



*Local 230*

*Established in Victoria in 1902*

Room 103-2823 Jacklin Road, Victoria, BC, V9B 3Y1

Victoria - Telephone 388-7374 \* Fax 388-6313

Email: [phil@ibew230.org](mailto:phil@ibew230.org)

[www.ibew230.org](http://www.ibew230.org)

June 15<sup>th</sup>, 2020

Office of the Premier  
PO Box 9041  
STN PROV GOVT  
Victoria, BC V8W 9E1

Attention: Honourable John Horgan  
\_\_\_\_\_  
Premier

Dear Honourable John Horgan,

**Re: Infrastructure Projects in BC**

We understand that this is an unprecedented time for all and would like to thank you and your Government for the outstanding leadership in response to the COVID-19 pandemic. We are aware and supportive of BC Building Trades' document, *From Resilience to Recovery Building a Stronger & Better BC*, and we ask that you consider this letter as an additional document with a focus on the Vancouver Island construction market. During this challenging time, we urgently request that the Government of British Columbia expedite planned infrastructure projects in order to keep workers employed and help employ people. Mike Farnworth, Minister of Public Safety and Solicitor General, declared a state of emergency on Tuesday, March 17, 2020. Since then, many British Columbians have been unable to work and/or laid off. Moreover, British Columbia has reached an all-time high unemployment rate of 13.4% in May 2020 and lost over 400,000 jobs in March and April. While we commend government actions such as BC Emergency Benefit for workers, ICBC Payment Deferral, BC Hydro Payment Relief and others, we believe that more can be done to get people back to work – and that is expediting infrastructure projects that will stimulate the economy.

As the government considers the economic rebuild post COVID-19, we are writing to advise on how construction can play a key role. In BC, construction has been deemed an essential service throughout the COVID-19 pandemic and this was only achieved by the increased scrutiny of WorkSafeBC of sanitation on construction sites. We would be remiss if we didn't acknowledge BC's Minister of Labour, Harry Bains, for his action on this important issue. Currently, many private sector business construction clients are hesitant to spend with uncertainty around revenues, and we need the government to ensure monies are available to continue building throughout 2021. The construction market is one of the largest in the world economy. In fact, according to BC Construction Association (BCCA), the BC construction industry continues to be the number one employer in BC's goods sector. As of 2019, more than 236,000 people rely directly on BC's construction industry for a pay cheque, which according to BCCA, is more than any other sector including forestry, mining, agriculture, fishing, and manufacturing combined. Additionally, this sector has untapped potential. The construction sector faces labour shortage, skills shortage, and an expected mammoth hole in the workforce within the next decade due to the Baby Boomers' retirement. Moreover, COVID-19 has caused the onset of early retirement and this workforce void in construction will come sooner. Our requested action considers the wellbeing of individuals and families who are struggling to make ends meet and provides a sustainable way to revive our economy. Below are projects that will have clear economic and social benefits to the communities on Vancouver Island:

#### Provincial Projects

- Cowichan District Hospital
- Lighthouse Villa - Bowser Senior Housing Facility
- Student Housing – Colleges and Universities
- School Seismic Mitigation Program
- New School Construction
- Nanaimo Correctional Centre
- BC Ferries Upgrades to Infrastructure and Vessels
- BC Hydro System Upgrades
- Island Rail

#### Partnerships or Joint Projects

- Te'tuxwtun Project
- Victoria Cruise Ship Terminal
- A/B Jetty Recapitalization Project
- New Deep Bay Firehall
- Ravensong Aquatic Centre Expansion Project

### PROVINCIAL PROJECTS

We are focusing on projects that are directly under the provincial government's purview and which Vancouver Island municipalities may not be able to fund on their own. In the wake of COVID-19, we are optimistic that we can advance some of the province's priorities and create jobs. Together, this list of infrastructure projects has the potential to create over 4,150 construction jobs. It is within your ability to help fund or to provide the funding in order to spearhead these projects while the time is right. These projects are critical for providing health care services, affordable housing and safety to British Columbians while realizing long-term benefits.

