



## STAFF REPORT

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**DATE:** June 19, 2020

**FILE:** 0550-04 Board

**TO:** Chair and Directors  
Regional Board

**FROM:** David Leitch  
Chief Administrative Officer

**RE:** **BYLAWS NO. 393 AND 394 – LIBRARY FACILITY SERVICE**

### **PURPOSE/PROBLEM**

To consider proceeding at this time with an alternative approval process (AAP) for Bylaws No. 393 and 394, which would establish a service for funding the construction of public library facilities in the Regional District and authorize the capital financing a new public library facility in Campbell River with costs to be recovered on an annual basis from the Vancouver Island Regional Library.

### **EXECUTIVE SUMMARY**

At its May 27, 2020 meeting the Board gave the attached bylaws third reading which had previously been authorized for approval of the electors to be sought using an AAP. The bylaws have now been approved by the Inspector of Municipalities and the Board may proceed at this time to seek elector approval should it so desire.

Before proceeding with the AAP the Board will need to establish the elector response form to be used, the deadline for elector responses and the total number of electors eligible to participate in the AAP. All of that information will be available to the public as part of the approval process. At the conclusion of the elector response period a further report will be presented to the Board with the results of the AAP.

In the event that less than 10% of the electors submit responses to the Regional District prior to the deadline the Board may proceed with adoption of Bylaws No. 393 and 394 without further approvals. On the other hand, if at least 10% of the total electors respond in the negative, the Board will only be able to adopt Bylaws No. 393 and 394 if an assent voting opportunity is provided and a majority of electors who vote at that opportunity are in favour of the bylaw.

### **RECOMMENDATION**

1. THAT the report from the Chief Administrative Officer be received.
2. THAT the elector response form attached to the June 19, 2020 report from the Chief Administrative Officer be approved for the alternative approval process for Bylaws No. 393 and 394.
3. THAT the total number of electors within the area affected by Bylaws No. 393 and 394 be fairly determined as 33,974 for purposes of the alternative approval process.

4. THAT the deadline for submission of elector responses in respect of the alternative approval process for Bylaws No. 393 and 394 be established as 4:30 p.m. on Monday, August 10, 2020.

Respectfully:

A handwritten signature in blue ink, appearing to read 'David Leitch', is written over a horizontal line.

David Leitch  
Chief Administrative Officer

***Prepared by:*** T. Yates, Corporate Services Manager

Attachment: Bylaws No. 393 and 394  
Elector Response Form for Bylaws No. 393 and 394 AAP  
Calculation of Number of Eligible Electors  
Copy of May 23, 2020 report to the Regional Board

| Schedule           | Action                                                                                                                                                                                              |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 15, 2020   | Regional Board directs the preparation of financing agreement between SRD and VIRL for proposed Campbell River library facility.                                                                    |
| February 26, 2020  | Campbell River Public Library Capital Financing Agreement Authorization Bylaw No. 381, 2020 given 3 readings and authorized for public notification.                                                |
| March 5, 2020      | First publication of Notice of Intention to adopt Bylaw No. 381.                                                                                                                                    |
| March 11, 2020     | Second publication of Notice of Intention to adopt Bylaw No. 381.                                                                                                                                   |
| April 15, 2020     | Regional Board adopts Bylaw No. 381.                                                                                                                                                                |
|                    | Regional Board authorizes preparation of service establishing bylaw and loan authorization bylaw.                                                                                                   |
| April 29, 2020     | Library Facility Capital Financing Service Establishing Bylaw No. 393, 2020 and Library Facility Capital Financing Loan Authorization Bylaw No. 394, 2020 given first 3 readings by Regional Board. |
|                    | Regional Board authorizes approval of the electors for Bylaws No. 393 and 394 to be obtained by a single Alternative Approval Process (AAP) for the entire service area.                            |
| May 27, 2020       | Regional Board rescinds third reading of bylaws to make amendments. Bylaws No. 393 and 394 given third readings as amended.                                                                         |
| June 1, 2020       | Bylaws No. 393 and 394 submitted to Inspector of Municipalities for approval under s.342 of <i>Local Government Act</i> .                                                                           |
| June 18, 2020      | Inspector of Municipalities approval received for Bylaws No. 393 and 394.                                                                                                                           |
| June 24, 2020      | Regional Board establishes elector response form, elector response deadline and determines total number of electors for AAP.                                                                        |
| July 1, 2020       | First publication of AAP notice for Bylaws No. 393 and 394.                                                                                                                                         |
| July 8, 2020       | Second publication of AAP notice for Bylaws No. 393 and 394.                                                                                                                                        |
| August 10, 2020    | Deadline for filing AAP responses with Regional District.                                                                                                                                           |
| August 19, 2020    | If elector approval received, Regional Board adopts Bylaws No. 393 and 394, and advises VIRL.                                                                                                       |
| September 21, 2020 | Quashing period for Loan Authorization Bylaw No. 394 expires. Application made to Inspector of Municipalities for Certificate of Approval.                                                          |
| October 7, 2020    | Temporary Borrowing Bylaw No. [REDACTED] given 3 readings and adopted by the Board.                                                                                                                 |
| November 18, 2020  | Security Issuing Bylaw No. [REDACTED] given 3 readings and adopted by the Board.                                                                                                                    |
| February 12, 2021  | Deadline for submitting Corporate Officer's certificate for debenture funding from the Municipal Finance Authority.                                                                                 |
| April 30, 2021     | Debenture funds received from the Municipal Finance Authority.                                                                                                                                      |



## BYLAW NO. 393

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### A BYLAW TO ESTABLISH A SERVICE TO PROVIDE FUNDING FOR PUBLIC LIBRARY FACILITIES WITHIN THE STRATHCONA REGIONAL DISTRICT

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**WHEREAS** the Regional District may, pursuant to the *Local Government Act*, operate any service that it considers necessary or desirable for all or part of the Regional District;

**AND WHEREAS** the Regional District has entered into an agreement with the Vancouver Island Regional Library to provide funding for a new public library facility subject to the establishment of a public library facility service;

**AND WHEREAS** the Regional Board wishes to establish a service to provide funding for public library facilities within the Regional District;

**AND WHEREAS** approval of the electors has been obtained in accordance with Division 4 of Part 10 of the *Local Government Act*;

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

#### Service Established

1. There is hereby established a service to be known as the public library facility service.

#### Definition

2. In this bylaw, unless the context otherwise requires, "**public library facility**" means a library facility that is owned and operated by or intended to be owned and operated by the Vancouver Island Regional Library.

#### Service Described

3. The service hereby established includes the construction of public library facilities within the service area.

#### Participating Areas

4. The participating areas for the service are the City of Campbell River, Village of Gold River, Village of Sayward, Village of Tahsis, Village of Zeballos, Electoral Area A (Kyuquot/Nootka-Sayward), Electoral Area B (Cortes Island), Electoral Area C (Discovery Islands-Mainland Inlets) and Electoral Area D (Oyster Bay-Buttle Lake).

**Service Area Boundaries**

5. The boundaries of the service area include the entirety of the Strathcona Regional District.

**Cost Recovery**

6. The annual cost of operating the service shall be recovered by one or more of the following methods:
- (a) property value taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*;
  - (b) revenues received by way of agreement, enterprise, gift, grant or otherwise;
  - (c) revenues raised by other means authorized by the *Local Government Act* or another Act.

**Limit on Requisition**

7. The maximum amount that may be requisitioned annually for the service is the equivalent of \$0.10 per 1,000 of the net taxable value of land and improvements in the service area.

**Apportionment of Costs**

8. The annual net costs of the service shall be apportioned to the participating areas on the basis of the converted value of land and improvements for hospital district purposes.

**Citation**

9. This bylaw may be cited for all purposes as Bylaw No. 393, being Public Library Facility Service Establishing Bylaw 2020.

**READ A FIRST TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

**READ A SECOND TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

**READ A THIRD TIME ON THE 27<sup>TH</sup> DAY OF MAY, 2020**

**APPROVED BY THE INSPECTOR OF MUNICIPALITIES ON THE 18<sup>TH</sup> DAY OF JUNE, 2020**

**APPROVAL OF THE ELECTORS RECEIVED ON THE      DAY OF      , 2020**

**RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE      DAY OF      , 2020**

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Chair

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Corporate Officer



## **BYLAW NO. 394**

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### **A BYLAW TO AUTHORIZE THE BORROWING OF FUNDS FOR A PUBLIC LIBRARY FACILITY IN CAMPBELL RIVER**

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**WHEREAS** the Regional District has, by Bylaw No. 393, established a service to provide funding for public library facilities;

**AND WHEREAS** the Regional District wishes to authorize the borrowing of funds to lend to the Vancouver Island Regional Library for the construction of a public library facility in Campbell River, the estimated cost of which including expenses incidental thereto is \$14,000,000 (Fourteen Million Dollars) which is the maximum amount of borrowing authorized by this bylaw;

**AND WHEREAS** approval of the electors has been obtained in accordance with Division 6 of Part 11 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 \$14,000,000 (Fourteen Million Dollars) for the purpose of lending to the Vancouver Island Regional Library under the terms outlined in Bylaw No. 381, being Campbell River Public Library Capital Financing Agreement Authorization Bylaw 2020.

#### **Service Identification**

2. The Regional District service for which the debt authorized by this bylaw would be incurred is the public library facility service.

#### **Term of Debt**

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 25 years.

#### **Citation**

4. This bylaw may be cited for all purposes as Bylaw No. 394, being Public Library Facility Loan Authorization Bylaw 2020.

**READ A FIRST TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

**READ A SECOND TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

**READ A THIRD TIME ON THE 27<sup>TH</sup> DAY OF MAY, 2020**

**APPROVED BY THE INSPECTOR OF MUNICIPALITIES ON THE 18<sup>TH</sup> DAY OF JUNE, 2020**

**APPROVAL OF THE ELECTORS RECEIVED ON THE    DAY OF                      , 2020**

**RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE    DAY OF                      , 2020**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Corporate Officer



**ELECTOR RESPONSE FORM**  
**Bylaws No. 393 and 394, being Public Library  
Facility Service & Loan Authorization**

I, the undersigned, being a duly qualified elector of the Strathcona Regional District, am **opposed to** the adoption of Bylaw No. 393, being Public Library Facility Service Establishing Bylaw 2020 and Bylaw No. 394, being Public Library Facility Loan Authorization Bylaw 2020, by the Regional Board of the Strathcona Regional District without first obtaining the assent of the electors by voting, and

By affixing my signature below I hereby certify that:

- I am eighteen years of age or older;
- I am a Canadian Citizen;
- I have resided in British Columbia for at least the last six months;
- I have resided in, **OR** have been a registered owner of real property within, the Strathcona Regional District for at least the last 30 days;
- I am not disqualified by law from voting in local elections; and
- I am entitled to sign this elector response form, and have not previously signed an elector response form in relation to Bylaws No. 393 and 394.

**ELECTOR'S FULL NAME** (please print legibly including first, last and middle names)

**RESIDENTIAL ADDRESS**

**MAILING ADDRESS** (if different than residential address)

**CHOOSE ONE:**

☐ I am a resident elector within the Strathcona Regional District

☐ I am not a resident elector within the Strathcona Regional District but own real property within the Strathcona Regional District legally described as follows:

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**SIGNATURE OF ELECTOR**



## ELECTOR RESPONSE FORM

### **Bylaws No. 393 and 394, being Public Library Facility Service & Loan Authorization**

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The Board of directors for the Strathcona Regional District is seeking the approval of the electors by alternative approval process for Bylaw No. 393, being Public Library Facility Service Establishing Bylaw 2020 and Bylaw No. 394, being Public Library Facility Loan Authorization Bylaw 2020. If adopted, Bylaws No. 393 and 394 would authorize the Regional District to establish a service for funding the construction of public library facilities and authorize borrowing up to \$14 million for the construction of a new library facility in Campbell River.

Capital funds borrowed under the authority of Bylaw No. 394 would be provided to the Vancouver Island Regional Library which would reimburse the Regional District for all costs of borrowing (including interest) with repayment of the debt not to exceed 25 years.

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### **INSTRUCTIONS**

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1. If you qualify as an elector for the Strathcona Regional District and are opposed to the adoption of Bylaws No. 393 and 394 you can sign and submit an elector response form.
2. If you are NOT opposed to the adoption of Bylaws No. 393 and 394 you need not do anything.
3. To submit an elector response form you must qualify as a resident elector or a non-resident property elector for the Strathcona Regional District.

**[Note:** Only one non-resident property elector may submit an elector response form per property regardless of the number of owners for that property. If a property is owned by more than one person the elector appointed by a majority of the owners must complete and submit an authorization form on behalf of the property.]

4. Only one elector per elector response form is permitted.
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### **1.**

Elector response forms must be received by the Regional District not later than 4:30 p.m. on Monday, August 10, 2020.

Emailed or faxed elector response forms cannot be accepted; forms **must** contain original signatures.

