



CULTUS LAKE PARK

REPORT/RECOMMENDATION TO BOARD

DATE: September 9, 2026 **FILE:** 0550

SUBMITTED BY: Joe Lamb,
Chief Administrative Officer

SUBJECT: Village Centre Redevelopment Project — Status Update

PURPOSE:

The purpose of this report is to provide the Board and the public with a consolidated account of:

The history and policy basis of the Village Centre initiative; public and community engagement undertaken to date; the planning and procurement work completed; the present status of the project; the financial and environmental context in which the project is being considered; the Board's staged approach to managing financial, environmental, development and regulatory risk; matters that have been decided and matters that remain undecided; technical and regulatory work that remains to be completed; and future opportunities for public information, engagement and Board decision-making.

This report is intended to provide a common record for all leaseholders, residents, businesses, visitors and other interested parties.

RECOMMENDATION:

THAT the Cultus Lake Park Board receive the report titled *Village Centre Redevelopment Project — Status Update*;

THAT the report and supporting public documents be maintained on the Cultus Lake Park Village Centre project webpage as the Board's consolidated public information record for the project; and

THAT staff continue to provide public project updates when material milestones, studies, proposed financial commitments, regulatory processes, or future Board decision points are reached.

DISCUSSION:

The Village Centre concept is not a new initiative of the Board. A Village Centre was contemplated in earlier Park planning dating back to the 1997 Park Plan. A multi-year planning process later resulted in adoption of Cultus Lake Park Plan Bylaw No. 1080, 2016 (PlanCultus) on January 18, 2017. PlanCultus provides the Board's current land-use planning framework and identifies the Village Centre for mixed-use planning. PlanCultus guides the Board but does not itself authorize or require the Board to proceed with any particular project.

In 2021, the Board established the Village Centre Planning and Development Committee (VCPDC) to provide recommendations regarding the potential redevelopment of the existing plaza. The Terms of Reference expressly directed the Committee to consider commercial, community, multi-family residential and parking uses; development costs and potential revenues; service and infrastructure requirements; leases or purchase structures; community input; and consistency with PlanCultus. The Committee was structured to include Commissioners and multiple members of the public, with all recommendations requiring subsequent Board authority.

Beginning in 2022, the Board engaged Urban Systems to undertake a more detailed Village Centre planning and public-engagement process. The resulting work included community engagement, a market assessment, planning analysis, conceptual planning and policy development. The final Village Centre Plan was prepared by Urban Systems in October 2024 following a two-year collaborative planning process.

The Board subsequently approved a Request for Proposals in April 2025 to test the development market and seek a qualified development partner. The RFP did not constitute approval of a development and expressly stated that it created no contractual or legal obligation on the Park Board. Its purpose was to select a preferred proponent with whom the Board could negotiate a possible agreement.

Following the RFP process, Diverse Properties was selected as the preferred proponent and exclusive negotiations were authorized. The selection of a preferred proponent did not constitute final development approval. As of the most recent published project information reviewed for this report, no final development approval has been granted and significant technical, financial, regulatory and public-process steps remain.

The Board's approach can therefore be understood as a staged-risk process: progressively obtaining more information and market participation before considering significant or irreversible commitments. Whether an acceptable development ultimately results from that process remains subject to future information, negotiations, regulatory requirements and Board decisions.

GOVERNANCE MANDATE

Section 3(2) of the *Cultus Lake Park Act* states that the mandate of the Board is the use, regulation, protection, management, maintenance and improvement of Cultus Lake Park. Section 12 further authorizes the Board to pass bylaws for those purposes, and s.14 provides additional powers respecting improvements, facilities, businesses and public uses within the Park.

Accordingly, the Board's responsibility is broader than maintaining existing assets in their present condition. It includes balancing preservation and environmental protection with long-term management, maintenance, improvement, public use and financial sustainability.

The Village Centre project must therefore be evaluated against the Board's complete statutory mandate rather than any single objective in isolation.

PLANNING AND POLICY HISTORY

1997 — Earlier Park planning

The 1997 Cultus Lake Park Plan identified development of a Village Centre as part of the Park's longer-term planning direction. The February 2026 Town Hall presentation summarized this historical foundation and showed that the Village Centre concept predates both the current Board and the present VCPDC process.

2009–2017 — Future planning and PlanCultus

The Future Plan Advisory Committee and subsequent PlanCultus process involved several years of planning, consultation and policy development. The February 2026 Town Hall chronology identifies public meetings and consultation through this period.

