BACKGROUND:

Since the land was first acquired in 1994, the Lake Windermere Resort Lands held the potential to re-define the Athalmer neighborhood and expand economic opportunities within the Invermere and the valley. However, over 25 years nothing has occurred and under the current ownership, no new development is on the horizon.

When the proposal call was issued by the Province in the late '80's, the intended purpose was for Commercial Tourism development. The total purchase price proposed in 1990 was $314,655.00. Since then fill has been added to the site, a lift station constructed, domestic water service provided and additional lands under Lake Windermere Garage acquired as part of the overall development lands.

Historically, the development of this land has been controversial within the community since the beginning. Throughout the mid 90’s the land use planning process were legally challenged, the community divided and required several public hearings and processes to ensure a sound zoning process was undertaken. In 1999, a renegotiated development agreement and development permit saw the first potential signs that something could occur on the site, and there was finally some hope that the vision could be achieved.

However, funding for the developer was an issue and after several attempts to allow residential uses to be built first, the developer decided not to proceed. Past Council’s firmly supported that tourist accommodation needed to occur first on the property; the land use zoning and covenants required it and Council did not wish to continue to see intensive residential development further isolated access to the waterfront.

The District’s existing planning framework outlines the intended purpose and supports the original grant from the Province. While the existing land owners have submitted several proposals for single family and duplex style residences, Council has consistently denied those requests and supported the current land use plan and zoning.
Our current OCP strongly supports public access to the waterfront and commercial tourism accommodation and associated uses within the land area. Increased public access to lands adjacent to the lake and wetlands would provide an important public benefit to the community. And with a level of municipal services in the area, the potential exists to expand and promote re-development of the area based upon a comprehensive public process after the land is acquired.

**Offers to Purchase**

In early 2017, Council resolved in an In-camera meeting to make an offer to purchase the lands based upon the BC Assessment data or $3.184 million. This offer was submitted and was rejected with a counter offer in the $12,000,000 range. We continued to have discussions with them and were able to convince them to contribute to a Commercial Appraisal to assist in determining the value. The 2017 appraisal had the commercial value of the property at approx. $3.7 million.

The District submitted an offer at appraised value and was rejected outright. Owners stated at that time they would not go below $7.5 million. The project sat until we began discussing the lease renewal for Pete’s Marina during the summer of 2018. During that discussion, the owners asked if we were still interested in acquiring the property. At that time, they provided a final price of $5,000,000.

At that time, it was stated that we would take it back to Council. On August 14, 2018, Council directed staff via an in-camera resolution to secure a letter of intent / offer to purchase to ensure the land was not being sold to another party while we went through the appropriate processes to secure the funding.

At the same time, Council directed staff to prepare an opinion poll question for the general election as a method to assess the support for the potential purchase. On October 20, 2018, the poll question was voted on and over 66% of the electorate supported the purchase of the land for $5 million.

Due to the tight timeframes and the new Council, we re-negotiated the purchase agreement to allow for conditions to be released no later than June 30, 2019. Conditions on the purchase relate directly the approval of the electorate to fund the purchase through a long term borrow process.
Lands to be Purchased

The lands to be purchased are identified on the map below and include the following:

<table>
<thead>
<tr>
<th>Legal Description</th>
<th>2018 Assessment</th>
<th>Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel A, D.L. 267, K.D., Plan NEP18891</td>
<td>$1,967,000</td>
<td>$32,848.78</td>
</tr>
<tr>
<td>Crown Foreshore - Marina/Building</td>
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<td>$1,242.98</td>
</tr>
<tr>
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<td>$2,560.91</td>
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<tr>
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<td>$810.21</td>
</tr>
<tr>
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<td>$850.14</td>
</tr>
<tr>
<td>Lot 5, Block 2, D.L. 267, K.D., Plan NEP740</td>
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<td>$850.14</td>
</tr>
<tr>
<td>Lot 6, Block 2, D.L. 267, K.D., Plan NEP740</td>
<td>$44,200</td>
<td>$850.14</td>
</tr>
<tr>
<td>Lot 7, Block 2, D.L. 267, K.D., Plan NEP740</td>
<td>$44,200</td>
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<tr>
<td>Lot 8, Block 2, D.L. 267, K.D., Plan NEP740</td>
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<tr>
<td>Lot 12, Block 2, D.L. 267, K.D., Plan NEP740</td>
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<td>Lot 13, Block 2, D.L. 267, K.D., Plan NEP740</td>
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<tr>
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<td>Lot 17, Block 8, D.L. 267, K.D., Plan NEP740</td>
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<td>Lot 18, Block 8, D.L. 267, K.D., Plan NEP740</td>
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<td>Lot 21, Block 8, D.L. 267, K.D., Plan NEP740</td>
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<td>Lot 22, Block 8, D.L. 267, K.D., Plan NEP740</td>
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<td>$436.98</td>
</tr>
<tr>
<td></td>
<td>$3,263,600</td>
<td>$55,086.50</td>
</tr>
</tbody>
</table>
One item for Council to be aware of, is the water lot lease associated with the Marina is currently non-transferable to a new owner. Staff will continue to work with the Province to attempt to transfer the lease to the District as part of the boat launch lease. However, there is a risk, that the marina may need to be removed as part of the purchase process in the short term.

**Rationale for the Purchase**

Previous Council's discussed the future of these lands since at least 2016. Prior to 2016, discussions included developer driven proposals that did not comply with the vision nor the policy framework of the Athalmer waterfront.

Over several years, we had received requests from the boating community about the state of the boat launch. In 2016, Council budgeted funds to begin the permitting to remove a gravel bar in front of the existing boat launch. Council directed staff to begin developing a plan to improve the boat access and included potential funding within the previous Resort Development Strategy.

When permitting work was being developed to seek approvals to improve the boat launch, it became clear that to have a properly functioning boat launch with adequate parking, adjacent lands needed to be acquired. Being a lake front community, our presence and access to the lake is minimal, with James Chabot Provincial Park and Kinsmen Beach being the only two public access points to Lake Windermere.

In addition, the lack of progress on the site impacts the overall re-development of the Athalmer commercial corridor. Increased tourist accommodation and commercial activity on the site has the
potential to spur on other new developments within the Athalmer area. With improved presence on the lake for both tourists and the public, Invermere and Athalmer in general, could become a significant tourist destination that continues to expand economic opportunities and employment within the community.

Conceptually, the creation of smaller parcels for development, could see the OCP vision being developed in that area, and the District’s acquisition could be the catalyst to see new opportunities being created. If the purchase does not go forward, Council will need to discuss boat launch options and determine whether investing in the current site is feasible for the type of lake front community we wish to create.

**OCP Policy and Land Use Planning Framework**

**Land Use Policies**

Invermere and the Columbia Valley have become an international destination for tourists. The beauty of the natural environment, the recreational opportunities and the ongoing development of several resorts in the area has strengthened the attraction. In 2008, The District was designated as one of several ‘Resort Communities’ in British Columbia. This designation allows additional funds to be allocated to the development of capital infrastructure that supports and enhances the tourism experience.

- The District will encourage tourism development that continues to provide ongoing economic benefit to the community, while at the same time maintaining and strengthening local cultural, social and natural resources.
- The District of Invermere will strive to maintain the appropriate balance between the needs of the residents and the needs of the visitors in order to maintain the quality of life of permanent residents.
- The District will encourage the development of appropriate staff accommodation in conjunction with all new resort developments. Council will not support the development of staff accommodation in the Industrial Park or in environmentally sensitive or hazardous areas.
- The District will encourage compatibility between resort areas and nearby residential areas. This will require measures to mitigate any negative effect through adequate screening or urban design.
- The District will encourage events and activities in the winter and shoulder seasons to help diversify and expand the tourism activities, and to help develop thriving businesses in the District year-round.
- The District will encourage cooperation between destination marketing organizations, local chambers of commerce and other business groups within the Columbia Valley.
- The District will support the Whiteway, boat access to the lake, and public access to the wetlands and Lake Windermere.
- The District will support and encourage the development of cultural tourism events and businesses.
• The District will encourage educational and interpretive facilities that recognize and support the environmental value of the Columbia Valley Wetlands.