### **2.**

The total number of electors in the Regional District has been fairly determined to be 33,974. Unless at least 10% of those electors submit an elector response form to oppose the adoption of Bylaws No. 393 and 394 the Regional District may adopt the bylaws without obtaining the assent of the electors by voting.

### **3.**

For further information please contact:

Thomas Yates  
Corporate Officer  
Strathcona Regional District  
990 Cedar Street  
Campbell River, BC  
V9W 7Z8  
250-830-6700 \_  
[corporate@strathconard.ca](mailto:corporate@strathconard.ca)

**Public Library Facility Service**  
**Bylaws No. 393 and 394**

**Determination of Total Number of**  
**Electors for Purposes of an Alternate Approval Process**

- Purpose:** To make a fair determination of the total number of electors within the area affected by Bylaw No. 393, being Public Library Facility Service Establishing Bylaw 2020 and Bylaw No. 394, being Public Library Facility Loan Authorization Bylaw 2020. An elector is defined as a person who would qualify to vote on the question of approving Bylaws No. 393 and 394, if such a vote was to be held on the date this report is prepared.
- Area Affected:** The area affected by Bylaws No. 393 and 394 is the entire Strathcona Regional District including the City of Campbell River, Village of Gold River, Village of Sayward, Village of Tahsis, Village of Zeballos and Electoral Areas A, B, C and D.
- Approval Process:** The Regional District intends to proceed with an alternative approval process to determine whether Bylaws No. 393 and 394 may be adopted without obtaining the assent of the electors by voting. Should it be determined that less than ten percent of the eligible electors within the Strathcona Regional District file a written objection to Bylaws No. 393 and 394 prior to the deadline for responses, the Regional Board may proceed to adoption without the requirement to obtain elector assent by voting in accordance with the provisions<sup>1</sup> of the *Local Government Act*. In the event ten percent or more of eligible electors object to adoption of Bylaws No. 393 and 394 prior to the response deadline, the bylaw may only be adopted if approved through an assent voting process.
- Authority:** The use of an alternative approval process for obtaining the approval of the electors for Bylaws No. 393 and 394 is authorized by section 86 of the *Community Charter*, and sections 342(2) and 407(3)(b) of the *Local Government Act*.
- Elector Eligibility:** For the purposes of this report the criteria used for determining the eligibility of persons to vote as electors is based on Part 4 [Assent Voting] of the *Local Government Act* of British Columbia. That statute defines electors to include persons who meet the following criteria:
- Canadian citizen
  - 18 years of age or older
  - resident of British Columbia for the last 6 months
  - resident of (or owner of real property within) the voting jurisdiction for the last 30 days
  - not otherwise disqualified from voting

**Methodology:**

This report will attempt to make a fair determination of the total number of electors within the area affected by Bylaws No. 393 and 394. The number of electors will be the total of those persons who qualify to vote as resident electors and those who qualify to vote as non-resident property electors. Since the methodologies for determining the total number of each type of elector differ significantly, they will need to be determined separately with the results of those calculations aggregated for the purposes of this report.

**Resident Electors**

Both the Federal and Provincial election authorities maintain lists of registered voters but the databases are not aligned with local government jurisdictional boundaries and are therefore not particularly useful for purposes of this report. Since there is no reliable information available using existing voter enumeration data, it is necessary to consider the use of other data for the purpose of preparing an estimate of eligible electors.

BC Stats and ElectionsBC are public agencies which maintain comprehensive databases of population, population distribution, voter eligibility, voter participation rates and other demographics. The following data are supplied by those agencies:

| Demographic                                | Estimate  | Source                      |
|--------------------------------------------|-----------|-----------------------------|
| Population of British Columbia             | 5,071,336 | BC Stats (July 1, 2019)     |
| Population of Strathcona Regional District | 49,085    | BC Stats (July 1, 2019)     |
| Provincial electors in British Columbia    | 3,564,307 | Elections BC (July 1, 2019) |

Using the above data it is can be determined that approximately 70.28% of the population of British Columbia would likely qualify as provincial electors. Notwithstanding minor variations in regional demographics it is believed that this ratio would be sufficiently accurate for estimating the number of provincial electors within the Strathcona Regional District. Since the majority of qualifications required for voting in provincial elections are the same as those required for voting as a resident in local elections, the application of this ratio should provide a reasonable starting point for estimating the number of resident electors within the Strathcona Regional District. Therefore, multiplying the above percentage against the 49,085 population estimate provided by BC Stats yields a total of 34,499 eligible provincial electors resident in the Regional District.

Since there is a minimum residency<sup>2</sup> requirement associated with qualifying to vote locally it is necessary to eliminate from the above estimate the number of electors who have not resided within the boundaries of the Regional District for the past 30 days. BC Stats maintains annual estimates of international, interprovincial and intraprovincial immigration and emigration for each regional district in British Columbia and has estimated that total in-migration of 2,909

persons occurred between mid-2018 and mid-2019 for the Strathcona Regional District. Although this data does not include 2020 migration numbers it is the most recent data available and is fairly consistent with previous years. Therefore, assuming that in-migration continues to occur at this rate and that the rate is fairly constant throughout the year, an estimate of the number of persons who move to the Strathcona Regional District within a typical 30 day period may be calculated as follows:

$$\frac{30 \text{ days}}{365 \text{ days}} \times 2,909 = 239$$

Assuming that the provincial ratio of 70.28% eligible electors to total population also applies to recent arrivals, it may be concluded that 168 residents would be disqualified from voting for failing to meet the 30-day residency requirement.

The calculations for resident electors within the Strathcona Regional District may therefore be summarized as follows:

$$\begin{aligned} \text{Step 1: } & 3,564,307 \text{ (eligible provincial electors)} \\ & \div 5,071,336 \text{ (total population of B.C.)} \\ & = 70.28\% \text{ (B.C. average \% of electors)} \\ \\ \text{Step 2: } & 49,085 \text{ (Strathcona Regional District population)} \\ & \times 70.28\% \text{ (B.C. average \% of electors)} \\ & = 34,499 \text{ (Strathcona Regional District resident electors)} \\ \\ \text{Step 3: } & 34,499 \text{ (Strathcona Regional District resident electors)} \\ & \quad - 168 \text{ (30 day residency disqualification)} \\ & = 34,331 \text{ (net Strathcona Regional District resident electors)} \end{aligned}$$

It is concluded that a fair estimate of the number of resident electors within the Strathcona Regional District, based on the most recently available data and taking into account those who would be disqualified from voting due to having recently arrived in the Regional District, is 34,331.

### **Non-Resident Property Electors**

Unlike Provincial elections in British Columbia, persons who do not reside within the local voting jurisdiction may qualify to vote in local elections solely on the basis of property ownership<sup>3</sup>. These non-resident property electors (NRPE's) must be qualified in all other respects (ie. Canadian citizen, 18 years of age or older, resident of BC, etc.) before they may be considered eligible electors. It is important to reiterate that persons who qualify as resident electors within a voting jurisdiction cannot also qualify as non-resident property electors for the same voting jurisdiction.

| Demographic                                                    | Count  | Source                                          |
|----------------------------------------------------------------|--------|-------------------------------------------------|
| Total properties within Strathcona Regional District           | 24,234 | BC Assessment Authority<br><br>(April 20, 2020) |
| Total registered owners within Strathcona Regional District    | 29,735 |                                                 |
| Registered owners resident within Strathcona Regional District | 25,675 |                                                 |
| Registered owners resident outside of British Columbia         | 1,233  |                                                 |

In order to estimate the number of NRPE's within the boundaries of the Strathcona Regional District the database of the BC Assessment Authority was queried, and it was determined that there are 24,234 separate properties within the Regional District and 29,735 unique registered owners of those properties.

From this total of 29,735 potential electors the following were eliminated in order:

- 25,675 owners of property resident within the Strathcona Regional District;
- 1,233 owners being non-residents of British Columbia;
- 1,339 owners being corporate entities; and
- 12 properties owned by the Crown (Federal or Provincial);

It was therefore concluded that a reasonable estimate of the number of persons who could qualify to vote as non-resident property electors within the Regional District, based on the most recently available data, is 1,476. In arriving at this estimate it is worth noting that voting requirements related to age or citizenship of property owners have not been addressed since there is no data available to the Regional District upon which it could evaluate this demographic.

### Summary:

The total number of eligible electors within the Strathcona Regional District has been fairly determined to include 32,498 residential electors and 1,476 non-resident property electors for a total of 33,974.

### Conclusion:

For the purpose of the alternative approval process for Bylaw No. 393, being Public Library Facility Service Establishing Bylaw 2020 and Bylaw No. 394, being Public Library Facility Loan Authorization Bylaw 2020, the total number of eligible electors has been fairly determined to be 33,974. The number of valid elector responses that are required to withhold approval for the adoption of Bylaws No. 393 and 394 without first obtaining elector assent by voting is therefore 3,398.

- References:
1. S.86 *Community Charter* and s.342 *Local Government Act*
  2. S.65(1)(d) *Local Government Act*
  3. S.66 *Local Government Act*



## STAFF REPORT

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**DATE:** May 23, 2020

**FILE:**0550-04

**TO:** Chair and Directors,  
Regional Board

**FROM:** David Leitch  
Chief Administrative Officer

**RE:** BYLAWS NO. 393 AND 394 - PUBLIC LIBRARY CAPITAL FINANCING SERVICE

### **PURPOSE/PROBLEM**

To consider amending Bylaws No. 393 and 394 which propose to establish a public library capital financing service and provide funding for the construction of a new public library facility in Campbell River in response to feedback from the Ministry of Municipal Affairs and Housing ('the Ministry').

### **EXECUTIVE SUMMARY**

At its April 29, 2020 meeting the Regional Board considered the attached report and gave first 3 readings to Bylaws No. 393 and 394 which propose firstly, to establish a service for financing public library facilities and secondly, to raise capital funds through the Municipal Finance Authority for the construction of a new public library facility in Campbell River.

The Ministry has advised that capital financing for public facilities is not, in and of itself, an appropriate description of the service and that the bylaws as written may not be recommended for approval by the Inspector of Municipalities. To be clear, Ministry staff are not critical of the service or the funding methodology proposed but are simply recommending that the phrase 'capital financing' not be used to describe the service. While this change may tend to obscure the role of the Regional District in the provision of library facilities, the Regional District has been advised that submitting the bylaws as currently worded may result in delays to the approval process.

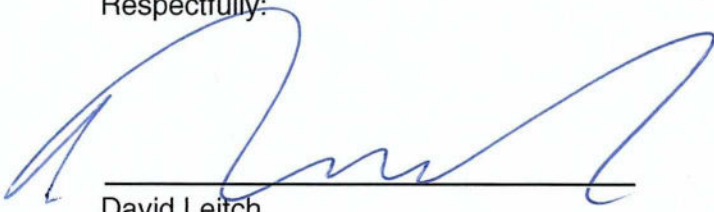
Since the intent of the bylaws would not be changed the following recommendations are offered as a means of addressing the Ministry's concerns in the short term and avoiding the potential for significant delays in the approval process for Bylaws No. 393 and 394. Approval by the Inspector is required before the Board may seek the approval of the electors.

### **RECOMMENDATIONS**

1. THAT the report from the Chief Administrative Officer be received.
2. THAT third reading of Bylaw No. 393 be rescinded.
3. THAT Bylaw No. 393 be amended in accordance with Appendix 'A' to the May 23, 2020 report from the Chief Administrative Officer.
4. THAT Bylaw No. 393 be given third reading as amended.
5. THAT third reading of Bylaw No. 394 be rescinded.

6. THAT Bylaw No. 394 be amended in accordance with Appendix 'A' to the May 23, 2020 report from the Chief Administrative Officer.
7. THAT Bylaw No. 394 be given third reading as amended.

Respectfully:



David Leitch

Chief Administrative Officer

### BACKGROUND/HISTORY

For the past 8 months the Regional District has been involved in discussions regarding the financing of a new \$14 million public library facility in downtown Campbell River. Those discussions culminated in a plan for the Regional District to be a catalyst for funding the library facility through a debenture issued by the Municipal Finance Authority of B.C. (MFA) in the same way that it raises capital funds for municipal projects. As an initial step in advancing the project the Regional District and the Vancouver Island Regional Library (VIRL) entered into an agreement whereby the Regional District, subject to elector approval, would lend VIRL the funds needed for the project and the VIRL would reimburse the Regional District for all costs related to the project over a period not to exceed 25 years.

The next step for the Regional District is to adopt a service establishing bylaw and a loan authorization bylaw. That process requires that the Regional District obtain the approval of the Inspector of Municipalities and then seek the approval of the electors through an alternative approval process. This phase of the process will require 3-4 elapsed time for completion.

### POLICY ANALYSIS

The authority for the Regional District to operate services is contained in s.332(1) of the *Local Government Act*:

#### General authority for services

332. (1) Subject to the specific limitations and conditions under this or another Act, a regional district may operate any service that the board considers necessary or desirable for all or part of the regional district.