PlanCultus itself records extensive community engagement, including consultation with the community, stakeholders and First Nations, more than 580 survey responses during its development, a June 2016 Open House and Town Hall attended by more than 150 people, and a later Public Hearing attended by more than 100 people.

The Board adopted PlanCultus as Bylaw No. 1080 on January 18, 2017. Section 4 provides that:

- the Plan guides the Board in exercising its powers;
 - the Plan does not itself commit or authorize the Board to proceed with any project specified in it; and
 - bylaws and works undertaken by the Board must be consistent with the Plan.
- PlanCultus also states that it should be reviewed approximately every five years, or as justified by new circumstances. That wording establishes an intended review cycle; it does not state that the bylaw automatically expires after five years.

2021 — Village Centre Planning and Development Committee

The VCPDC was established in 2021 as a Select Committee to make recommendations to the Board concerning potential Village Centre redevelopment. Its mandate included design, infrastructure, costs, revenues, community input and PlanCultus considerations. Membership provided for two Commissioners and two or more—and up to eight—members of the public. The Committee had no independent authority to financially encumber the Board or approve development; its recommendations required Board authorization.

Committee records from February and March 2021 show that questions concerning housing, community character, transportation, access, infrastructure and the purpose of redevelopment were already being discussed at that time.

VILLAGE CENTRE PLANNING AND PUBLIC ENGAGEMENT

In summer 2022, the Board commenced the detailed Village Centre planning process that resulted in the 2024 Urban Systems Village Centre Plan. Urban Systems describes the process as a two-year collaborative exercise informed by technical studies and engagement with community members, stakeholders and visitors.

The documented engagement included:

December 13, 2022 — Virtual Community Meeting

More than 50 participants attended the project introduction and participated in facilitated discussions concerning their relationship with Cultus Lake, existing use of the plaza and priorities for its future.

March 27–April 24, 2023 — Community Survey

A total of 483 responses were received. Of respondents, 68% identified as full-time residential leaseholders and 30% as part-time residential leaseholders.

June 20, 2023 — Community Open House

More than 90 community members attended. The meeting included a project presentation, moderated question-and-answer period and interactive engagement boards. Feedback was subsequently used in conceptual planning and policy development.

August 7, 2024 — Second Community Open House

Eighty-five community members attended along with Board, VCPDC, staff and Urban Systems representatives. The project team presented work completed to date and sought input on the draft vision, guiding principles and policy direction.

February 11, 2026 — Town Hall

The Board presented the history, project timeline, community goals, financial context and then-current development pathway. The Park reports that approximately 150 people participated in person or remotely. The uploaded presentation illustrates the long planning chronology, staged development process, environmental and community objectives, asset-management context and financial-sustainability goals presented publicly at that meeting.

Public input has identified both opportunities and concerns. Documented concerns include infrastructure capacity, traffic, parking, environmental integrity, community character, financial exposure and potential residential growth. Documented priorities include preservation of the natural environment and community character, local businesses, improved active transportation, year-round amenities and community gathering space.

Those concerns are reflected in the seven guiding principles adopted for Village Centre planning:

1. Preserve and enhance community character;
2. Respect the cultural history and identity of Cultus Lake;
3. Champion environmental protection and sustainability;
4. Promote safe and accessible connections;
5. Support small, local businesses;
6. Foster social interaction through community gathering spaces; and
7. Ensure long-term financial sustainability.

TECHNICAL AND PLANNING WORK COMPLETED TO DATE

It is important to distinguish between a formal project feasibility study and the technical and planning work that has already been undertaken.

The Urban Systems Village Centre Plan records that separate studies contributing to the planning analysis included an infrastructure plan update, a water-system integration plan involving Cultus Lake and the Fraser Valley Regional District, and a geotechnical study. Those studies provided baseline information concerning current site functionality and constraints.

The Village Centre planning process also included market analysis, conceptual planning, policy development and public-engagement analysis.

At the same time, the Board has publicly acknowledged that no single formal Pre-Feasibility or Feasibility Study for the proposed redevelopment had been completed as of the Board's 2026 public responses.

Both statements are therefore true:

A formal comprehensive project feasibility study has not yet been completed; and significant planning, technical, market and public-engagement work has nevertheless been completed.

PROCUREMENT AND SELECTION OF A DEVELOPMENT PARTNER

On April 16, 2025, the Board approved the final Village Centre Redevelopment RFP and directed the CAO to post it. The RFP was posted publicly through BC Bid and the Park's website, with a September 30, 2025, closing date.

The RFP required proponents to demonstrate development experience and financial capacity. It required a letter from the proponent's accounting firm or financial institution confirming financial capability to undertake a development of the magnitude proposed, as well as information concerning the financial viability of previous projects.