#### **Cowichan District Hospital**

What COVID-19 has highlighted is that Canada is extremely ill-prepared for a global pandemic. Our country has less than two hospital beds per 1,000 people, which is fewer than any other Organization for Economic Cooperation and Development (OECD) country aside from Mexico. Therefore, building the new Cowichan District Hospital has become more critical than ever before. The federal government is prepared to assist in funding infrastructure projects that relate to health care facilities. We ask that the province act to accelerate the process of building the new hospital. Construction is expected to begin in 2021 and would take approximately 3.5-4 years to build.

#### **Lighthouse Villa**

Affordable housing continues to be problematic in our society and we have presented to you our provincial thoughts on this subject matter in the past (please see the attached white paper, *Affordable and Social Housing*). The Lighthouse Villa project in Bowser that is spearheaded by the Bowser Senior Housing Society has been in the works for years. This project demonstrates how long and cumbersome the process to develop affordable housing can be without enough provincial assistance. During a health crisis, this is simply no longer reasonable. Now is the time to focus efforts into building affordable housing for seniors and for people in precarious situations. Furthermore, COVID-19 has instilled fear in our communities regarding seniors' safety in long-term care homes. For that reason, we should push various types of senior housing projects in smaller communities such as Bowser so that seniors can spend their twilight years in the same community they spent their lives in.

### **Student Housing – Colleges and Universities**

This is also an opportunity to advance student housing while campuses across Canada are empty due to vacant dorms and online classes. In the last years, rental rates have skyrocketed on the Island due to a housing shortage, especially in Victoria. For far too long students have been left with no other option than to live in illegal suites without government oversight that compromises their safety. Camosun College completed their Master Plan in 2019 highlighting that the college has no student housing and it is among their top priorities. Student housing has been identified for both the Lansdowne and Interurban campuses. We should be doing all that we can to move projects like this forward as timing is critical for minimum disruption. In addition, longer maturing mortgages for colleges and universities would help make affordable housing and student housing projects much more attractive and go a long way in solving our affordable housing stock over the short-term.

### **School Seismic Mitigation Program**

As universities, colleges and schools brace for empty classrooms this fall, we feel that seismic school upgrade timelines should advance. We applaud the provincial government for the incredible headway made since launching the Seismic Mitigation Program, which has seen 174 schools completed and spending over \$1.8B for high-risk seismic projects. Nonetheless, there is still plenty of work to be done as 244 “Future Priorities” await upgrades. Comparatively, more than half of these future priorities are on Vancouver Island with 140 schools anticipating upgrades. Like the Ministry of Education, we believe that the safety of BC students is vital and there is no price that can be put on protecting our children. This is an urgent need and dangerously slow construction processes cannot be an option when it comes to schools. We need to recognize the vacancies of schools and utilize this time to get as many upgrades done as possible to reduce interference with classes, especially when children are already missing class time as schools ease back into operation at half capacity.

### **New School Construction**

Equally important are the plans for new school construction. BC’s Minister of Education, Rob Flemming, announced in 2019 that the construction of a new seismically safe high school would be coming to Cowichan Valley. This project is to replace the aging Cowichan Secondary School in Duncan estimated to cost \$82 million and will serve 1,100 students. We want to highlight that parts of this school are unusable, and for this reason, 12 portables are being used. Given recent events, we strongly feel that it is necessary to expedite this project by a year and have it ready for the first students to walk in by 2022.

Likewise, Pexsissen Elementary and Centre Mountain Lellum Middle Schools are scheduled to start construction on August 17, 2020 in Victoria, BC and we want to emphasize that these projects should not be delayed. Uniquely, as the province has noted, the Sooke School District is one of the two fastest-growing communities and the two schools will help address the needs of the West Shore. The Government of British Columbia is providing \$88.6 million in funding with the opening date set for September 2022.