The bylaws in question were drafted with the intent of accurately describing that the role of the Regional District was that of providing capital funds to the VIRL at the best possible rate since the VIRL is not able to directly access MFA funding on its own. The VIRL is currently and will remain responsible for constructing and operating library facilities in the region and the involvement of the Regional District in operational matters would not change upon adoption of these bylaws.

The Ministry has advised that its position on this matter is the result of a recent re-interpretation of relevant statutes and that it does not have a policy guideline that can be shared at this time.

### ALTERNATIVES

The alternatives for moving forward on Bylaws No. 393 and 394 are as follows:

Option 1 - amend the bylaws per Ministry staff recommendations before submitting for Inspector approval. While this may tend to obscure the purpose of the service it is, in the opinion of Ministry staff, the best and most assured method for obtaining the Inspector's approval without incurring significant delays.

Option 2 - submit the bylaws for approval by the Inspector as presently constructed. Since Ministry staff have indicated concerns with the use of the phrase 'capital financing' there is a possibility that approval may be denied. Depending on the response from the Inspector's office the bylaws could be delayed 2-3 months before the elector approval process could be commenced.

Option 3 - obtain a legal opinion before seeking the Inspector's approval. While this task could likely be completed in short order, the outcome of the legal review would lead the Regional District back to consideration of Option 1 or Option 2.

#### **FINANCIAL IMPLICATIONS**

The current target for receiving debenture funding through the MFA is April 2021 and, while the project calendar for the new Campbell River library facility is not in jeopardy at this time, significant delays associated with adoption of Bylaws No. 393 and 394 could change that outlook.

#### **LEGAL IMPLICATIONS**

Although it is possible that the public may perceive changes to the bylaws as a change to the Regional District's involvement with respect to public library facilities, revising the bylaws to address the Ministry's concerns would not fundamentally change the role that the Regional District intends to fulfill with respect to the construction of a new library facility for the Campbell River area, nor would it affect the indebtedness agreement between the Regional District and the VIRL.

#### **CITIZEN/PUBLIC RELATIONS IMPLICATIONS**

While it is possible that more generalized language with respect to the Regional District's role in the financing of public library facilities may create an impression that the Regional District's intentions have been extended to include other aspects of library funding, it is believed that such impressions could be managed by ensuring that public notices and other communications to the public via mainstream media and social media are consistent in focusing on the capital funding aspects of the project.

***Prepared by: T. Yates, Corporate Services Manager***

Attachments: Bylaws No. 393 and 394 w/proposed changes  
Copy of April 23, 2020 report to the Board

**APPENDIX 'A'**

**PROPOSED AMENDMENTS TO BYLAW NO. 393\***

1. Delete the words “capital financing” and substitute therefor the words “funding” in the long title, the third paragraph of the preamble and section 1.
2. Delete the words “capital financing” in the second paragraph of the preamble and substitute therefor the word “funding” in the first instance and the word “facility” in the second instance.
3. In section 2 delete the words “operated by” wherever they appear and substitute therefor the words “owned and operated by”.
4. In section 3 delete the words “provision of short term or long term capital financing” and substitute the word “construction”.
5. In section 9 delete the words “Capital Financing”.

**PROPOSED AMENDMENTS TO BYLAW NO. 394\***

1. Delete the words “capital financing” in the long title.
  2. In the first paragraph of the preamble delete the words “provide for the capital financing of public library facilities” and substitute therefor the words “provide funding for public library facilities”.
  3. In section 2 delete the words “service of public library capital financing” and substitute therefor the words “public library facility service”.
- see Bylaw No. 393 and 394 below w/proposed changes tracked.



## BYLAW NO. 393

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### A BYLAW TO ESTABLISH A SERVICE TO PROVIDE ~~CAPITAL FINANCING~~FUNDING FOR PUBLIC LIBRARY FACILITIES WITHIN THE STRATHCONA REGIONAL DISTRICT

---

**WHEREAS** the Regional District may, pursuant to the *Local Government Act*, operate any service that it considers necessary or desirable for all or part of the Regional District;

**AND WHEREAS** the Regional District has entered into an agreement with the Vancouver Island Regional Library to provide ~~capital financing~~funding for a new public library facility subject to the establishment of a public library ~~capital financing~~facility service;

**AND WHEREAS** the Regional Board wishes to establish a service to provide ~~capital financing~~funding for public library facilities within the Regional District;

**AND WHEREAS** approval of the electors has been obtained in accordance with Division 4 of Part 10 of the *Local Government Act*;

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

#### Service Established

1. There is hereby established a service to be known as the public library ~~capital financing~~facility service.

#### Definition

2. In this bylaw, unless the context otherwise requires, "**public library facility**" means a library facility that is ~~owned and~~ operated by or intended to be ~~owned and~~ operated by the Vancouver Island Regional Library.

#### Service Described

3. The service hereby established includes the ~~provision of short term or long term capital financing~~construction of public library facilities within the service area.

#### Participating Areas

4. The participating areas for the service are the City of Campbell River, Village of Gold River, Village of Sayward, Village of Tahsis, Village of Zeballos, Electoral Area A (Kyuquot/Nootka-

Sayward), Electoral Area B (Cortes Island), Electoral Area C (Discovery Islands-Mainland Inlets) and Electoral Area D (Oyster Bay-Buttle Lake).

**Service Area Boundaries**

5. The boundaries of the service area include the entirety of the Strathcona Regional District.

**Cost Recovery**

6. The annual cost of operating the service shall be recovered by one or more of the following methods:
- (a) property value taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*;
  - (b) revenues received by way of agreement, enterprise, gift, grant or otherwise;
  - (c) revenues raised by other means authorized by the *Local Government Act* or another Act.

**Limit on Requisition**

7. The maximum amount that may be requisitioned annually for the service is the equivalent of \$0.10 per 1,000 of the net taxable value of land and improvements in the service area.

**Apportionment of Costs**

8. The annual net costs of the service shall be apportioned to the participating areas on the basis of the converted value of land and improvements for hospital district purposes.

**Citation**

9. This bylaw may be cited for all purposes as Bylaw No. 393, being Public Library Facility ~~Capital Financing~~ Service Establishing Bylaw 2020.

**READ A FIRST TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

**READ A SECOND TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

**READ A THIRD TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

**APPROVED BY THE INSPECTOR OF MUNICIPALITIES ON THE      DAY OF      , 2020**

**APPROVAL OF THE ELECTORS RECEIVED ON THE      DAY OF      , 2020**

**RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE      DAY OF      , 2020**

---

Chair

---

Corporate Officer



## BYLAW NO. 394

---

### A BYLAW TO AUTHORIZE THE BORROWING OF FUNDS FOR ~~CAPITAL FINANCING~~ A PUBLIC LIBRARY FACILITY IN CAMPBELL RIVER

---

**WHEREAS** the Regional District has, by Bylaw No. 393, established a service to provide funding for ~~the capital financing of~~ public library facilities;

**AND WHEREAS** the Regional District wishes to authorize the borrowing of funds to lend to the Vancouver Island Regional Library for the construction of a public library facility in Campbell River, the estimated cost of which including expenses incidental thereto is \$14,000,000 (Fourteen Million Dollars) which is the maximum amount of borrowing authorized by this bylaw;

**AND WHEREAS** approval of the electors has been obtained in accordance with Division 6 of Part 11 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 \$14,000,000 (Fourteen Million Dollars) for the purpose of lending to the Vancouver Island Regional Library under the terms outlined in Bylaw No. 381, being Campbell River Public Library Capital Financing Agreement Authorization Bylaw 2020.

#### **Service Identification**

2. The Regional District service for which the debt authorized by this bylaw would be incurred is the public library facility service ~~of public library capital financing~~.

#### **Term of Debt**

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 25 years.

#### **Citation**

4. This bylaw may be cited for all purposes as Bylaw No. 394, being Public Library Facility Loan Authorization Bylaw 2020.

**READ A FIRST TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

**READ A SECOND TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

**READ A THIRD TIME ON THE 29<sup>TH</sup> DAY OF APRIL, 2020**

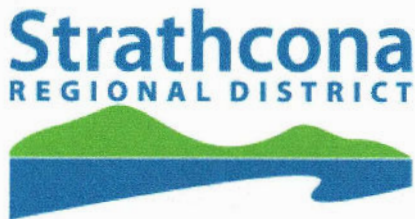
**APPROVED BY THE INSPECTOR OF MUNICIPALITIES ON THE      DAY OF      , 2020**

**APPROVAL OF THE ELECTORS RECEIVED ON THE      DAY OF      , 2020**

**RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE      DAY OF      , 2020**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Corporate Officer



## STAFF REPORT

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**DATE:** April 23, 2020 **FILE:** 0550-04

**TO:** Chair and Directors,  
Regional Board

**FROM:** David Leitch  
Chief Administrative Officer

**RE:** BYLAWS NO. 393 AND 394 - PUBLIC LIBRARY CAPITAL FINANCING SERVICE

### PURPOSE/PROBLEM

To consider first 3 readings of Bylaws No. 393 and 394 which would authorize the Regional District to establish a service for capital financing the construction of public library facilities and authorize borrowing of up to \$14 million to be used for constructing a new public library facility in Campbell River under an agreement with the Vancouver Island Regional Library.

### EXECUTIVE SUMMARY

At its April 15, 2020 meeting the Regional Board considered the attached report and passed the following resolution:

Adams/Unger: SRD 251/20

THAT a service establishing bylaw and loan authorization bylaw for the proposed Campbell River public library facility be prepared for further consideration by the Board.

Bylaws No. 393 and 394 have been prepared based on the above direction and would authorize the Regional District to establish a service and borrow capital funds to be used for the construction of a new library facility in Campbell River in accordance with an agreement entered into with the Vancouver Island Regional Library (VIRL). Under the terms of that agreement, the Regional District would be reimbursed by the VIRL on an annual basis for all costs incurred in connection with this initiative including borrowing costs, legal costs and the costs of seeking elector approval.

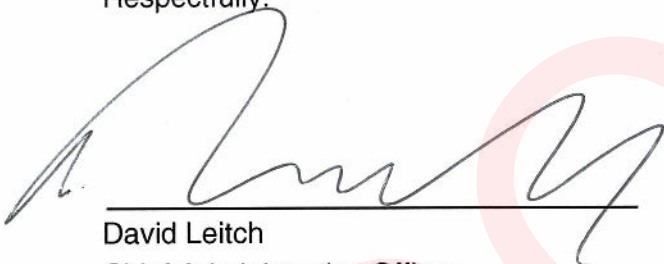
Following third reading of Bylaws No. 393 and 394 it is recommended that approval of the electors be sought using an alternative approval process (AAP) which would allow the Regional District to proceed with adoption of the bylaws unless at least 10% of the electors file an objection with the Regional District before the response deadline. As noted in the attached calendar, if the Board approves this method for obtaining elector approval, a further report will be forthcoming in June at which time the Board will be asked to approve the elector response form, elector response deadline, and the minimum number of elector responses that must be received to force Bylaws No. 393 and 394 to be submitted for an assent voting process. It is proposed that the AAP process be conducted for the entire service area rather than using a separate process for each area participating in the service.

It is also noted that, pursuant to s.348 of the *Local Government Act*, Bylaws No. 393 and 394 cannot be considered separately for the purpose of seeking elector approval. This means that the approval process for both bylaws must be managed as if Bylaws No. 393 and 394 were a single bylaw whether through an AAP, assent voting or some other approval process.

**RECOMMENDATIONS**

1. THAT the report from the Chief Administrative Officer be received.
2. THAT Bylaw No. 393, being a bylaw to establish a service to provide capital financing for public library facilities within the Strathcona Regional District, be now introduced and read a first time.
3. THAT the rules be suspended and Bylaw No. 393 be given second and third readings.
4. THAT Bylaw No. 394, being a bylaw to authorize the borrowing of funds for capital financing a public library facility in Campbell River, be now introduced and read a first time.
5. THAT the rules be suspended and Bylaw No. 394 be given second and third readings.
6. THAT approval of the electors for Bylaws No. 393 and 394 be authorized to be obtained by a single alternative approval process for the entire service area pursuant to s.342 of the *Local Government Act*.
7. THAT up to \$2,500 be authorized to be spent from the Regional Feasibility Study reserve fund to cover the cost of seeking the approval of the electors for Bylaws No. 393 and 394.