_Athalmer Development Permit Area_

**Justification and Objectives**

- Tourism development is a key target of Invermere’s economic development initiatives. Athalmer has been identified as having significant potential for various types and forms of commercial development catering to tourists and visitors to Invermere and the Windermere Lake area.

- The character and visual appeal of the area is an important feature and asset to the community. Athalmer is situated in a highly visible location and can be seen from various elevations and perspectives (i.e. approaches from above, from the lake, at eye level driving through). In order to ensure the visual quality is retained, the Development Permit Area will establish a high quality of development and contribute to the overall image of Athalmer.

- The main entry corridor from Highway 93/95 to the town center of Invermere and to Panorama Ski Resort runs through Athalmer. This entry corridor provides visitors and tourists with a first impression of the entire community which in turn contributes to the existing and future economic viability of Invermere. The Development Permit Area will improve the appearance of existing developments and ensure that new developments visible from the entry highway will be aesthetically appealing and of interest to tourists and residents alike.

- A significant portion of Athalmer fronts on Windermere Lake, which is heavily used for water-based recreation activities during the summer months. Windermere Lake has been identified as a very important asset to the community of Invermere. The development permit area will ensure that public access to the lake is maintained, that views to and from will be protected, and that development will minimize environmental impacts to the lake system.

_Development Permit Area Objectives_

**Objectives:**

- To ensure high quality development.
- To establish and maintain the visual character and quality of the area.
- To provide public access to the waterfront and pathways.
- To create a pedestrian friendly environment with sidewalks and pathways throughout the area, and to the Downtown.
- To establish appropriate styles, materials, and scale of development that contribute to a consistent, complementary and integrated architectural character.
- To minimize the impact of the developed landscape with substantial planting through landscaped grounds, buffers, street trees, and areas of open space.
- To create a unified and visually appealing streetscape.
- To create a high quality, unique gateway into Invermere.
- To ensure the Columbia River Wetlands are preserved as an environmental and recreational amenity for residents and visitors alike.
Site Specific Requirements

• Waterfront Marina

It is Council’s intent to support public access to the lake for motorized and non-motorized boats. The availability of locations for motorized boat launches is constrained in the District due to existing development, feasibility of transportation infrastructure, and ownership. The existing marina is well suited for a non-motorized boat use because of its location at the mouth of a river channel; the current and future potential for congestion in the narrow channel; the close proximity to Salmon spawning beds; the limited amount of access and parking on site. Therefore, future intentions for the area include a minimal amount of commercial development associated with waterfront activities and users. At this time, it is proposed that the marina is converted for non-motorized boat use and rentals. However, Council will consider the direction for this site in the context of wider discussions about the provisions for a motorized boat launch in the District and seek to balance the constraints of the site with the overall community desire for appropriate access to the Lake.

- Ensure buildings are set back the required distance from the shoreline.
- Orient the main front facade toward the waterfront.
- Restrict building height to two storeys along the waterfront.
- Locate parking behind the buildings away from the waterfront.
- Develop a pedestrian oriented waterfront with boardwalks and outdoor spaces.
- Provide a central focal point on axis with Tarte Street.
Lake Windermere Resort Site

The conceptual design plan for the proposed Lake Windermere Resort development has been taken from plans drawn up by the developer.

- General considerations for the site include the following:
  - Provide a public boardwalk along the waterfront.
  - Link the waterfront boardwalk with a pedestrian pathway to James Chabot Provincial Park.
  - Substantially landscape the site in order to minimize the mass and scale of development.
  - Ensure that views to and from the site are maintained.
  - Plant street trees along both sides of Tarte Street.
  - Variety of overnight accommodations.
Current Zoning

The subject property is currently zoned as outlined on the map below:

C-2 (pink) is Highway Tourist Commercial and permits uses like motels, restaurants, gas bars, convenience stores and typical Highway commercial uses.