Similarly, the BC Ministry of Education announced plans to build a 95-seat school on Hornby Island to replace the former school that was set ablaze. The province is providing \$10.4 million for the new school, which will hopefully open by September 2022. Construction was expected to start in the fall of 2020, and we want to stress that this project too, should not be delayed due to COVID-19.

### **Nanaimo Correctional Centre**

The Nanaimo Correctional Centre Replacement Project is currently under procurement and should be expedited as an economic response to the pandemic. The project is worth \$157 million and is expected to create approximately 1,000 project-related jobs. Request for proposals were closed April 23, 2020 and the project is pending an award. This is exactly the kind of stimulus jobs we need in BC to support our long-term goals and initiate our economy's revival.

### **BC Ferries Upgrades for Buildup, Infrastructure and Vessels**

In light of the federal government setting aside money to invest in projects that focus on responding to the pandemic, we should immediately consider all upgrades and projects for BC Ferries. Several forms of transportation in Canada have been greatly reduced including the services of BC Ferries. In fact, service reductions have been in effect since April 4 and traffic across all of BC Ferries' routes is down approximately 80% due to COVID-19. By initiating upgrade projects immediately, commuter, visitor and tourist disruption can be minimized.

Additionally, we have seen LNG conversion for BC Ferries' two largest vessels and have seen that LNG costs are half of conventional marine diesel. The company estimates that it will ween off diesel completely by 2050, which could be realized sooner during this travel and tourist downtime. The LNG conversions on the vessels took place in 2018 and the payback period is said to be as soon as three or four years. Aside from the financial benefits, we should also be doing our part to advance environmental stewardship. With a fleet of 35 vessels and public transportation among the top goals of the federal government's infrastructure programs, now is the time to put plans in place to support local island shipyards with the proven capability of Marine LNG conversion. Victoria Shipyards has been busy performing LNG conversions on two Orca class vessels for TOTE Maritime Alaska. The engine conversion for both vessels is expected to provide employment for 300-400 people working six days a week and is scheduled to be completed by 2021 without delay to their normal scheduling. This demonstrates local Victoria shipyards' capability in handling complex conversion projects and is an area for future opportunities.

Another upgrade worth noting is the Swartz Bay Terminal makeover. This terminal is one of the busiest and largest terminal hubs in BC and is long overdue for a major renovation. The Swartz Bay Terminal Development plan was approved and released in 2019 highlighting key features such as a concession building boardwalk and a rooftop patio. This construction project spans over 25 years, which again can be realized sooner during this travel and tourist downtime.

As the border remains closed and international flights restricted, many Canadians are choosing to stay home. Consequently, this is a construction opportunity that cannot be missed. By infusing BC Ferries with cash to build out the Swartz Bay Terminal, a state-of-the-art tourism and visitor hub can be developed. Of course, the provincial government will benefit from the tax revenue gained from increased retail sales and from increased rental income from tenants. There is no doubt that ferry passengers awaiting their sailing will be attracted to shop in a more appealing atmosphere. The Nanaimo Harbour Upgrades, Denman/Hornby Island Upgrades, and Little River Electrical Upgrades, among many, should also be considered. To achieve such necessary fuelling and power upgrades, the provincial government could offer low interest loans to BC Ferries to take advantage of projects during the pandemic.

Further, we endorse the Shore Power Technology for Ports Program funded by the federal government and would like to see the province take on more shore power upgrade projects in other ports in BC. Shore power at the Swartz Bay Terminal will help to protect the environment by reducing fuel emissions, improving air quality, and reducing operating costs for BC Ferries. Most notably, we'd like to advocate for the installation of shore power at Duke Point Terminal, Denman Island Terminal, and Quadra Island Terminal. Introducing shore power to these locations will allow vessels to shut down the electrical load from the engines while docked to decrease fuel consumption and pollution. Ultimately, this is a win-win situation as people are put to work during an economic slowdown that imparts sustainable operations.