Respectfully:



David Leitch

Chief Administrative Officer

***Prepared by:*** T. Yates, Corporate Services Manager

Attachments: Bylaws No. 393 and 394  
Copy of March 20, 2020 report to the Board

| Schedule           | Action                                                                                                                                                                                              |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 15, 2020   | Regional Board directs the preparation of financing agreement between SRD and VIRL for proposed Campbell River library facility.                                                                    |
| February 26, 2020  | Campbell River Public Library Capital Financing Agreement Authorization Bylaw No. 381, 2020 given 3 readings and authorized for public notification.                                                |
| March 5, 2020      | First publication of Notice of Intention to adopt Bylaw No. 381.                                                                                                                                    |
| March 11, 2020     | Second publication of Notice of Intention to adopt Bylaw No. 381.                                                                                                                                   |
| April 15, 2020     | Regional Board adopts Bylaw No. 381.                                                                                                                                                                |
|                    | Regional Board authorizes preparation of service establishing bylaw and loan authorization bylaw.                                                                                                   |
| April 29, 2020     | Library Facility Capital Financing Service Establishing Bylaw No. 393, 2020 and Library Facility Capital Financing Loan Authorization Bylaw No. 394, 2020 given first 3 readings by Regional Board. |
|                    | Regional Board authorizes approval of the electors for Bylaws No. 393 and 394 to be obtained by a single Alternative Approval Process (AAP) for the entire service area.                            |
| May 4, 2020        | Bylaws No. 393 and 394 submitted to Inspector of Municipalities for approval under s.342 of <i>Local Government Act</i> .                                                                           |
| June 10, 2020      | Regional Board establishes elector response form, elector response deadline and determines total number of electors for AAP.                                                                        |
| June 22, 2020      | Inspector of Municipalities approval received for Bylaws No. 393 and 394.                                                                                                                           |
| June 26, 2020      | First publication of AAP notice for Bylaws No. 393 and 394.                                                                                                                                         |
| July 1, 2020       | Second publication of AAP notice for Bylaws No. 393 and 394.                                                                                                                                        |
| August 4, 2020     | Deadline for filing AAP responses with Regional District.                                                                                                                                           |
| August 19, 2020    | If elector approval received, Regional Board adopts Bylaws No. 393 and 394, and advises VIRL.                                                                                                       |
| September 21, 2020 | Quashing period for Loan Authorization Bylaw No. 394 expires. Application made to Inspector of Municipalities for Certificate of Approval.                                                          |
| October 7, 2020    | Temporary Borrowing Bylaw No. [REDACTED] given 3 readings and adopted by the Board.                                                                                                                 |
| November 18, 2020  | Security Issuing Bylaw No. [REDACTED] given 3 readings and adopted by the Board.                                                                                                                    |
| February 12, 2021  | Deadline for submitting Corporate Officer's certificate for debenture funding from the Municipal Finance Authority.                                                                                 |
| April 30, 2021     | Debenture funds received from the Municipal Finance Authority.                                                                                                                                      |



## BYLAW NO. 393

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### A BYLAW TO ESTABLISH A SERVICE TO PROVIDE CAPITAL FINANCING FOR PUBLIC LIBRARY FACILITIES WITHIN THE STRATHCONA REGIONAL DISTRICT

---

**WHEREAS** the Regional District may, pursuant to the *Local Government Act*, operate any service that it considers necessary or desirable for all or part of the Regional District;

**AND WHEREAS** the Regional District has entered into an agreement with the Vancouver Island Regional Library to provide capital financing for a new public library facility subject to the establishment of a public library capital financing service;

**AND WHEREAS** the Regional Board wishes to establish a service to provide capital financing for public library facilities within the Regional District;

**AND WHEREAS** approval of the electors has been obtained in accordance with Division 4 of Part 10 of the *Local Government Act*;

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

#### Service Established

1. There is hereby established a service to be known as the public library capital financing service.

#### Definition

2. In this bylaw, unless the context otherwise requires, "**public library facility**" means a library facility that is operated by or intended to be operated by the Vancouver Island Regional Library.

#### Service Described

3. The service hereby established includes the provision of short-term or long-term capital financing of public library facilities within the service area.

#### Participating Areas

4. The participating areas for the service are the City of Campbell River, Village of Gold River, Village of Sayward, Village of Tahsis, Village of Zeballos, Electoral Area A (Kyuquot/Nootka-

Sayward), Electoral Area B (Cortes Island), Electoral Area C (Discovery Islands-Mainland Inlets) and Electoral Area D (Oyster Bay-Buttle Lake).

**Service Area Boundaries**

5. The boundaries of the service area include the entirety of the Strathcona Regional District.

**Cost Recovery**

6. The annual cost of operating the service shall be recovered by one or more of the following methods:
- (a) property value taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*;
  - (b) revenues received by way of agreement, enterprise, gift, grant or otherwise;
  - (c) revenues raised by other means authorized by the *Local Government Act* or another Act.

**Limit on Requisition**

7. The maximum amount that may be requisitioned annually for the service is the equivalent of \$0.10 per 1,000 of the net taxable value of land and improvements in the service area.

**Apportionment of Costs**

8. The annual net costs of the service shall be apportioned to the participating areas on the basis of the converted value of land and improvements for hospital district purposes.

**Citation**

9. This bylaw may be cited for all purposes as Bylaw No. 393, being Public Library Facility Capital Financing Service Establishing Bylaw 2020.

READ A FIRST TIME ON THE                      DAY OF                      , 2020

READ A SECOND TIME ON THE                      DAY OF                      , 2020

READ A THIRD TIME ON THE                      DAY OF                      , 2020

APPROVED BY THE INSPECTOR OF MUNICIPALITIES ON THE                      DAY OF                      , 2020

APPROVAL OF THE ELECTORS RECEIVED ON THE                      DAY OF                      , 2020

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE                      DAY OF                      , 2020

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Corporate Officer



## **BYLAW NO. 394**

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### **A BYLAW TO AUTHORIZE THE BORROWING OF FUNDS FOR CAPITAL FINANCING A PUBLIC LIBRARY FACILITY IN CAMPBELL RIVER**

---

**WHEREAS** the Regional District has, by Bylaw No. 393, established a service to provide for the capital financing of public library facilities;

**AND WHEREAS** the Regional District wishes to authorize the borrowing of funds to lend to the Vancouver Island Regional Library for the construction of a public library facility in Campbell River, the estimated cost of which including expenses incidental thereto is \$14,000,000 (Fourteen Million Dollars) which is the maximum amount of borrowing authorized by this bylaw;

**AND WHEREAS** approval of the electors has been obtained in accordance with Division 6 of Part 11 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 \$14,000,000 (Fourteen Million Dollars) for the purpose of lending to the Vancouver Island Regional Library under the terms outlined in Bylaw No. 381, being Campbell River Public Library Capital Financing Agreement Authorization Bylaw 2020.

#### **Service Identification**

2. The Regional District service for which the debt authorized by this bylaw would be incurred is the service of public library capital financing.

#### **Term of Debt**

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 25 years.

#### **Citation**

4. This bylaw may be cited for all purposes as Bylaw No. 394, being Public Library Facility Loan Authorization Bylaw 2020.

**READ A FIRST TIME ON THE    DAY OF    , 2020**

**READ A SECOND TIME ON THE    DAY OF    , 2020**

**READ A THIRD TIME ON THE    DAY OF    , 2020**

**APPROVED BY THE INSPECTOR OF MUNICIPALITIES ON THE    DAY OF    , 2020**

**APPROVAL OF THE ELECTORS RECEIVED ON THE    DAY OF    , 2020**

**RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE    DAY OF    , 2020**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Corporate Officer



## STAFF REPORT

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**DATE:** March 20, 2020

**FILE:**0550-04

**TO:** Chair and Directors,  
Regional Board

**FROM:** David Leitch  
Chief Administrative Officer

**RE:** **BYLAW NO. 381 - PUBLIC LIBRARY FINANCING AGREEMENT**

### **PURPOSE/PROBLEM**

To consider adopting Bylaw No. 381 which would authorize the Regional District to enter into an agreement with the Vancouver Island Regional Library (VIRL) for capital financing a new public library facility in Campbell River.

### **EXECUTIVE SUMMARY**

At its February 26, 2020 meeting the Regional Board gave Bylaw No. 381 first 3 readings and directed that the bylaw be returned for further consideration following the public notification process. That process has now been completed and the feedback that was received is attached to this report for the Board's information. In summary, the majority of those comments are related to the location of the public library facility rather than the question of providing capital financing for a library facility under a long-term loan agreement with the VIRL. As the Board is aware, issues related to the location, design and construction of the facility are matters to be addressed between the VIRL and the City of Campbell River. In one case, a concern is expressed that ratepayers will not have any further say regarding the raising of capital funds for development of the library facility. However, there are many steps yet to be taken before funding to the VIRL can be provided including elector approval of the service establishment and loan authorization bylaws.

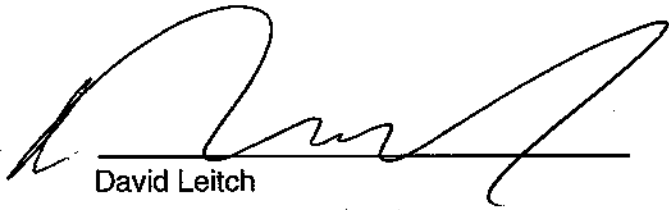
Providing opportunity for feedback with respect to Bylaw No. 381 is a statutory requirement that has been met by the Regional District, and the Board may proceed with adoption if it is satisfied that doing so is in the public interest. The Board is also reminded that the agreement with the VIRL provides that the Regional District will be reimbursed for all costs of seeking elector approval even if such approval is ultimately denied.

It is therefore recommended that the Board proceed at this time with adoption of Bylaw No. 381. The Board may also wish to take steps at this time to have a service establishing bylaw and loan authorization bylaw prepared in accordance with the previously noted schedule for this project (see attachment below).

### **RECOMMENDATIONS**

1. THAT the report from the Chief Administrative Officer be received.
2. THAT Bylaw No. 381, being Campbell River Public Library Capital Financing Agreement Authorization Bylaw 2020 be reconsidered, finally passed and adopted.
3. THAT a service establishing bylaw and loan authorization bylaw for the proposed Campbell River public library facility be prepared for further consideration by the Board.

Respectfully:

A handwritten signature in black ink, appearing to read 'David Leitch', is written over a horizontal line.

David Leitch  
Chief Administrative Officer

***Prepared by:*** T. Yates, Corporate Services Manager

Attachments: Bylaw No. 381  
Public Notice re Bylaw No. 381 and responses (4)  
Copy of February 7, 2020 report to the Board

COPY

| Schedule           | Action                                                                                                                                                                                        |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 15, 2020   | Regional Board directs the preparation of financing agreement between SRD and VIRL for proposed Campbell River library facility.                                                              |
| February 26, 2020  | Campbell River Public Library Capital Financing Agreement Authorization Bylaw No. 381, 2020 given 3 readings and authorized for public notification.                                          |
| March 5, 2020      | First publication of Notice of Intention to adopt Bylaw No. 381.                                                                                                                              |
| March 11, 2020     | Second publication of Notice of Intention to adopt Bylaw No. 381.                                                                                                                             |
| March 25, 2020     | Regional Board adopts Bylaw No. 381.                                                                                                                                                          |
|                    | Regional Board authorizes preparation of service establishing bylaw and loan authorization bylaw.                                                                                             |
| April 15, 2020     | Library Facility Capital Financing Service Establishing Bylaw ____, 2020 and Library Facility Capital Financing Loan Authorization Bylaw ____, 2020 given first 3 readings by Regional Board. |
|                    | Regional Board authorizes approval of the electors to be obtained by Alternative Approval Process (AAP) for Bylaws No. ____ and ____.                                                         |
| April 20, 2020     | Bylaws No. ____ and ____ submitted to Inspector of Municipalities for approval under s.342 of <i>Local Government Act</i> .                                                                   |
| April 29, 2020     | Regional Board establishes elector response form, elector response deadline and determines total number of electors for AAP.                                                                  |
| May 25, 2020       | Inspector of Municipalities approval received for Bylaws No. ____ and ____.                                                                                                                   |
| May 29, 2020       | First publication of AAP notice for Bylaws No. ____ and ____.                                                                                                                                 |
| June 3, 2020       | Second publication of AAP notice for Bylaws No. ____ and ____.                                                                                                                                |
| July 8, 2020       | Deadline for filing AAP responses with Regional District.                                                                                                                                     |
| July 22, 2020      | If elector approval received, Regional Board adopts Bylaws No. ____ and ____ and advises VIRL.                                                                                                |
| August 24, 2020    | Quashing period for Loan Authorization Bylaw No. ____ expired. Application made to Inspector of Municipalities for Certificate of Approval.                                                   |
| September 16, 2020 | Temporary Borrowing Bylaw No. ____ given 3 readings and adopted by the Board.                                                                                                                 |
| November 18, 2020  | Security Issuing Bylaw No. ____ given 3 readings and adopted by the Board.                                                                                                                    |
| February 12, 2021  | Deadline for submitting Corporate Officer's certificate for debenture funding from the Municipal Finance Authority.                                                                           |
| April 30, 2021     | Debenture funds received from the Municipal Finance Authority.                                                                                                                                |



## BYLAW NO. 381

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### A BYLAW TO AUTHORIZE ENTERING INTO AN AGREEMENT WITH THE VANCOUVER ISLAND REGIONAL LIBRARY FOR THE CAPITAL FINANCING OF A PUBLIC LIBRARY FACILITY

---

**WHEREAS** the Regional District may, pursuant to Part 8 of the *Local Government Act*, make agreements with a public authority respecting activities, works or services within the powers of the public authority;

**AND WHEREAS** the Vancouver Island Regional Library has requested that the Regional District provide capital financing for the development of a public library facility in Campbell River;

**AND WHEREAS** the Regional Board believes that supporting the development of a public library facility in Campbell River is in the public interest;

**AND WHEREAS** the Regional District wishes to enter into an agreement with the Vancouver Island Regional Library to provide the aforesaid capital financing at no cost to the Regional District;

**AND WHEREAS** the requirements of Division 4 of Part 8 of the *Local Government Act* with respect to the lending of money have been met;

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

#### **Financing Agreement Authorized**

1. The Strathcona Regional District is hereby authorized to enter into a capital financing agreement with the Vancouver Island Regional Library to provide assistance for development of a public library facility in Campbell River.