R-1 (yellow) is Single Family Residential and permits only single-family residences.

P-1 (green) is Public Institutional and permits schools, colleges, churches, group homes day cares and senior citizens centres.

Res-3 (brown) is Hotel Resort zoning and permits hotels, motels, multi-family dwelling units, indoor recreation facilities, lounges, bars and night clubs, general retail, marinas and boat launches, outdoor recreation facilities, RV Parks, conference centres and restaurants.
Public Approval Process – Borrowing scenario

The preferred process would be to proceed with the alternate approval process first and if it fails then proceed to the referendum within the required 80 days as outlined by the Province. If the alternate approval process is successful, then the cost of the referendum has saved about $10,000. In both scenarios we can defer the long term borrow pending any funding agreement that we may be seeking or other potential funding options or when Council deems the project complete. We would interim finance through a Temporary Borrowing process for a maximum of 5 years. The amount of the loan and or the term of the loan could be reduced depending upon the outside funding that may be received over that 5-year term.

The potential timeline for the Alternate Approval process is outlined below:

1. **February 5, 2019** – Council approves a preferred financing strategy – potentially gives three readings to a borrowing bylaw (if bylaws deferred to Feb 26, 2019 the schedule is adjusted by the 3 weeks)
2. **February 6, 2019** – Borrowing Bylaw sent to Province for approval
3. **March 1, 2019** – Provincial approval received (hopefully)
4. **March 7 and 14, 2019** - Notices placed in local papers, website
5. **March 1 – 31, 2019** - Public Engagement process begins
   a. Press release – March 7, 2019
   b. Minimum of two (2) – Open Houses – March 20 and 27, 2019
   c. Newsletter / Mail Drop – March 14, 2019 and April 3, 2019
6. **April 15, 2019** - Alternate Approval process ends
7. **April 23, 2019** – Council receives Alternate Approval Process results
8. **April 23, 2019** – Council adopts required Borrowing Bylaws (long term and temporary)
9. **May 24, 2019** – 30-day quashing period ends

There is some leeway in the above schedule and was built around existing Council meetings. If Council wanted to have special meetings, we can accommodate that process and could save a week or two. If the Alternate Approval Process fails, then Council will need to determine whether it is worth it to proceed to referendum or let the project die at that point. A referendum needs to take place no more than 80 days after the closing of the alternate approval process if it fails and General Voting Day must be on a Saturday. All other voting procedures would be followed with advanced and mail in balloting available.

If the alternate approval process fails the latest we could have a referendum is June 29, 2019. If Council chooses to proceed with the referendum we would try and hold the general voting day in late May/early June 2019, with bylaw adoption at the last meeting on June 25, 2019 and conditions release for June 30, 2019.

**Future Land Uses and Planning Framework**

Once the land is acquired, work planning can then proceed to develop the terms of reference for the land use planning process. The land use planning process would include these properties and would also encompass the entire Athalmer Neighborhood from the CPR tracks to the Columbia River and from Lake Windermere to RONA.
Grant applications to FCM are continuing to be prepared to review transportation, sewer, water and storm systems in the Athalmer neighborhood. While these funds will cover most of the infrastructure planning required, the land use planning context will require District funding of a minimum of $50,000. Depending upon the scope to start and depending upon the level of detail and public engagement may increase.

This planning process would run 2019-2021 and would more than likely start in the fall of 2019 once the purchase is complete. Any comprehensive planning process would be a minimum of 12-18 months from kick-off to adoption.

With one of the main arguments for the acquisition to improve access to the water and a full re-build of the boat launch, capital funding would also need to be secured for the construction and permitting of the boat launch in that location. Preliminary high-level budget has a minimum of $400,000 to improve the boat launching facilities.

With this being the only formal public boat launch on Lake Windermere, funding at the regional level should be considered. The boat launch and water front improvements are currently outlined in the current Resort Development Strategy (RDS) for funding and we are hopefully it will remain in the new RDS. Operational costs and maintenance could be recovered through a boat launching fee of some kind.

