



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 3200-00

From: Acting Director of Development Services

Date: October 15, 2025

Subject: Letter of Support for Kus-kus-sum Grant Applications

PURPOSE: To seek Council resolution to support Comox Valley Project Watershed Society (Project Watershed) to apply to the Green Municipal Fund (Federation of Canadian Municipalities) "Implementation Projects: Adaptation in Action" stream for the ongoing Kus-kus-sum restoration project as well as seek Council resolution as support for Project Watershed to apply to other funding opportunities as may arise.

BACKGROUND:

In 2018 the City of Courtenay entered into a Memorandum of Understanding (MOU) between the City of Courtenay, Comox Valley Project Watershed Society (Project Watershed) and K'ómoks First Nation to support the purchase and restoration of land that - prior to being the Field's Sawmill location and owned by Interfor Corporation - was the site of an old K'ómoks First Nation (KFN) village. Once restored, the land will be re-matriated to KFN ownership. The restored site will also provide important ecological values including salmon habitat, contribute to a healthy estuary, provide flood and climate change mitigation functions (natural asset), and will improve community aesthetics to an important high traffic gateway to the City.

In support of the MOU, City staff and a Councillor participate in regular monthly partner meetings, the collective effort of which has culminated in the Kus-kus-sum project now being nearly complete. The project is in the final phase of activity which includes the remaining earth works and planting (approximately 10% remaining) and removal of the existing steel piling retaining wall. Estimated timeline to completion in the second quarter of 2026.

Once complete, the total acquisition and restoration costs will be approximately \$8.5 Million (\$3.3 Million for acquisition and \$5.2 Million for restoration); all expenses to date have been funded by a number of grants, an active and fulsome community fundraising campaign and through in-kind donations.

DISCUSSION:

The project has experienced delays in completion due to unforeseen costs and operational considerations arising from provincial contaminated soils regulation changes in 2023. At time of property acquisition the lands had been sufficiently remediated to meet contaminated sites regulatory requirements. With the regulatory change approximately 12,000 cubic metres of soils contain naturally occurring levels of chlorine and arsenic that exceed the new regulations. Professional assessment confirmed that the soils do not pose a risk of leaching to the surrounding environment, but they cannot remain on site and are prohibitively expensive to move to a remediation facility. After many months of searching for a suitable receiving site for these excess soils, West Fraser Timber Co. has agreed to accept the soils at their Union Bay properties at a total cost of \$400,000, including soils transport.

The project currently sits at a budget shortfall of \$450,000 to complete the restoration and land transfer process to KFN. Project Watershed takes primary responsibility for project management and operational guidance including the community fundraising campaign which is ongoing, as well as applying for grants on behalf of the partnership.

One promising funding opportunity is the Green Municipal Fund “Implementation Projects: Adaptation in Action” grant stream which applies to projects that enhance long-term climate resilience in communities that are already aware of their climate risks and know which projects will help them make the greatest strides in improving their climate resilience. The fund looks favourably on projects that are led by or in partnership with Indigenous Communities. The Kus-kus-sum restoration project is a strong contender in these regards. More information on the grant available at <https://greenmunicipalfund.ca/funding/implementation-project-adaptation-action>. \$447,000 has been applied for under this funding stream.

Since the project conception numerous funders have contributed: BC Salmon Restoration and Innovation Fund, Fish and Wildlife Compensation Program, Healthy Watershed Initiative, Indigenous Watershed Initiative, Habitat Conservation Trust Fund, Province of BC, World Wildlife Fund, Micah Messent Legacy Fund, Aboriginal Fund for Species at Risk, Pacific Salmon Foundation, Aquatic Ecosystem Restoration Fund.

Support for past funding applications has either been provided by Council as a grant-specific resolution or has been provided by letter of support under the Mayor’s signature. The identified Green Municipal Fund grant seeks Council resolution as a show of municipal commitment. At the partnership’s direction to meet funding deadlines, Project Watershed made application to the fund and is now retroactively seeking Council resolution.

Although the project is now in its final phase, staff recommend that in addition to providing support for the Green Municipal Fund by means of resolution, that Council also provide resolution of City support for Project Watershed to apply for other funds as opportunities may arise.

POLICY ANALYSIS:

The Official Community Plan makes numerous references to protecting and ecologically restoring the K’ómoks Estuary (Land Use policy 12, Shoreline and Floodplain land use Policies and Natural Environment Policies 1-12). The Parks and Recreation Master Plan, Integrated Rainwater Management Strategy and Flood Management Strategy also include a number of objectives and policies to support the restoration of environmentally sensitive areas such as Kus-kus-sum.

FINANCIAL IMPLICATIONS:

There are no financial costs to the City associated with applying for this grant. The project and property have been subject to a 10 year property tax exemption under the permissive property tax exemption policy.

ADMINISTRATIVE IMPLICATIONS:

A development services staff and Councillor attend regular monthly partnership meetings. The City Manager is also part of partnership communications and attends and facilitates matters of strategic or inter-jurisdictional importance.

STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following strategic priorities:

- Good Governance - Develop a Reconciliation Framework

OPTIONS:

1. THAT Council provide support for Project Watershed to apply to the Green Municipal Fund (Federation of Canadian Municipalities) “Implementation Projects: Adaptation in Action”; and

THAT Council provide by means of resolution support for Project Watershed to apply for all applicable grant and fundraising opportunities as may arise that are consistent with the terms of the Memorandum of Understanding between City of Courtenay, Project Watershed and K'ómoks First Nation.

2. THAT Council provide support for Project Watershed to apply to the Green Municipal Fund (Federation of Canadian Municipalities) "Implementation Projects: Adaptation in Action" but direct staff to present grant opportunities to Council individually as they arise.
3. THAT Council provide alternative direction to staff.

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