#### **Form and Substance**

2. The agreement referenced in section 1 shall substantially comply in form and substance with that shown in Schedule 'A', attached to and forming part of this bylaw.

**Authority to Execute**

3. The Chair and Corporate Officer shall have full authority to execute the agreement and such further documents as may be necessary to give effect to the agreement following adoption of this bylaw.

**Effective Date**

4. This bylaw shall take effect on the date of adoption.

**Citation**

5. This bylaw may be cited for all purposes as Bylaw No. 381, being Campbell River Public Library Capital Financing Agreement Authorization Bylaw 2020.

**READ A FIRST TIME ON THE 26<sup>TH</sup> DAY OF FEBRUARY, 2020**

**READ A SECOND TIME ON THE 26<sup>TH</sup> DAY OF FEBRUARY, 2020**

**READ A THIRD TIME ON THE 26<sup>TH</sup> DAY OF FEBRUARY, 2020**

**PUBLIC NOTICE OF INTENTION TO ADOPT BYLAW PUBLISHED ON THE 6<sup>TH</sup>, 11<sup>TH</sup> AND 18<sup>TH</sup> DAYS OF MARCH, 2020**

**RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE      DAY OF      , 2020**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Corporate Officer

## Schedule 'A'

**INDEBTEDNESS AGREEMENT**

**THIS AGREEMENT** dated for reference the \_\_\_\_ day of \_\_\_\_\_, 2020.

**BETWEEN:**

Vancouver Island Regional Library, an entity incorporated under the laws of the Province of British Columbia and having its head office at Box 3333, 6250 Hammond Bay Road, Nanaimo, British Columbia

(hereinafter referred to as the "VIRL")

**OF THE FIRST PART,**

--and--

Strathcona Regional District, an entity incorporated under the laws of the Province of British Columbia and having its head office at 990 Cedar Street, Campbell River, British Columbia, V9W 7Z8

(hereinafter referred to as the "SRD")

**OF THE SECOND PART.**

**WHEREAS** the VIRL has requested that the SRD borrow, on VIRL's behalf, a maximum of 14 Million Dollars (\$14,000,000), for the construction/renovation of a public library facility on land located at 1240 Shoppers Row, Campbell River (the "Property") in the Province of British Columbia;

**AND WHEREAS** the VIRL desires to provide the SRD with commitments with respect to obtaining such loan, and sufficient security and comfort for undertaking to secure the loan on behalf of the VIRL;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each other party hereto, and other good and valuable consideration, (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), it is agreed as follows;

**ARTICLE ONE – DEFINITIONS AND INTERPRETATION**

**1.1 Definitions.** In this Agreement unless something in the subject matter or context is inconsistent therewith:

- a) **"Business Day"** means any day other than a Saturday or Sunday, or holiday, on which Canadian chartered banks are open for business in Nanaimo, British Columbia.
- b) **"Indebtedness"** means the obligations of the VIRL to the SRD, as detailed in Article 2.2 of this Agreement;
- c) **"Loan"** means the loan that the SRD may obtain from the MFA, on behalf of the VIRL, to a maximum principal sum of 14 Million Dollars (\$14,000,000), and interest thereon;
- d) **"Loan Agreement"** means the agreement between the Municipal Finance Authority and the SRD, which sets out all terms and conditions of the Loan;

- e) **“MFA”** means the Municipal Finance Authority of British Columbia, whose head office is located in the City of Victoria in the Province of British Columbia;
- f) **“Mortgage”** means the mortgage to be granted by the VIRL in favour of the SRD and registered against title to the Property in the City of Campbell River in the Province of British Columbia.

## ARTICLE TWO – THE LOAN AND INDEBTEDNESS

**2.1 The Loan.** The SRD hereby agrees that, on the terms and subject to the conditions set forth herein and the terms agreed to with the MFA, it will borrow the Loan from the MFA for the benefit of the VIRL and then advance the Loan to the VIRL as a form of assistance for construction/renovation of a public library facility.

**2.2 The Indebtedness.** The VIRL agrees to be liable to the SRD for the aggregate of the following obligations:

- a) Payment of any and all obligations and liabilities, including interest, penalties and costs, owing by the SRD to the MFA pursuant to the Loan Agreement and any other documents or security granted by the SRD to the MFA pursuant thereto and all administrative costs of the SRD incurred by this Agreement, the Loan and the Mortgage;
- b) Payment of any and all costs or outlays, or any nature whatsoever, incurred by the SRD with respect to the negotiation, preparation, execution and delivery of the Loan Agreement, the Mortgage and this Agreement, as well as all actions under the Loan Agreement and this Agreement including costs incurred to provide notification to the public and to seek electoral approval; and
- c) The VIRL agrees to indemnify and hold the SRD harmless from any costs, claims, outlays, expenses, and liabilities, of any nature whatsoever, that the SRD may be responsible for, arising directly or indirectly out of this Agreement, or the negotiation, execution and delivery of the Loan Agreement, or the advancement of the Loan;

(all of which obligations, indebtedness and liabilities are herein collectively called the “Indebtedness”).

## ARTICLE THREE – FORM OF THE MORTGAGE

**3.1 Mortgage.** Prior to the SRD obtaining the Loan from the MFA, the VIRL shall secure the Indebtedness by granting the Mortgage, which shall be registered as a first financial charge over the Property located in the City of Campbell River, in the Province of British Columbia.

## ARTICLE FOUR – REPAYMENT OF THE INDEBTEDNESS

**4.1 Repayment of the Loan.** The VIRL shall pay to the SRD all principal amounts of the Loan, together with any interest or other amounts payable, all in accordance with the terms and conditions of the Loan Agreement. It is the intent of the VIRL, that it will share in the costs of the borrowing amongst all its members as per all its other normal operating budget costs. It is also the intent of the VIRL to ensure full payment of the regular repayment amounts of the Loan due, prior to the payment due date set out in the Loan Agreement.

**4.2 Prepayments and Early Payments.** The VIRL shall be entitled to prepay any of the outstanding principal amount of the Loan, subject to the terms and conditions of the Loan Agreement, provided that the VIRL also pays whatever penalties or restrictions on prepayment are set out therein. However, any gains calculated by MFA, such as the early repayment of MFA gains earned though the investment of proceeds, shall be for the benefit of VIRL.

**4.3 Repayment of other indebtedness.** If there are any payments required to be made by the VIRL to the SRD in addition to payments on the Loan, then the VIRL shall make such payments to the SRD within (30) days of receipt of an invoice from the SRD detailing such obligations of the VIRL.

**4.4 Type and Place of Payment.** All payments by the VIRL shall be made or delivered to the SRD at its head office listed above.

## ARTICLE FIVE –CONDITIONS PRECEDENT

**5.1 Loan Agreement and Mortgage.** The obligations of the parties with respect to the consummation of any arrangements under this Agreement are subject to the fulfillment, in writing, of the following conditions precedent on the dates set out:

- a) The arrangement of the Loan Agreement between the SRD and the MFA, on terms and conditions that are acceptable to the SRD and the VIRL, in their sole respective discretions, on or before December 31, 2021, and
- b) The agreement on the form and substance of the documents comprising the Mortgage, on terms and conditions acceptable to the SRD and the VIRL, in their sole respective discretions, on or before December 31, 2020;

In the event that the foregoing conditions precedent are not declared fulfilled in writing by both parties by the applicable dates set out above, then all obligations of the SRD and the VIRL hereunder shall be null and void.

**5.2 SRD Approvals and Access to Funds.** The obligations of the SRD with respect to the consummation of any arrangements under this Agreement are subject to the fulfillment, in writing, of the following conditions precedent on the dates set out:

- a) The SRD obtaining the necessary approvals from its electors and from the Provincial Government, on terms and conditions that are acceptable to it in its sole discretion, on or before September 30, 2020; and
- b) The SRD obtaining advance of the Loan from the MFA on or before June 30, 2022.

In the event that the foregoing conditions precedent are not declared fulfilled in writing by the SRD by the applicable dates set out above, then all obligations of the SRD and the VIRL hereunder shall be null and void except the obligation to reimburse the SRD for costs incurred in good faith by the SRD pursuant to paragraph 2.2(b) of Article 2 hereof.

## ARTICLE SIX – REPRESENTATIONS AND WARRANTIES

**6.1 Representations and Warranties of the VIRL.** To induce the SRD to enter into this Agreement and to make the Loan, the VIRL makes the following representations and warranties which shall survive the execution and delivery of this Agreement and the Mortgage:

- a) Neither the execution and delivery of this Agreement nor compliance with the terms, conditions and provisions hereof, will conflict with or result in a breach of any of the terms, conditions, or provisions of:
  - i. any agreement, instrument or arrangement to which the VIRL is now a party or by which it is or may be bound, or constitute a default thereunder;
  - ii. any judgment or order, writ, injunction or decree of any court; or
  - iii. any applicable law or government regulation.

- b) No action of, or filing with, any governmental or public body or authority is required to authorize, or is otherwise required in connection with the execution, delivery and performance of this Agreement by the VIRL.

## **ARTICLE SEVEN – MORTGAGE COVENANTS**

**7.1 Covenants of the VIRL.** From the date of this agreement and thereafter until the indebtedness is paid in full:

- a) The VIRL will notify the SRD immediately if the VIRL shall default in a material manner in the payment of any of its indebtedness under this Agreement, whether such indebtedness now exists or shall hereafter be created. The VIRL also shall notify the SRD immediately if there shall occur a material event of default under any mortgage, indenture or instrument (including without limitation this Agreement) under which there may be incurred or evidenced, any indebtedness of the VIRL for borrowed money, whether such indebtedness now exists or shall hereafter be created;
- b) The VIRL will comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, a breach of which would materially and adversely affect the financial condition or businesses of the VIRL, except where contested in good faith and by proper proceedings;
- c) The VIRL will promptly give the SRD notice in writing of all litigation and all proceedings before any governmental or regulatory agencies or arbitration authorities affecting the VIRL, except those which, if adversely determined, would not have a material adverse effect on the financial condition or business of the VIRL; and
- d) The VIRL shall use all portions of the Loan advanced to it, solely for the purpose of construction of a library building on the Property in the City of Campbell River, in the Province of British Columbia.

## **ARTICLE EIGHT – GENERAL PROVISIONS**

**8.1 Notices.** All notices, requests, demands or other communications (collectively, “Notices”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, to such other party as follows:

To the VIRL at:

Box 3333 6250 Hammond Bay Road  
Nanaimo, BC V9R 5N3

To the SRD at:

990 Cedar Street,  
Campbell River, BC V9W 7Z8

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery.

**8.2 Additional Considerations.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and bylaws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

**8.3 Counterparts.** This Agreement may be executed in several counterparts, each of which when executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

**8.4 Time is of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of the Agreement shall operate as a waiver of this provision.

**8.5 Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto.

**8.6 Enurement.** This Agreement shall ensure to the benefit of and be binding upon the parties and their respective successors and assigns.

**8.7 Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

**8.8 Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

**8.9 Governing Law.** This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the exclusive jurisdiction of the Courts of such Province as located in Nanaimo, British Columbia.

**8.10 Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine, and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

**8.11 Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

**8.12 Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

**8.13 Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

**8.14 Transmission by Facsimile.** The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

**IN WITNESS WHEREOF** the parties have duly executed this Indebtedness Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**STRATHCONA REGIONAL DISTRICT:**

**Per:** \_\_\_\_\_  
Chair

**Per:** \_\_\_\_\_  
Corporate Officer

**VANCOUVER ISLAND REGIONAL LIBRARY:**

**Per:** \_\_\_\_\_  
Executive Director

**Per:** \_\_\_\_\_  
Director of Finance

## NOTICE OF CAPITAL FINANCING AGREEMENT

### PUBLIC LIBRARY FACILITY

Public Notice is hereby given that on Wednesday, March 25, 2020 the Board of Directors for the Strathcona Regional District intends to proceed with final passage and adoption of Bylaw No. 381, being Campbell River Public Library Capital Financing Agreement Authorization Bylaw 2020, which would authorize the Regional District to enter into an agreement with the Vancouver Island Regional Library (VIRL) to provide funding for a new public library facility in Campbell River.