In addition, the potential exists to work with partners to explore extending the Dragonfly Boardwalk in James Chabot Provincial Park, to connect with the water front along the Columbia River into the wetlands and along the CPR tracks to provide a walkable connection from Athalmer into Downtown and to Kinsmen Beach and Rotary Park. The acquisition opens up options to increase public access and park space in consideration of other commercial and public uses.

**Financial Considerations**

Current tax revenue being generated by the property is limited to the current vacant land values. In 2018, the District collected $55,086 in property taxes for all 29 parcels included in the purchase. In addition, the lease with Pete’s Marina generates approximately $2700 per year. If the land is acquired by the District, the tax revenue will be lost for the short term, but the increased opportunities for re-development will see increased taxation over the longer-term development of the property.

While difficult to forecast tax revenue on the site without improvements and land uses, a comparison to the taxes paid for tourist accommodation is the Invermere Inn at approximately $61,000 per annum. The Inn is on 1.26 acres of land and the subject properties, to be purchased, excluding interior laneways is approximately 13.5 acres.

Property tax forecast below is making the following assumptions:

- 3 storey tourist accommodation of 44 rooms
- Restaurant and bar
- Parking area
- Area reduction of LWR lands of 30% for parkland dedication, roads and open spaces
- Both currently taxed as Class 6 Business /Other
- Assessed values 2018: LWR Lands $3,316,200 Invermere Inn $4,015,000 ($1,050,000 land value $2,965,000 building value)
<table>
<thead>
<tr>
<th>Property</th>
<th>Taxes Paid</th>
<th>Land Area (sq. ft)</th>
<th>Current Taxes per sq. ft</th>
<th>Tax Revenue Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invermere Inn</td>
<td>$61,000</td>
<td>54,701</td>
<td>$1.12</td>
<td>N/A</td>
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<tr>
<td>LWR Lands</td>
<td>$55,086</td>
<td>588,100</td>
<td>$0.09</td>
<td>$461,070</td>
</tr>
</tbody>
</table>

**Conclusion**

While the acquisition of land is questioned by the community, the opportunity to acquire such an integral piece does not occur very often. The potential exists to engage the community to assist in defining the future of Athalmer and access to the waterfront. Being "Invermere on the Lake" and having ownership and future control of any waterfront lands is visionary and fosters long term planning and community development.
REQUEST FOR DECISION

TO: Mayor and Council
FROM: Kindry Luyendyk, Corporate Officer
SUBJECT: Report for Determining the Number of Eligible Electors for the Alternate Approval Process

RECOMMENDATION: WHEREAS the District of Invermere has given three readings to “Loan Authorization Bylaw No. 1557, 2019” which proposes that a loan not to exceed $5,000,000 be obtained to finance the purchase of the Lake Windermere Resort Lands and will be repaid over a period not to exceed 25 years;

AND WHEREAS the District of Invermere cannot adopt Bylaw 1557, 2019 until the approval of the electors has been obtained;

THEREFORE BE IT RESOLVED THAT the Corporate Officer undertake an alternative approval process to determine the opinion of the electors with regard to the matter;

AND FURTHER THAT a minimum of 30 days for submitting receiving elector response forms is established.

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS:
Administration supports this recommendation.

IMPLICATIONS OF RECOMMENDATION:

GENERAL:
Council approval is being sought to undertake an Alternative Approval Process (AAP) that, if elector assent is received, would permit Council to adopt Loan Authorization Bylaw No. 1557, 2019 to authorize Council to borrow up to $5,000,000 for the purchase of the Lake Windermere Resorts Land.