The RFP also required a financial plan including estimated design and construction costs and identification of any financial contribution sought from the Park Board. Importantly, the RFP expressly stated that the Board had not approved a project budget and that project costs and financial arrangements would be subject to negotiation and future annual budget approvals.

At the December 10, 2025, closed meeting, the Board selected Diverse Properties as preferred proponent and authorized exclusive negotiations. That decision was subsequently reported publicly in January 2026.

Selection of a preferred proponent should not be confused with approval of a final development. The RFP expressly states:

Nothing in the RFP creates a contractual or other legal obligation on the Park Board, and the negotiated agreement, when executed, is the source of contractual obligations relating to the project. The RFP further reserves the Board's ability to cancel the RFP process and reject proposals.

THE BOARD'S STAGED-RISK APPROACH

The Village Centre process can be understood as a series of progressively more detailed stages rather than a single irreversible capital-project approval.

<u>Stage</u>	<u>Purpose</u>	<u>Status</u>
1. Policy and long-range planning	Identify long-term land-use direction and community objectives	Completed / ongoing policy framework
2. Community and site planning	Understand community priorities, market considerations and baseline site constraints	Substantially completed for planning purposes
3. Market testing through RFP	Determine whether a qualified development partner is willing and capable of pursuing the opportunity	Completed

<u>Stage</u>	<u>Purpose</u>	<u>Status</u>
4. Preferred proponent selection	Identify a development partner with whom detailed negotiations can occur	Completed
5. Detailed negotiations and project definition	Develop an acceptable scope, financial structure, land-tenure arrangement and risk allocation	Current / pending confirmation
6. Project-specific due diligence	Complete technical, environmental, transportation, servicing, archaeological, geotechnical and financial analysis	Required before applicable future approvals / implementation
7. Regulatory and public processes	Address zoning, development approvals, permits and further community and First Nations engagement	Future
8. Final commitments and implementation	Board considers whether resulting project terms and approvals are acceptable	Not finally approved

These stages may overlap and should not be interpreted as a rigid construction schedule.

The essential governance principle is that information, cost and risk become more specific as the proposal becomes more specific.

The RFP supports this approach. It did not require detailed development plans at the proposal stage. Instead, it anticipated that the selected proponent would subsequently undertake defined project studies and prepare detailed plans as the proposed development is advanced.

FUTURE TECHNICAL AND DUE-DILIGENCE REQUIREMENTS

The rezoning process identifies significant project-specific work expected from the development process, subject to the terms of a negotiated agreement. This includes:

- Archaeological overview assessment;
- Phase 1 environmental site assessment;
- Environmental impact assessment;
- Geotechnical assessment;
- Traffic impact assessment / transportation demand-management plan;
- Topographic survey;
- Other studies as required;
- Architectural and site plans;
- Landscape and parking plans;
- Water, sanitary, stormwater and utility servicing plans;
- Required zoning and development approvals;
- Development and building permits;
- Land-tenure and subdivision requirements;
- Further community engagement; and
- Engagement with First Nations.

The scope and results of that work are important because they will provide information needed to evaluate whether a future development proposal is technically, environmentally, financially and operationally acceptable.

FINANCIAL AND ASSET-MANAGEMENT CONTEXT

The Village Centre is being considered within a broader financial and infrastructure context affecting the entire Park.

The 2024 Asset Management Plan prepared by Urban Systems estimated the like-for-like replacement value of the Board's existing assets at approximately \$45.8 million in 2024 dollars.

Using industry-standard expected service lives, the Asset Management Plan calculated an Average Annual Lifecycle Investment of approximately \$1.4 million per year to provide for eventual replacement of existing assets.

The same plan identified approximately \$40.4 million of total funding needed over ten years when existing asset renewal needs, new or improved asset requirements, retirement obligations and other identified needs were combined. Against projected reserves and reserve growth, the plan calculated an estimated ten-year funding deficit of approximately \$29.4 million. Urban Systems concluded that this indicated a need for significant capital funding and recommended consideration of the extent to which development should bear costs compared with existing residents.

Identified responsibilities include landfill closure, reservoir decommissioning, septic-field remediation and wildfire-risk work, in addition to future renewal of existing Park assets.

These figures provide context for the Board's interest in strengthening long-term revenue and capital capacity. They do not establish that any particular Village Centre proposal should automatically proceed.

The financial objective is instead to determine whether a potential development can contribute positively to the Park's long-term sustainability without creating an unacceptable financial burden or risk for the Park and its leaseholders.