### **BC Hydro System Upgrades**

Vancouver Island is one of BC's more populated areas, and therefore, has high electricity demand. The Island has 6 generating stations all built between 1947-1971. It is important to note that generators typically have a life expectancy of 30-35 years, which means all our generating stations have exceeded normal life expectancy and are overdue for rewinds with the exception of John Hart Dam. Further, site rewind work for the 5 generating stations were proposed for this summer 2020 and are now scheduled for summer 2021 due to COVID-19 delays. We strongly feel that the rewind work should continue as initially scheduled. Over 14 years, BC Hydro and Voith are to upgrade and repair these generators which would be economically significant especially for northern Vancouver Island as we experience construction slow down. The workers for this project will come primarily from the Campbell River area and they are currently sitting unemployed.

The fact that British Columbia did not follow suit with Ontario and Quebec is a true demonstration of the provincial government's sensible leadership and practical thinking. Please

continue to heed the voices of BC's Building Trades unions. With the federal government on track to getting projects underway quickly, we are confident that you will agree this is a necessary project that should not be delayed further.

Similarly, the timeline for the Campbell River system seismic upgrades included approval and review by the BC Utilities Commission in 2021. The construction on John Hart Dam is to start in 2023 and the other two beginning in 2024. However, prolongating these system upgrades for three years puts public safety at risk, especially because Vancouver Island is in the Cascadia Subduction Zone, which makes it the most seismically active zone in BC. The John Hart project may take 5 years and will force the closure of Brewster Lake Rd where it crosses over John Hart Dam for the entire duration of construction. This intrusiveness to residents can be lessened by starting the project right away, and again, focusing resources to get the job done. We need to be taking advantage of lighter traffic due to COVID-19 and create work during this difficult time.

### **Island Rail Line**

The final costs in 2020 dollars for this project has been released in the most recent study produced by WSP Global Inc. and is another example of a shovel-ready job. I've personally been involved on this file for two decades as from C.P. divesting its ownership to a venture group of municipalities known as the Island Corridor Foundation as co-chair of the Vancouver Island Railway Development Initiative (VIRDI). The sooner we can get rail back on the Island, the sooner we can mitigate traffic jams, fossil fuel emissions, and make transportation more accessible to people. Similarly, initiating construction during the COVID-19 pandemic will minimize disruption to all commuters whether it be pedestrians, cyclists or motorists. Furthermore, this project falls within the federal government's infrastructure goals of public transportation and now would be the time to move ahead on this important transportation project.

More importantly, an elevated commuter rail service from Langford to Victoria would create an opportunity for faster transit. In many places around the world and on Vancouver Island we are seeing limited services and restricted numbers of people allowed in a defined space. Moreover, elevated commuter rail services would produce many benefits such as multi-scale economic and social development around stations, expanded pedestrian and bicycle networks, less disruption to traffic and more. Island Corridor Foundation expects rail upgrades to result in significant job creation generating 1,150 full-time equivalent employees over a three-to-five-year period, which would certainly serve as an economic boost.

### **PARTNERSHIPS AND JOINT PROJECTS**

#### **Te'tuxwtun Project**

In addition to the provincial projects listed above, we believe that there is value in starting partnership or joint projects. The need for affordable rental housing cannot be stressed enough and the Nanaimo Te'tuxwtun Project would add to that stock. This project is active and in the preliminary stage but has yet to have a completion date. Apart from these, the project also falls within the federal government's COVID-19 infrastructure stream as it would be a school, health facility and integrate parks and recreation services. All which aid with COVID-19 measures or encourage physical distancing.

