents to Transition from Use of Fossil Fueled Outdoor Equipment | Noise Bylaw Revisions/Good Neighbour Bylaw
Environment & Sustainability Committee recommendations to Council (Not yet provided at time of report publication)
Servicing Bylaws
Road Standards
Development procedures
Airport Noise Abatement Committee/ Working Group
Recycling and waste separation at Town Hall

Appendix F

Bluesky Strategic Initiatives to be Advanced for Consideration at 2026 Strategic Planning
Waste pick-up for Municipal Properties
TOSH - Fee For Service Request and TOSH Mid-year funding request (R25-131)
MABR Sponsorship or Fee for Service Agreement
Airport Master Plan/Business Plan (Recommend move to 2027)
Collaboration – Qualicum First Nation and Saa'men – (Council Discretionary Decision Making)
Community Volunteerism (Council Discretionary Decision Making)
Tourism and Small Business Promotion – (Council Discretionary Decision Making) – allocated to Special Event Sponsorship Program in 2025
Bluesky Capital Projects to be Advanced for Consideration at 2026 Strategic Planning
Self Watering Hanging Baskets - Capital
Town Contribution towards the School District Basketball Court at Kwalikum Secondary School - Capital
Memorial Sidewalks to Accommodate Growing Trees - Capital
Buller Storm Outfalls - Investigation & Plan
Brant viewing area - Erosion at Seaside Park - Capital
Lawn Bowling Capital Requests (Roof and Solar) – Capital
Fleet Resizing, Fleet Modernization, Fleet Electrification, etc. (R25-115)
Legion Parking Resurfacing – Capital
Airport Runway Resurfacing (Resubmission of Grant Application) – Capital