The February 2026 Town Hall presentation similarly identified long-term financial sustainability, strengthening the user base, additional lease revenue, year-round economic activity, maintenance or enhancement of services and diversification of housing opportunities among the objectives being considered.

DECISIONS MADE AND DECISIONS NOT YET MADE

For clarity, the present public record can be summarized as follows:

What has occurred

Long-term Village Centre planning has occurred

PlanCultus provides policy direction
VCPDC has provided multi-year
recommendations

Community engagement has occurred

What has not been finally determined

Final development design

Final number or type of residential units
Final commercial composition

Final parking and traffic solution

What has occurred

What has not been finally determined

Urban Systems prepared the Village Centre Plan	Final environmental mitigation measures
Market and planning analysis has occurred	Final servicing requirements
An RFP was issued	Final project cost
Diverse Properties was selected as preferred proponent	Final Park financial contribution, if any
Exclusive negotiations were authorized	Final allocation of financial and development risk
Further technical work is contemplated	Final land-tenure terms
Public project information continues to be published	Final regulatory approvals
	Final decision to construct a development

The Board should update this table whenever material decisions are made.

CLARIFICATION OF RECURRING PUBLIC QUESTIONS

Does PlanCultus require the Board to construct the Village Centre?

No. Section 4(b) of Bylaw No. 1080 expressly states that PlanCultus does not commit or authorize the Board to proceed with a project specified in the Plan. At the same time, s.4(a) provides that the Plan guides the Board in exercising its powers and s.4(c) requires Board bylaws and works to be consistent with the Plan.

The Board is therefore responsible for deciding whether and how to investigate or implement projects consistent with PlanCultus.

Is PlanCultus no longer valid because it has not been replaced every five years?

PlanCultus states that it should be reviewed approximately every five years, or as justified by new circumstances. The Plan does not state that it expires automatically at the end of five years.

A future review of PlanCultus may nevertheless be appropriate as circumstances evolve and would provide another opportunity for broad community input.

Did the current members of the Board originate the Village Centre project?

The documented history shows that the Village Centre concept predates the present Board term, appears in earlier Park planning and was being actively considered by the VCPDC beginning in 2021.

The Board is nevertheless accountable for the decisions it has made during its term to continue evaluating the opportunity and will be accountable for any future decisions it makes regarding the project.

Has a formal feasibility study been completed?

No formal comprehensive Pre-Feasibility or Feasibility Study for the redevelopment had been completed as of the Board's most recent published 2026 project information.

However, the absence of a document bearing that title should not be interpreted as an absence of planning, analysis or due diligence. Separate infrastructure, water-integration and geotechnical work, market analysis, public engagement and conceptual planning have been completed. Additional project-specific studies are expressly contemplated as part of the development process.

Has the Village Centre development already been approved?

No final development approval is identified in the current public project record. The selection of Diverse Properties established a preferred proponent for negotiations; it did not itself approve construction. The RFP expressly states that it did not create a contractual or legal obligation on the Board.

Is the developer assuming all financial risk?

It would be premature to make that statement.

The RFP was structured to require a financially capable proponent and places significant development responsibilities on the future developer. However, the RFP also expressly contemplated proponents identifying requested Park Board financial contributions and stated that financial responsibilities would be addressed through negotiations and future budget approvals.

The appropriate statement at this stage is that the process is intended to identify, minimize and appropriately allocate financial and development risk before the Board makes final commitments.

ENVIRONMENTAL STEWARDSHIP

Environmental protection is both part of the Board's statutory mandate and one of the Village Centre Plan's seven guiding principles.

The Village Centre Plan states that the health of the Park's natural environment, including the lake and green spaces, is to be prioritized and that future development should minimize ecological footprint and mitigate negative impacts to the broader Park ecosystem.

Project-specific environmental assessment has not been finally completed. The RFP therefore anticipates further environmental site and impact assessments, geotechnical work, stormwater and servicing plans, and other studies as required.

The environmental question is consequently not simply whether development occurs, but whether any proposed development can ultimately satisfy the environmental standards, mitigation requirements and community principles the Board has established.

TRANSPARENCY AND FUTURE PUBLIC INFORMATION

Transparency does not require that every question produces a separate new project decision or individualized staff report. It does require that the Board maintain an accurate and accessible public record of material information.

Going forward, the Village Centre project webpage should operate as the primary public information source and should be updated at meaningful project milestones.

Future updates should identify:

What has changed; what information has become available; what remains unknown; what decision is being requested of the Board; what financial implications are known; what environmental or technical work has been completed; what regulatory processes remain; and what opportunities exist for further public input.

Where a factual error is identified in the Board's public information, it should be corrected transparently.