Under the terms of the proposed agreement the Regional District would lend up to \$14 million to the VIRL for the construction of a new public library facility and the borrowed funds would be repaid by the VIRL in annual installments to cover all principal, interest and other costs incurred by the Regional District in relation to the project. The transfer of capital funds to the VIRL would be conditional on the Regional District receiving the approval of the electors to establish a capital financing service and to borrow funds for the project. The public's investment in the project would be secured through registration of a mortgage against the title to the library facility property.

The full text of Bylaw No. 381 can be viewed online at [www.srd.ca/bylaw-381](http://www.srd.ca/bylaw-381) or in person at the Regional District office during regular business hours until Wednesday, March 25, 2020. Further information regarding this matter may be obtained at [www.srd.ca](http://www.srd.ca).

Those persons who wish to object to the passage of Bylaw No. 381 or who believe that the proposed agreement is not in the public interest may file a written objection with the Regional District before 12:00 noon on Friday, March 20, 2020 for consideration by the Regional Board.

Tom Yates, Corporate Services Manager  
Email: [administration@srd.ca](mailto:administration@srd.ca)



990 Cedar Street, Campbell River, BC V9W 7Z8

Tel: 250-830-6700 • Fax: 250-830-6710

Toll-free: 1-877-830-2990

[www.srd.ca](http://www.srd.ca)

**Subject:** FW: Objection to Passage of Bylaw No. 381

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**From:** tiaja [REDACTED]  
**Sent:** March-10-20 10:54 PM  
**To:** Email - [administration@strathconard.ca](mailto:administration@strathconard.ca) <[Administration@strathconard.ca](mailto:Administration@strathconard.ca)>  
**Subject:** Objection to Passage of Bylaw No. 381

To the Regional Board

I just read about the proposed passage and adoption of No. 381, which aims to spend \$14 million on rebuilding the Campbell River library on the same property. I urge the board to reconsider and put that money towards building in a new area. The current downtown location feels unsafe and unfriendly towards families with children. Many times my 3 year old and I have witnessed unfortunate behaviour and have been approached by members of the community who are peddling and/or appear to be under the influence. The library is supposed to be a place for people to discover, study, and enjoy literature; it should not continue to be a public place for individuals to get high and be rude towards other people.

This is my written opposition against the passage of Bylaw No. 381. I only just found out about the proposal this evening, and I imagine many other Campbell River locals haven't heard of it yet. I feel that the community should have more involvement in the process of deciding how this \$14 million be spent.

Thanks for listening!  
Tiaja Scott, mom of two.

**Tom Yates**

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**Subject:** FW: New library

**From:** Kayla Beauregard [REDACTED]  
**Sent:** March-11-20 8:44 AM  
**To:** Email - [administration@strathconard.ca](mailto:administration@strathconard.ca) <[Administration@strathconard.ca](mailto:Administration@strathconard.ca)>  
**Subject:** New library

Hi there ,

I am a long time resident of Campbell River , I have come and gone once , when I returned I brought my husband and my 2 young children. First off my husband is pretty much uncomfortable in the library area , he says he will avoid going that way at all cost , he is also sad , because he loves to take our son to the library, he use to do it a lot where we use to live. Now his love for taking our son the the library, has gone away cause he doesn't feel safe when he's with our son down in that area. He doesn't want to expose him to the people down there , our son always has questions about the "strange looking people" down there.

I have never been a huge fan of the area, just like my husband it makes me uncomfortable. If you do decides to go through with this 14M project I strongly advise you to find a more fitting place in town , a new location and create a better environment , and a larger area for children to play grow and develop in, an area full of knowledge, with no computers , children don't need computers, they can learn all the things they need from books and flash cards and toys.

If you do get a new library built in a new location , I feel we should turn the old building into maybe a new shelter/ soup kitchen for the homeless so that we can get them off the streets and safe, and our children aren't exposed to them and all the trash they leave behind. They can get out of the beaver lodge lands , and many other places in town, you can always tell where they stay cause there is a ton of garbage there.

I am comfortable with a new library if we move the location 100% but if we do not move it's location , I do not agree , I think that the money could be put to better use, with redone crosswalks , putting in new crosswalk lights , redoing parks and so so much more .

Sincerely a concerned citizen,  
Kayla Beauregard

**Tom Yates**

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**Subject:** FW: Objection to New Library project

-----Original Message-----

From: Sydney Roberts [REDACTED]

Sent: March-11-20 12:57 PM

To: Email - administration@strathconard.ca <Administration@strathconard.ca>

Subject: Objection to New Library project

To Whom It May Concern,

I am sending this email as a written objection to the new library project. I believe more public consultation as well as a new location would be in the best interest of our community. The current location does not feel safe and I don't believe that a new building will change this.

Thank you,

Sydney Roberts

**Tom Yates**

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**Subject:** FW: library funding

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**From:** [REDACTED]  
**Sent:** March 19, 2020 8:31 PM  
**To:** Email - [administration@strathconard.ca](mailto:administration@strathconard.ca) <[Administration@strathconard.ca](mailto:Administration@strathconard.ca)>  
**Subject:** library funding

Hello to the board

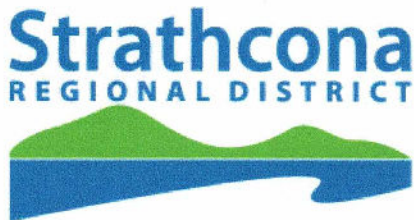
I am writing this to be against taxation without representation. Why would the SRD enable the VIRD to borrow money with out a vote from the taxpayers that they represent? The VIRD is not allowed by statute to do what you are enabling, it is unlawful and as political representatives you should check your ethics and morality. Again I ask why are you rushing this forward? Who is asking for a new building? What is wrong with what we have now. What is the rush?

Is it moral for Brenda Lea to have a loud voice in the SRD and be head of VIRD? She should excuse herself from discussions not lead them! Again who is asking for a new building?

You are political representatives from several levels of government but remember there is only one tax payer but we vote municipally, regionally, provincially and federally. The Campbell river Tax payer spends \$4000.00 / day to operate the existing library, do we need a bigger expense? Please do not approve this borrowing it is sneaky and poor timed. The right thinking voters will remember who is wasting their tax dollars!

A worried tax payer

BRAD ZIHRUL



## STAFF REPORT

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**DATE:** February 7, 2020

**FILE:**0550-04

**TO:** Chair and Directors,  
Regional Board

**FROM:** David Leitch  
Chief Administrative Officer

**RE:** **BYLAW NO. 381 - PUBLIC LIBRARY FINANCING AGREEMENT**

### **PURPOSE/PROBLEM**

To consider first 3 readings of Bylaw No. 381 which would set out the terms under which the Regional District would enter into an agreement with the Vancouver Island Regional Library (VIRL) for capital financing a new public library facility in Campbell River.

### **EXECUTIVE SUMMARY**

At its January 15, 2020 meeting the Regional Board considered the attached report regarding the capital financing of a new library facility in Campbell River. At that time the Board passed the following resolution:

Evans/Leigh: SRD 14/20

THAT a bylaw to authorize entering into a financing agreement with the Vancouver Island Regional Library be prepared for the Board's consideration.

The attached bylaw has been prepared in accordance with the Board's direction and would establish the terms under which the Regional District would provide capital funding for a new library facility. Notable provisions of the agreement include the following:

- the library facility would be managed by the VIRL which would be responsible for constructing the facility and for all operational costs.
- the Regional District's capital investment would be secured by registration of a mortgage in the Land Title office.
- the VIRL would make annual payments from its operating budget to cover costs incurred by the Regional District including borrowing costs, legal costs and the costs of seeking elector approval.
- the Regional District's obligations under the agreement would be conditional on the adoption of a service establishing bylaw and approval of the electors to borrow capital funds.

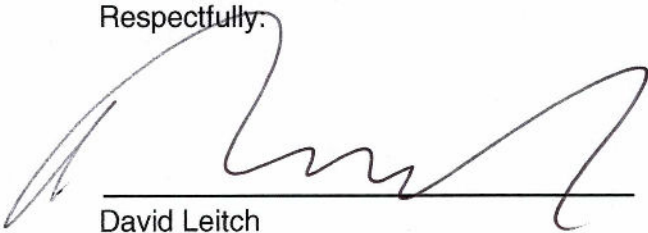
Before Bylaw No. 381 may be adopted the Regional District must notify the public and consider any feedback regarding the proposed funding agreement. With the current project schedule, it is anticipated that this process can be completed and Bylaw No. 381 returned for further consideration at the March 25, 2020 Board meeting. The Board could also consider at that time the process for establishing a service and seeking approval of the electors for the borrowing of capital funds for this project.

### **RECOMMENDATIONS**

1. THAT the report from the Chief Administrative Officer be received.

2. THAT Bylaw No. 381, being a bylaw to authorize entering into an agreement with the Vancouver Island Public Library for the capital financing of a public library facility, be now introduced and read a first time.
3. THAT the rules be suspended and Bylaw No. 381 be given second and third readings.
4. THAT Bylaw No. 381 be returned for further consideration by the Board following the conclusion of the public notification process.

Respectfully,



David Leitch

Chief Administrative Officer

***Prepared by: T. Yates, Corporate Services Manager***

ATTACHMENTS: Bylaw No. 381  
Copy of December 11, 2019 report to the Board

| Schedule           | Action                                                                                                                                                                                      |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 15, 2020   | Regional Board directs the preparation of financing agreement between SRD and VIRL for proposed Campbell River library facility.                                                            |
| February 26, 2020  | Campbell River Public Library Capital Financing Agreement Authorization Bylaw No. 381, 2020 given 3 readings and authorized for public notification.                                        |
| March 5, 2020      | First publication of Notice of Intention to adopt Bylaw No. 381.                                                                                                                            |
| March 11, 2020     | Second publication of Notice of Intention to adopt Bylaw No. 381.                                                                                                                           |
| March 25, 2020     | Regional Board adopts Bylaw No. 381.                                                                                                                                                        |
|                    | Regional Board authorizes preparation of service establishing bylaw and loan authorization bylaw.                                                                                           |
| April 15, 2020     | Library Facility Capital Financing Service Establishing Bylaw ___, 2020 and Library Facility Capital Financing Loan Authorization Bylaw ___, 2020 given first 3 readings by Regional Board. |
|                    | Regional Board authorizes approval of the electors to be obtained by Alternative Approval Process (AAP) for Bylaws No. ___ and ___.                                                         |
| April 20, 2020     | Bylaws No. ___ and ___ submitted to Inspector of Municipalities for approval under s.342 of <i>Local Government Act</i> .                                                                   |
| April 29, 2020     | Regional Board establishes elector response form, elector response deadline and determines total number of electors for AAP.                                                                |
| May 25, 2020       | Inspector of Municipalities approval received for Bylaws No. ___ and ___.                                                                                                                   |
| May 29, 2020       | First publication of AAP notice for Bylaws No. ___ and ___.                                                                                                                                 |
| June 3, 2020       | Second publication of AAP notice for Bylaws No. ___ and ___.                                                                                                                                |
| July 8, 2020       | Deadline for filing AAP responses with Regional District.                                                                                                                                   |
| July 22, 2020      | If elector approval received, Regional Board adopts Bylaws No. ___ and ___ and advises VIRL.                                                                                                |
| August 24, 2020    | Quashing period for Loan Authorization Bylaw No. ___ expired. Application made to Inspector of Municipalities for Certificate of Approval.                                                  |
| September 16, 2020 | Temporary Borrowing Bylaw No. ___ given 3 readings and adopted by the Board.                                                                                                                |
| November 18, 2020  | Security Issuing Bylaw No. ___ given 3 readings and adopted by the Board.                                                                                                                   |
| February 12, 2021  | Deadline for submitting Corporate Officer's certificate for debenture funding from the Municipal Finance Authority.                                                                         |
| April 30, 2021     | Debenture funds received from the Municipal Finance Authority.                                                                                                                              |



## BYLAW NO. 381

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### A BYLAW TO AUTHORIZE ENTERING INTO AN AGREEMENT WITH THE VANCOUVER ISLAND REGIONAL LIBRARY FOR THE CAPITAL FINANCING OF A PUBLIC LIBRARY FACILITY

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**WHEREAS** the Regional District may, pursuant to Part 8 of the *Local Government Act*, make agreements with a public authority respecting activities, works or services within the powers of the public authority;

**AND WHEREAS** the Vancouver Island Regional Library has requested that the Regional District provide capital financing for the development of a public library facility in Campbell River;

**AND WHEREAS** the Regional Board believes that supporting the development of a public library facility in Campbell River is in the public interest;

**AND WHEREAS** the Regional District wishes to enter into an agreement with the Vancouver Island Regional Library to provide the aforesaid capital financing at no cost to the Regional District;

**AND WHEREAS** the requirements of Division 4 of Part 8 of the *Local Government Act* with respect to the lending of money have been met;

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

#### **Financing Agreement Authorized**

1. The Strathcona Regional District is hereby authorized to enter into a capital financing agreement with the Vancouver Island Regional Library to provide assistance for development of a public library facility in Campbell River.

