



STAFF REPORT

DATE: July 16, 2024

FILE: 0550-04 Board

TO: Chair and Directors
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: BYLAW NO. 569 – STRATHCONA GARDENS TEMPORARY BORROWING

PURPOSE/PROBLEM

To consider first 3 readings and adoption of a bylaw to authorize temporary financing of costs related to the redevelopment of the Strathcona Gardens Recreation Facility project in advance of the sale of debentures.

EXECUTIVE SUMMARY

At its April 26, 2023 meeting, the Board considered the attached report and adopted Bylaw No. 342 to authorize the borrowing of up to \$64,670,000 in capital funds for the redevelopment of the Strathcona Gardens Recreation Facility through the sale of debentures. The Municipal Finance Authority (MFA) facilitates this process for local governments by issuing debentures twice a year, in the spring and in the fall. Interim capital financing is required in order to bridge the gap in time between the payment to suppliers from the inception of this project and the receipt of debenture proceeds from MFA. Under MFA's interim capital financing program, interest is based on a variable rate, calculated daily and paid monthly.

Bylaw No. 569 attached, if adopted, will permit the Regional District to use temporarily borrowed funds to pay costs relating to the redevelopment of the Strathcona Gardens Recreation Facility up to a maximum of \$64,670,000. These borrowed funds would be paid off with the proceeds from the sale of debentures once the actual costs of facility redevelopment are known.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT Bylaw No. 569, being a bylaw to authorize temporary borrowing for financing improvements at the Strathcona Gardens pending the sale of debentures, be now introduced and read a first time.
3. THAT the rules be suspended and Bylaw No. 569 be given second and third readings.
4. THAT Bylaw No. 569, being Strathcona Gardens Temporary Borrowing Authorization Bylaw 2024, be reconsidered, finally passed and adopted.

Respectfully:



A handwritten signature in blue ink, appearing to read 'Dave Leitch', is written over a horizontal line. The signature is stylized and extends above and below the line.

Dave Leitch
Chief Administrative Officer

Prepared by: *Mike Harmston, CFO*

Attachments: Bylaw No. 569 (Strathcona Gardens Temporary Borrowing)
Bylaw No. 342 (Strathcona Gardens Loan Authorization Bylaw)



BYLAW NO. 569

A BYLAW TO AUTHORIZE TEMPORARY BORROWING FOR FINANCING IMPROVEMENTS AT THE STRATHCONA GARDENS

WHEREAS the Regional District may, pursuant to section 409 of the *Local Government Act*, where it has adopted a loan authorization bylaw and without further assents or approvals, borrow funds temporarily pending the issuance of debentures under the loan authorization bylaw;

AND WHEREAS the Regional District has adopted Bylaw No. 342, being Strathcona Gardens Recreation Facility Loan Authorization Bylaw 2018, to authorize the issuance of debenture debt of not more than \$64,670,000 for the redevelopment of the Strathcona Gardens recreation facility;

AND WHEREAS the issuance of debentures has been temporarily deferred;

NOW THEREFORE the Board of Directors of the Strathcona Regional District, in open meeting assembled, enacts as follows:

Temporary Borrowing Authorized

1. The Regional District is hereby authorized and empowered to borrow an amount or amounts not exceeding the sum of \$64,670,000 (Sixty-Four Million, Six Hundred and Seventy Thousand Dollars) as the same may be required.

Use of Funds

2. The funds so borrowed shall be used solely for the purposes set out in the aforesaid Bylaw No. 342, being Strathcona Gardens Recreation Facility Loan Authorization Bylaw 2018.

Form of Obligation

3. The form of obligation to be given as acknowledgement of the liability authorized herein shall be a promissory note or notes signed by the Chair and Financial Officer under the corporate seal.

Repayment of Funds

4. The proceeds from the sale of debentures or so much thereof as may be necessary shall be used to repay the money borrowed under the authority of this bylaw.

Citation

5. This bylaw may be cited for all purposes as Bylaw No. 569, being Strathcona Gardens Temporary Borrowing Authorization Bylaw 2024.

READ A FIRST TIME ON THE DAY OF , 2024

READ A SECOND TIME ON THE DAY OF , 2024

READ A THIRD TIME ON THE DAY OF , 2024

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE DAY OF , 2024

Chair

Corporate Officer



BYLAW NO. 342

A BYLAW TO AUTHORIZE THE BORROWING OF FUNDS FOR REDEVELOPMENT OF THE STRATHCONA GARDENS RECREATION FACILITY

WHEREAS the former Comox-Strathcona Regional District has, by Bylaw No. 1214, established a service to provide arena and swimming pool facilities with the City of Campbell River and Electoral Area D as participating member municipalities;

AND WHEREAS the aforesaid recreation facilities service has been provided as a continued service of the former Comox-Strathcona Regional District in accordance with the previous continuation authority as defined in the *Local Government Act*;

AND WHEREAS the Comox-Strathcona Regional District was, by Order in Council 059/08, divided into the Comox Valley Regional District and the Strathcona Regional District effective February 15, 2008;

AND WHEREAS a service of the Comox-Strathcona Regional District that was operated within all or part of the area comprising the Strathcona Regional District remains in force as a service of the Strathcona Regional District until amended or repealed;

AND WHEREAS the City of Campbell River and Electoral Area D are within the boundaries of the Strathcona Regional District;

AND WHEREAS the Regional District wishes to provide financing for the redevelopment of the Strathcona Gardens recreation facility, the estimated cost of which including expenses incidental thereto is \$77,587,000 (Seventy-Seven Million, Five Hundred and Eighty-Seven Thousand Dollars) of which \$64,670,000 (Sixty-Four Million, Six Hundred and Seventy Thousand Dollars) is the maximum amount of borrowing authorized by this bylaw;

AND WHEREAS participating area approval has been obtained in accordance with s.407 of the *Local Government Act*;

NOW THEREFORE the Board of Directors of the Strathcona Regional District, in open meeting assembled, enacts as follows:

Borrowing Authorized

1. The Regional District is hereby authorized and empowered to borrow upon its credit a sum not exceeding \$64,670,000 (Sixty-Four Million, Six Hundred and Seventy Thousand Dollars) for redevelopment of the Strathcona Gardens recreation facility and to do all things necessary or convenient in connection therewith including, without limiting the generality of the foregoing,

acquiring all such real property, easements, rights of way, licenses, rights or authorities as may be required.

Service Identification

2. The Regional District service for which the debt authorized by this bylaw would be incurred is the Greater Campbell River Pool/Arena service.

Term of Debt

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 30 years.

Citation

4. This bylaw may be cited for all purposes as Bylaw No. 342, being Strathcona Gardens Recreation Facility Loan Authorization Bylaw 2018.

READ A FIRST TIME ON THE 6TH DAY OF DECEMBER, 2018

READ A SECOND TIME ON THE 6TH DAY OF DECEMBER, 2018

READ A THIRD TIME ON THE 26TH DAY OF APRIL, 2023

APPROVED BY THE INSPECTOR OF MUNICIPALITIES ON THE 10TH DAY OF AUGUST, 2023

APPROVAL OF THE ELECTORS RECEIVED ON THE 6TH DAY OF OCTOBER, 2023

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE 8TH DAY OF NOVEMBER, 2023



Chair



Corporate Officer