Where a question has already been answered by the existing public record, members of the public can be directed to the applicable report rather than requiring staff to recreate the answer.

Where materially new information is presented that could affect the project, it should be assessed on its merits through the appropriate administrative and Board process.

This approach maintains meaningful transparency while allowing staff and the Board to allocate public resources according to the material needs and decision points of the project itself.

NEXT DECISION POINTS

The next material decision points should be driven by the actual progress of negotiations and due diligence rather than by a predetermined construction outcome.

Before the Board makes a significant or binding project commitment, it should have sufficient information appropriate to that stage concerning:

Financial terms and Park exposure; allocation of risk; expected long-term revenue and costs; land-tenure arrangements; environmental findings; transportation impacts; servicing and infrastructure requirements; regulatory requirements; consistency with PlanCultus and the Village Centre guiding principles; and the results of further public and First Nations engagement where required. If those requirements cannot be satisfactorily addressed, the staged process allows the Board to reconsider, modify or decline to proceed.

CONCLUSION

The Village Centre initiative has developed over many years through Park planning, committee work, professional analysis, community engagement and procurement.

The current process should not be characterized as a completed capital project or an approved development. It is more accurately described as a staged planning, procurement, negotiation and due-diligence process intended to determine whether an acceptable redevelopment can be achieved.

The Board's responsibility is to continue evaluating that opportunity against its statutory mandate to use, regulate, protect, manage, maintain and improve Cultus Lake Park while considering environmental stewardship, community character, financial sustainability and the interests of present and future users of the Park.

Continuing transparency is best achieved by maintaining a reliable public record, acknowledging what is known and what remains undecided, publishing material studies and decisions when appropriate,

and ensuring that future commitments are made only when the Board has sufficient information to make an informed decision.

No final development outcome should be presumed by this report.

Key Public Source Documents

- The Cultus Lake Park Act
- Cultus Lake Park Plan Bylaw No. 1080, 2016 — PlanCultus
- Village Centre Planning and Development Committee Terms of Reference and public meeting records
- Urban Systems, Cultus Lake Park Village Centre Plan, October 2024
- Urban Systems, Cultus Lake Park Board Asset Management Plan, October 2024
- Cultus Lake Park Village Centre Redevelopment Request for Proposals, April 2025
- January 21, 2026 Village Centre RFP Award public report
- February 11, 2026 Cultus Lake Park Board Town Hall materials
- 2026 Village Centre public Questions and Answers / Frequently Asked Questions

FINANCIAL IMPLICATIONS:

There are no immediate financial implications associated with receiving this report for information. The Village Centre Redevelopment Project remains in a staged planning, negotiation, and due-diligence process, and the Board has not yet approved a final project budget, Park financial contribution, borrowing decision, or binding construction commitment.

Future financial implications may arise if the Board is later asked to consider a negotiated agreement, land-tenure arrangement, servicing or infrastructure contribution, development-related cost, or other financial commitment. Any such implications should be brought forward through a future Board report and considered through the appropriate budget or approval process.

The project should be evaluated within the broader context of the Park's long-term asset-management challenges, including significant infrastructure renewal needs and the estimated ten-year funding deficit identified in the 2024 Asset Management Plan. The key financial question is whether the redevelopment can support long-term financial sustainability without creating unacceptable financial burden or risk for the Park, leaseholders, residents, or users.

LEGAL OR POLICY CONSIDERATIONS:

There are no immediate legal or policy implications arising from receiving this report for information. The Village Centre Redevelopment Project remains subject to the Board's statutory authority under the *Cultus Lake Park Act* and must be considered within the policy framework established by PlanCultus, adopted as Cultus Lake Park Plan Bylaw No. 1080, 2016.

PlanCultus provides policy guidance for Village Centre planning, but it does not require or authorize the Board to proceed with a specific development. Any future development approvals, bylaws, agreements, permits, regulatory processes, financial commitments, or construction decisions would require the appropriate legal, policy, public, regulatory, and Board approval processes before proceeding.

At this stage, no final development approval, binding agreement, or construction commitment has been made.

COMMUNICATIONS OR PUBLIC NOTICE IMPLICATIONS:

There are no statutory public notice requirements associated with receiving this report for information. However, given the significant public interest in the Village Centre Redevelopment Project, continued clear and consistent communication remains important.

ATTACHMENTS:

N/A

STRATEGIC PLAN:

This report supports the Cultus Lake Park Board Strategic Plan by advancing the Board's priorities around long-term planning, financial sustainability, responsible asset management, environmental stewardship, community engagement, and transparent governance.

Prepared by:



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