#### **Form and Substance**

2. The agreement referenced in section 1 shall substantially comply in form and substance with that shown in Schedule 'A', attached to and forming part of this bylaw.

**Authority to Execute**

3. The Chair and Corporate Officer shall have full authority to execute the agreement and such further documents as may be necessary to give effect to the agreement following adoption of this bylaw.

**Effective Date**

4. This bylaw shall take effect on the date of adoption.

**Citation**

5. This bylaw may be cited for all purposes as Bylaw No. 381, being Campbell River Public Library Capital Financing Agreement Authorization Bylaw 2020.

**READ A FIRST TIME ON THE      DAY OF      , 2020**

**READ A SECOND TIME ON THE      DAY OF      , 2020**

**READ A THIRD TIME ON THE      DAY OF      , 2020**

**PUBLIC NOTICE OF INTENTION TO ADOPT BYLAW PUBLISHED ON THE      AND      DAYS  
OF      , 2020**

**RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE      DAY OF      , 2020**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Corporate Officer

## Schedule 'A'

**INDEBTEDNESS AGREEMENT**

**THIS AGREEMENT** dated for reference the \_\_\_\_ day of \_\_\_\_\_, 2020.

**BETWEEN:**

Vancouver Island Regional Library, an entity incorporated under the laws of the Province of British Columbia and having its head office at Box 3333, 6250 Hammond Bay Road, Nanaimo, British Columbia

(hereinafter referred to as the "VIRL")

**OF THE FIRST PART,**

--and--

Strathcona Regional District, an entity incorporated under the laws of the Province of British Columbia and having its head office at 990 Cedar Street, Campbell River, British Columbia, V9W 7Z8

(hereinafter referred to as the "SRD")

**OF THE SECOND PART.**

**WHEREAS** the VIRL has requested that the SRD borrow, on VIRL's behalf, a maximum of 14 Million Dollars (\$14,000,000), for the construction/renovation of a public library facility on land located at 1240 Shoppers Row, Campbell River (the "Property") in the Province of British Columbia;

**AND WHEREAS** the VIRL desires to provide the SRD with commitments with respect to obtaining such loan, and sufficient security and comfort for undertaking to secure the loan on behalf of the VIRL;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar paid by each party hereto to each other party hereto, and other good and valuable consideration, (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), it is agreed as follows;

**ARTICLE ONE – DEFINITIONS AND INTERPRETATION**

**1.1 Definitions.** In this Agreement unless something in the subject matter or context is inconsistent therewith:

- a) **"Business Day"** means any day other than a Saturday or Sunday, or holiday, on which Canadian chartered banks are open for business in Nanaimo, British Columbia.
- b) **"Indebtedness"** means the obligations of the VIRL to the SRD, as detailed in Article 2.2 of this Agreement;
- c) **"Loan"** means the loan that the SRD may obtain from the MFA, on behalf of the VIRL, to a maximum principal sum of 14 Million Dollars (\$14,000,000), and interest thereon;
- d) **"Loan Agreement"** means the agreement between the Municipal Finance Authority and the SRD, which sets out all terms and conditions of the Loan;

- e) **“MFA”** means the Municipal Finance Authority of British Columbia, whose head office is located in the City of Victoria in the Province of British Columbia;
- f) **“Mortgage”** means the mortgage to be granted by the VIRL in favour of the SRD and registered against title to the Property in the City of Campbell River in the Province of British Columbia.

## ARTICLE TWO – THE LOAN AND INDEBTEDNESS

**2.1 The Loan.** The SRD hereby agrees that, on the terms and subject to the conditions set forth herein and the terms agreed to with the MFA, it will borrow the Loan from the MFA for the benefit of the VIRL and then advance the Loan to the VIRL as a form of assistance for construction/renovation of a public library facility.

**2.2 The Indebtedness.** The VIRL agrees to be liable to the SRD for the aggregate of the following obligations:

- a) Payment of any and all obligations and liabilities, including interest, penalties and costs, owing by the SRD to the MFA pursuant to the Loan Agreement and any other documents or security granted by the SRD to the MFA pursuant thereto and all administrative costs of the SRD incurred by this Agreement, the Loan and the Mortgage;
- b) Payment of any and all costs or outlays, or any nature whatsoever, incurred by the SRD with respect to the negotiation, preparation, execution and delivery of the Loan Agreement, the Mortgage and this Agreement, as well as all actions under the Loan Agreement and this Agreement including costs incurred to provide notification to the public and to seek electoral approval; and
- c) The VIRL agrees to indemnify and hold the SRD harmless from any costs, claims, outlays, expenses, and liabilities, of any nature whatsoever, that the SRD may be responsible for, arising directly or indirectly out of this Agreement, or the negotiation, execution and delivery of the Loan Agreement, or the advancement of the Loan;

(all of which obligations, indebtedness and liabilities are herein collectively called the “Indebtedness”).

## ARTICLE THREE – FORM OF THE MORTGAGE

**3.1 Mortgage.** Prior to the SRD obtaining the Loan from the MFA, the VIRL shall secure the Indebtedness by granting the Mortgage, which shall be registered as a first financial charge over the Property located in the City of Campbell River, in the Province of British Columbia.

## ARTICLE FOUR – REPAYMENT OF THE INDEBTEDNESS

**4.1 Repayment of the Loan.** The VIRL shall pay to the SRD all principal amounts of the Loan, together with any interest or other amounts payable, all in accordance with the terms and conditions of the Loan Agreement. It is the intent of the VIRL, that it will share in the costs of the borrowing amongst all its members as per all its other normal operating budget costs. It is also the intent of the VIRL to ensure full payment of the regular repayment amounts of the Loan due, prior to the payment due date set out in the Loan Agreement.

**4.2 Prepayments and Early Payments.** The VIRL shall be entitled to prepay any of the outstanding principal amount of the Loan, subject to the terms and conditions of the Loan Agreement, provided that the VIRL also pays whatever penalties or restrictions on prepayment are set out therein. However, any gains calculated by MFA, such as the early repayment of MFA gains earned though the investment of proceeds, shall be for the benefit of VIRL.

**4.3 Repayment of other indebtedness.** If there are any payments required to be made by the VIRL to the SRD in addition to payments on the Loan, then the VIRL shall make such payments to the SRD within (30) days of receipt of an invoice from the SRD detailing such obligations of the VIRL.

**4.4 Type and Place of Payment.** All payments by the VIRL shall be made or delivered to the SRD at its head office listed above.

## ARTICLE FIVE –CONDITIONS PRECEDENT

**5.1 Loan Agreement and Mortgage.** The obligations of the parties with respect to the consummation of any arrangements under this Agreement are subject to the fulfillment, in writing, of the following conditions precedent on the dates set out:

- a) The arrangement of the Loan Agreement between the SRD and the MFA, on terms and conditions that are acceptable to the SRD and the VIRL, in their sole respective discretions, on or before December 31, 2021, and
- b) The agreement on the form and substance of the documents comprising the Mortgage, on terms and conditions acceptable to the SRD and the VIRL, in their sole respective discretions, on or before December 31, 2020;

In the event that the foregoing conditions precedent are not declared fulfilled in writing by both parties by the applicable dates set out above, then all obligations of the SRD and the VIRL hereunder shall be null and void.

**5.2 SRD Approvals and Access to Funds.** The obligations of the SRD with respect to the consummation of any arrangements under this Agreement are subject to the fulfillment, in writing, of the following conditions precedent on the dates set out:

- a) The SRD obtaining the necessary approvals from its electors and from the Provincial Government, on terms and conditions that are acceptable to it in its sole discretion, on or before September 30, 2020; and
- b) The SRD obtaining advance of the Loan from the MFA on or before June 30, 2022.

In the event that the foregoing conditions precedent are not declared fulfilled in writing by the SRD by the applicable dates set out above, then all obligations of the SRD and the VIRL hereunder shall be null and void except the obligation to reimburse the SRD for costs incurred in good faith by the SRD pursuant to paragraph 2.2(b) of Article 2 hereof.

## ARTICLE SIX – REPRESENTATIONS AND WARRANTIES

**6.1 Representations and Warranties of the VIRL.** To induce the SRD to enter into this Agreement and to make the Loan, the VIRL makes the following representations and warranties which shall survive the execution and delivery of this Agreement and the Mortgage:

- a) Neither the execution and delivery of this Agreement nor compliance with the terms, conditions and provisions hereof, will conflict with or result in a breach of any of the terms, conditions, or provisions of:
  - i. any agreement, instrument or arrangement to which the VIRL is now a party or by which it is or may be bound, or constitute a default thereunder;
  - ii. any judgment or order, writ, injunction or decree of any court; or
  - iii. any applicable law or government regulation.

- b) No action of, or filing with, any governmental or public body or authority is required to authorize, or is otherwise required in connection with the execution, delivery and performance of this Agreement by the VIRL.

## ARTICLE SEVEN – MORTGAGE COVENANTS

**7.1 Covenants of the VIRL.** From the date of this agreement and thereafter until the indebtedness is paid in full:

- a) The VIRL will notify the SRD immediately if the VIRL shall default in a material manner in the payment of any of its indebtedness under this Agreement, whether such indebtedness now exists or shall hereafter be created. The VIRL also shall notify the SRD immediately if there shall occur a material event of default under any mortgage, indenture or instrument (including without limitation this Agreement) under which there may be incurred or evidenced, any indebtedness of the VIRL for borrowed money, whether such indebtedness now exists or shall hereafter be created;
- b) The VIRL will comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, a breach of which would materially and adversely affect the financial condition or businesses of the VIRL, except where contested in good faith and by proper proceedings;
- c) The VIRL will promptly give the SRD notice in writing of all litigation and all proceedings before any governmental or regulatory agencies or arbitration authorities affecting the VIRL, except those which, if adversely determined, would not have a material adverse effect on the financial condition or business of the VIRL; and
- d) The VIRL shall use all portions of the Loan advanced to it, solely for the purpose of construction of a library building on the Property in the City of Campbell River, in the Province of British Columbia.

## ARTICLE EIGHT – GENERAL PROVISIONS

**8.1 Notices.** All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, to such other party as follows:

To the VIRL at:

Box 3333 6250 Hammond Bay Road  
Nanaimo, BC V9R 5N3

To the SIRD at:

990 Cedar Street,  
Campbell River, BC V9W 7Z8

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery.

**8.2 Additional Considerations.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and bylaws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

**8.3 Counterparts.** This Agreement may be executed in several counterparts, each of which when executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

**8.4 Time is of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of the Agreement shall operate as a waiver of this provision.

**8.5 Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto.

**8.6 Enurement.** This Agreement shall ensure to the benefit of and be binding upon the parties and their respective successors and assigns.

**8.7 Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

**8.8 Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

**8.9 Governing Law.** This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the exclusive jurisdiction of the Courts of such Province as located in Nanaimo, British Columbia.

**8.10 Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine, and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

**8.11 Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

**8.12 Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

**8.13 Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

**8.14 Transmission by Facsimile.** The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

**IN WITNESS WHEREOF** the parties have duly executed this Indebtedness Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**STRATHCONA REGIONAL DISTRICT:**

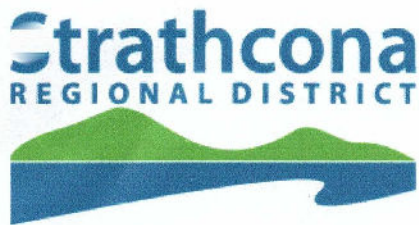
**Per:** \_\_\_\_\_  
Chair

**Per:** \_\_\_\_\_  
Corporate Officer

**VANCOUVER ISLAND REGIONAL LIBRARY:**

**Per:** \_\_\_\_\_  
Executive Director

**Per:** \_\_\_\_\_  
Director of Finance



## STAFF REPORT

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**DATE:** December 11, 2019

**FILE:** 0360-20

**TO:** Chair and Directors,  
Regional Board

**FROM:** Dave Leitch  
Chief Administrative Officer

**RE:** PUBLIC LIBRARY FINANCING – PROPOSED SERVICE

### PURPOSE/PROBLEM

To consider the process for providing capital financing from the Regional District for a new public library facility in Campbell River.

### EXECUTIVE SUMMARY

The attached report was considered at the November 21, 2019 meeting of the Regional Board at which time the following resolution was passed:

Leigh/Kerr: SRD 1053/19

THAT staff be authorized to further investigate the matter of Regional District involvement in the proposed new Campbell River library facility, and

THAT a further report be provided early in 2020 for the Board's consideration.

To reiterate, the proposal being considered would see the Regional District borrow the funds required for construction of a new library facility in Campbell River and re-lend those funds at cost to the Vancouver Island Regional Library (VIRL) which would oversee the construction process and own the library facility. The VIRL would reimburse the Regional District on an annual basis for all costs incurred by the Regional District (principal, interest and related costs) through the VIRL's operating budget. This would include the funds spent to seek the approval of the electors through an alternative approval process (AAP) or similar process.