### **Victoria Cruise Ship Terminal**

The Victoria Cruise Ship Terminal upgrades should also be a project of interest considering it is currently the busiest cruise port-of-call in Canada and was expected to welcome more than 700,000 cruise visitors prior to the COVID-19 pandemic. While tourist traffic is down, key aspects of the Ogden Point Master Plan can be checked-off such as retail development, new pedestrian and bicycle gateway for visitor accessibility, upgrades to Pier A and B and more. This port is very important for bringing in new foreign money into the province and we should be improving it so that when cruise ships can return to business, our “beautiful BC” will entice more people to visit.

Equally important is establishing shore power or shore supply at this terminal. We understand that a full-scale emissions inventory of the entire terminal is being performed with the results expected to be delivered by mid-summer. We support Greater Victoria Harbour Authority’s (GVHA) plan to investigate and create a business case to further reduce emissions and improve energy efficiency. The benefits of shore power have been recognized by BC Ferries and we hope it remains a priority to the province, GVHA and the City of Victoria.

### **A/B Jetty Recapitalization Project**

The A/B Jetty Recapitalization Project in CFB Esquimalt is estimated to cost \$743 million and would too, employ hundreds more people.

### **New Deep Bay Firehall**

Additionally, the new Deep Bay firehall is a public safety concern and does not meet seismic or post-disaster building standards. In turn, emergency personnel may not be able to access emergency vehicles or equipment in the case of an earthquake.

### **Ravensong Aquatic Centre Expansion Project**

The Ravensong Aquatic Centre Expansion Project is another shovel-ready job. This centre is the most used indoor recreation facility in the Oceanside region and the expansion is estimated to cost \$9-\$9.5 million in 2020 dollars. The concept and design planning were scheduled for completion of spring 2020 and could also benefit from the federal COVID-19 infrastructure stream. Moreover, expediting construction would be advantageous during the pandemic slowdown while recreation services are reduced. As a facility that sees high user volume, we should be acting now.

### **BACK TO WORK: AN INDUSTRY, LABOUR AND COMMUNITY PARTNERSHIP RESPONSE TO COVID-19**

Over the last three months, COVID-19 has changed all our lives and displaced over two million jobs in Canada. In BC specifically, we saw the unemployment rate rise from 11.5% in April 2020 to 13.4% in May 2020. This is especially worrisome when we compare to the 4.4% unemployment rate in May 2019. Many people are forced to find jobs working minimum wage, which we applaud the government for increasing this month; however, as explained in our attached document, *Back to Work*, we feel that there is a pathway into apprenticeship to help individuals facing unemployment and precious employment as a result of COVID-19.



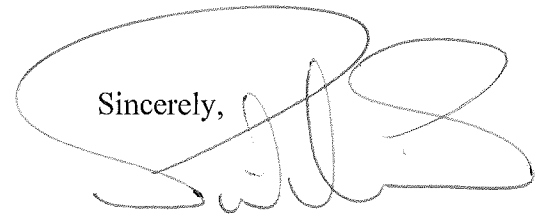
Page 9

Re: Infrastructure Projects in BC

June 15<sup>th</sup>, 2020

In conclusion, we understand that it is difficult to manage the province after a near total shut down of economic and social activity. Yet, we are hopeful that we can work together in advancing BC's priorities while achieving short-term and long-term goals for the Vancouver Island economy. As noted, the economy can be stimulated by jump-starting several different infrastructure projects that incorporate health care, housing, education, safety and transportation. These are all critical services and rights that Canadians should have better access to. We can bring something good from this malady and that is utilizing decreased traffic to improve our living situation with minimal intrusion. In turn, infrastructure projects will create jobs and revitalize our ailing economy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Philip M. Venoit', written over the word 'Sincerely,'.

Philip M. Venoit  
Business Manager  
Financial Secretary

Attachments:

Affordable and Social Housing (electronically only)

Back to Work: An Industry Labour and Community Partnership Response to COVID-19 (electronically only)

Cc: All Vancouver Island MPs

All Vancouver Island MLAs

Jim Noon, President of the Vancouver Island Building Trades Council