Since the proposal is based on VIRL ownership of the facility at the outset, the Regional District would need to consider how the public will be protected over a lengthy debt amortization period in the unlikely event of a default in payment by the VIRL or a successor organization. The traditional method of securing repayment of funds used for real property purchases is through registration of a mortgage in the Land Titles Office although other forms of security may also be acceptable. These alternatives would be explored in more detail if the Board decides to move forward with this funding initiative.

A listing of the various steps that would need to be undertaken by the Regional District to finance this project is included in the table below, together with a preliminary schedule should the Board decide to proceed as requested by the VIRL. As a first step in the process, the Regional District would need to enter into an agreement with the VIRL pursuant to s.263 of *Local Government Act*. To protect its interests the Regional District should have the financing agreement reviewed by legal counsel to determine if there are issues that need to be further addressed. When the agreement is satisfactory to both parties, the Regional District must publish its intent to enter into

such an agreement and provide an opportunity for the public to provide feedback. Once that step has been concluded the Regional District would prepare a service establishing bylaw and loan authorization bylaw, and then seek elector approval for those bylaws. For reasons of cost and efficiency an alternative approval process would typically be used for this type of region-wide initiative. Assuming the proposal is supported by the electors, the Board would be in a position to move forward with borrowing the required funding and re-lending the proceeds to the VIRL to cover the anticipated capital costs for the library facility. As noted earlier, all costs associated with the project, including legal costs and the costs of obtaining elector approval, would be reimbursed on an annual basis by the VIRL to the Regional District.

Depending on the outcome of further discussions with the VIRL and the resolution of any issues arising from those discussions, it is anticipated that a capital financing agreement could be returned for the Board's consideration in February should that be desired.

### RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT a bylaw to authorize entering into a financing agreement with the Vancouver Island Regional Library be prepared for the Board's consideration.

Respectfully:



Dave Leitch  
Chief Administrative Officer

### BACKGROUND/HISTORY

The Regional District has been requested by the VIRL to provide capital financing for a new \$14 million library facility in Campbell River. The capital cost of the proposed facility is beyond the ability of the VIRL to finance in a single year and, since the VIRL is prohibited by statute from debt financing its facilities, it has requested that the Regional District lend it the funds under an agreement wherein repayment would occur over a number of years. Under such an arrangement the Regional District would be reimbursed annually for all costs associated with the borrowing of funds and re-lending to the VIRL.

### POLICY ANALYSIS

The arrangement proposed for funding a new Campbell River library facility is similar to those successfully employed by the VIRL in other parts of its jurisdictional area including the Capital, Cowichan Valley and Nanaimo regional districts. Before a regional district may finance library facilities on behalf of the VIRL it must enter into a financing agreement with the VIRL and receive approval of the electors to borrow the required capital funds. If a regional district has not already established a service for financing library facilities it must also adopt a bylaw pursuant to Part 10 of the *Local Government Act* to authorize spending public funds for this purpose.

### FINANCIAL IMPLICATIONS

Since the proposed financing arrangement for the library project is based on the premise that the VIRL would annually reimburse the Regional District for all costs incurred, it is not anticipated that there will be any net cost to the Regional District. The cost of the new library facility would be covered over a multi-year period from the VIRL's operating budget which is funded throughout the entire VIRL jurisdiction.

**LEGAL IMPLICATIONS**

Before the Regional District may proceed with the borrowing or re-lending of funds for this project it must enter into a binding agreement with the VIRL that reflects the principal of cost neutrality to the Regional District. The Regional District is required to notify the public of its intent to enter into such an agreement and provide details on the nature, term and extent of the proposed financial assistance.

Once a financing agreement has been entered into with the VIRL, the Regional District will need to adopt a bylaw to establish a capital financing service for public library facilities. The intent at this time is to use the service to finance a new public library facility for Campbell River which means that the Board must also adopt a loan authorization bylaw for the anticipated cost of the library facility. Both of these bylaws will require that approval of the electors be obtained before they may be adopted.

In the event the Board wished to use the authority of the service bylaw to finance other library facility projects, the Board would need to prepare loan authorization bylaws for those other projects and obtain approval of the electors before proceeding.

**INTERGOVERNMENTAL/REGIONAL IMPLICATIONS**

Although the Regional District is not directly responsible for the development and operation of public library facilities in the region, it does have an investment in these areas through participation on the VIRL Board of Trustees. By re-lending money at cost, the Regional District is able to assist the VIRL with the development of facilities that might not otherwise be feasible given the statutory limitations placed on the VIRL with respect to debt financing of its library facilities.

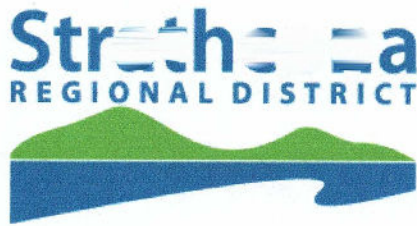
**CITIZEN/PUBLIC RELATIONS IMPLICATIONS**

The public highly values its public library facilities and the VIRL has advised that the Campbell River library serves a clientele from a broader region than the City of Campbell River municipal boundaries. Through its participation in this project, the Regional District demonstrates its willingness to support initiatives that align with the Board's commitment to improved health and well-being in the region.

**Prepared by:** T. Yates, Corporate Services Manager

Attachment: November 12, 2019 report to the Regional Board

| Schedule          | Action                                                                                                                                                                                                                                                                                                  |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 15, 2020  | Regional Board directs the preparation of financing agreement between SRD and VIRL for proposed Campbell River library facility.                                                                                                                                                                        |
| February 12, 2020 | Vancouver Island Regional Library Financial Assistance Authorization Bylaw No. [ ] given 3 readings and authorized for public notification.                                                                                                                                                             |
| February 14, 2020 | First publication of Notice of Intention to adopt Bylaw No. [ ].                                                                                                                                                                                                                                        |
| February 19, 2020 | Second publication of Notice of Intention to adopt Bylaw No. [ ].                                                                                                                                                                                                                                       |
| March 11, 2020    | Regional Board adopts VIRL Financial Assistance Authorization Bylaw No. [ ].<br>Regional Board authorizes preparation of service establishing bylaw and loan authorization bylaw.                                                                                                                       |
| March 25, 2020    | Library Facility Capital Financing Service Establishing Bylaw ___, 2020 and Library Facility Capital Financing Loan Authorization Bylaw ___, 2020 given first 3 readings by Regional Board.<br>Regional Board authorizes approval of the electors to be obtained by Alternative Approval Process (AAP). |
| March 30, 2020    | Bylaws No. ___ and ___ submitted to Inspector of Municipalities for approval under s.342 of <i>Local Government Act</i> .                                                                                                                                                                               |
| April 15, 2020    | Regional Board establishes elector response form, elector response deadline and determines total number of electors for AAP.                                                                                                                                                                            |
| April 30, 2020    | Inspector of Municipalities approval received for Bylaws No. ___ and ___.                                                                                                                                                                                                                               |
| May 8, 2020       | First publication of AAP notice for Bylaws No. ___ and ___.                                                                                                                                                                                                                                             |
| May 13, 2020      | Second publication of AAP notice for Bylaws No. ___ and ___.                                                                                                                                                                                                                                            |
| June 15, 2020     | Deadline for filing AAP responses with Regional District.                                                                                                                                                                                                                                               |
| June 24, 2020     | If elector approval received, Regional Board adopts Bylaws No. ___ and ___ and advises VIRL.                                                                                                                                                                                                            |
| July 27, 2020     | Quashing period for Loan Authorization Bylaw No. ___ expired. Application made to Inspector of Municipalities for Certificate of Approval.                                                                                                                                                              |
| August 19, 2020   | Temporary Borrowing Bylaw No. [ ] given 3 readings and adopted by the Board.                                                                                                                                                                                                                            |
| November 18, 2020 | Security Issuing Bylaw No. [ ] given 3 readings and adopted by the Board.                                                                                                                                                                                                                               |
| February 12, 2021 | Deadline for submitting Corporate Officer's certificate for debenture funding from the Municipal Finance Authority.                                                                                                                                                                                     |
| April 30, 2021    | Debenture funds received from the Municipal Finance Authority.                                                                                                                                                                                                                                          |



## STAFF REPORT

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**DATE:** November 12, 2019

**FILE:** 0360-20

**TO:** Chair and Directors,  
Regional Board

**FROM:** Dave Leitch  
Chief Administrative Officer

**RE:** CAMPBELL RIVER PUBLIC LIBRARY FINANCING

### **PURPOSE/PROBLEM**

To consider a proposal from the Vancouver Island Regional Library (VIRL) that the Regional District provide capital financing for a new public library facility in Campbell River.

### **EXECUTIVE SUMMARY**

The attached correspondence has been received from the VIRL which provides a conceptual plan for financing a new library facility in Campbell River. The plan being offered would see the Regional District borrow the funds required for construction of the facility and the VIRL would reimburse the Regional District for all costs (principal, interest and related costs) on an annual basis through VIRL's operating budget.

Unlike many of the smaller community library facilities constructed by the VIRL over the past few years, the cost of the proposed Campbell River branch is beyond the capacity of VIRL to fund in a single year. Since the VIRL is prohibited by statute from debt financing its library facilities it must seek other mechanisms for development at this scale. This arrangement has been used successfully in other regional districts where the need to finance the cost of library facilities over multiple years is required.

If the Board wishes to advance this initiative, it will be necessary to further investigate the mechanisms by which the Regional District would raise capital for the library facility, how it would secure its investment, and the timelines involved. Since the VIRL has indicated that construction is anticipated to commence in 2020 it is reasonable to target early next year for concluding the investigation and sharing the results with the Board.

### **RECOMMENDATION**

1. THAT the report from the Chief Administrative Officer be received.
2. THAT staff be authorized to further investigate the matter of Regional District involvement in financing the proposed new Campbell River library facility, and

THAT a further report be provided early in 2020 for the Board's consideration.

Respectfully:

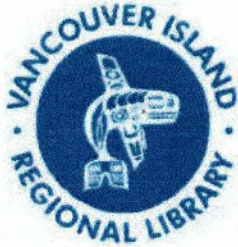


Dave Leitch  
Chief Administrative Officer

***Prepared by: T. Yates, Corporate Services Manager***

Attachment: November 14, 2019 correspondence from Vancouver Island Regional Library

COPY



Administration  
Box 3333 | 6250 Hammond Bay Road  
Nanaimo, BC Canada V9R 5N3  
t: 250.758.4697 f: 250.758.2482  
e: [info@virl.bc.ca](mailto:info@virl.bc.ca) w: [www.virl.bc.ca](http://www.virl.bc.ca)

November 14, 2019

David Leitch  
Chief Administrative Officer, Strathcona Regional District

Dear Mr. Leitch,

Please accept this letter as a formal request for the Strathcona Regional District (SRD) to enter into a long-term loan with the Municipal Finance Authority (MFA) on behalf of Vancouver Island Regional Library (VIRL). VIRL is requesting a maximum of \$14 million (\$14,000,000) to support the construction of a new library branch in Campbell River.

Under this arrangement, the SRD would transfer the proceeds of the borrowing to VIRL, and VIRL would pay the SRD for all interest and principal repayments as they are due. VIRL will also reimburse the SRD for any costs of advertisements and other direct costs of an alternate approval process or other approval mechanism as required by the SRD. Additionally, VIRL includes long-term loan repayments in its annual budget, meaning that there is no tax increase or other costs for SRD taxpayers under this arrangement. The end result is that the net cost of this model to the SRD is nil.

Since the adoption of its Consolidated Facilities Master Plan in 2010, VIRL has successfully used this model to fund construction or major refurbishments for a number of its branches, including Lake Cowichan, Nanaimo Harbourfront, Nanaimo North, and Chemainus.

For the Campbell River branch, VIRL is planning approximately 19,000 square feet over two floors, at the location of the current branch on Shoppers Row. VIRL is in the early stages of planning, and anticipates construction starting in 2020.

Strong Libraries • Strong Communities

Bella Coola Branch Campbell River Chemainus Courtenay Cowichan Cowichan Lake Cumberland  
Gabriola Island Gold River Hornby Island Ladysmith Masset Nanaimo Harbourfront Nanaimo North Nanaimo Wellington  
Parksville Port Alberni Port Alice Port Clements Port Hardy Port Mitchell Port Renfrew Quadra Island Qualicum Beach Queen  
Charlotte Sandspit Seaway Sidney/South Sennich Sooke South Cowichan Tofino Tofino Union Bay West

If there is any other information you require, or if you would like to discuss further, please do not hesitate to contact me directly.

Sincerely,



Joel Adams, CPA CA  
Director of Finance

Cc: Tom Yates, Corporate Services Manager, SRD  
Rosemary Bonanno, Executive Director, VIRL  
Melissa Legacy, Director of Library Services & Planning, VIRL  
Melanie Barnum, Divisional Manager, Office of the Executive Director, VIRL  
Mariah Patterson, Executive Assistant, VIRL

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