In order to proceed, Council is required to have approval of the electors prior to bylaw adoption in accordance with the Community Charter. Approval of the electors may be received by way of an Alternative Approval Process (AAP), or assent voting (referendum). Approval is obtained and Council may proceed with bylaw adoption, if less than 10% of the electors oppose the proposal by submitting a valid elector response form.
An AAP involves:

- Fair Determination of the Number of Electors (calculation provided below): Council approval is required.
- Approval of Elector Response Form (attached): Council approval is required.
- “Loan Authorization Bylaw No. 1557, 2019” (To authorize the borrowing of up to $5,000,000 for the purchase of the Lake Windermere Resorts Land: Bylaw readings must be passed by a Council majority prior to requesting Inspector approval.
- Bylaw Submission to the Ministry of Community, Sport and Cultural Development: Should Council adopt the above recommendations and give three readings to “Loan Authorization Bylaw No. 1557, 2019”, staff will forward the bylaw to the Ministry of Community, Sport and Cultural Development for approval of the Inspector of Municipalities.
- Public Notice: Notification in a local newspaper is mandatory and takes place after Inspector approval is received. It is estimated that Inspector approval will be received in one month. The notice will also be posted to the District’s website.
- Elector Response Form Submission Period: Council must establish the deadline for receiving elector responses, a minimum of 30 days after the second publication of the notice in the newspaper.
- Determination and Certification of Elector Approval Responses (10% threshold): The Corporate Officer must determine and certify the number of valid Elector Response Forms received by the deadline, and whether electoral approval has been obtained.

ORGANIZATIONAL:

Section 86(3)(c) of the Community Charter requires the District of Invermere to make a fair determination of the total number of electors of the area to which the Alternative Approval Process applies. In addition, pursuant to section 86(4) of the Community Charter the Council must make available to the public, on request, a report respecting the basis on which the determination was made.

The number of people eligible to be a resident elector or a non-resident property elector is determined by the following criteria:
- 18 years of age or older
- Canadian citizen
- lived in British Columbia for at least 6 months
- lived or owned property in the jurisdiction for at least 30 days
- are not disqualified under the Local Government Act, or any other enactment from voting in a local election or are not otherwise disqualified by law.
The estimated number of eligible electors within the District of Invermere for the Alternative Approval Process is based on information from various sources calculated as follows:

Provincial Voting List: 2450
Estimated number of people over 18 years of age: 2,345
Add estimated number of non-residential property electors: 65

Estimated total number of eligible electors in the District of Invermere for the Alternate Approval Process: 2,398

Ten percent of the total number of eligible electors is estimated to be: 239

IMPLEMENTATION:

To begin the Alternate Approval Process by sending the bylaws to the Ministry of Community, Sport and Cultural Development on February 6

DESIRABLE OUTCOMES:

To approve the resolution to begin the Alternate Approval Process.

COUNCIL’S OPTIONS:

1. Council could adopt the resolution and proceed with the Alternate Approval Process.
2. Council could ask for more clarity on the proceedings.
3. Council could bring this report to the next Committee of the Whole meeting for further discussion.

RECOMMENDED:

To adopt the resolution and proceed with the Alternate Approval Process.

Reviewed by: ________________________________
REQUEST FOR DECISION

TO: Mayor and Council  Date: Jan. 29, 2019
FROM: Karen L. Coté, Director of Finance  Meeting Date: Feb. 5, 2019
SUBJECT: Funding Strategy for the purchase of LWR Lands and District of Invermere Loan Authorization Bylaw No. 1557, 2019

RECOMMENDATION: WHEREAS staff are recommending that the District proceed to borrow an amount not exceeding $5,000,000 for 25 years to purchase the Lake Windermere Resort Lands;

BE IT RESOLVED THAT Bylaw No. 1557, 2019, cited as “District of Invermere Loan Authorization Bylaw No. 1557, 2019” be read a first, second and third time;

AND FURTHER THAT the Corporate Officer be directed to initiate the Alternate Approval Process.

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS:
Administration supports this recommendation.

IMPLICATIONS OF RECOMMENDATION:

GENERAL:
Further to the resolution of Council on August 14, 2018 to submit a formal offer to purchase the Lake Windermere Resort lands in Athalmer, and further to the non-binding public opinion poll held on October 20, 2018 which reflected a 66% favourable position on purchasing these lands from the electorate, attached is Loan Authorization Bylaw No. 1557, 2019 which is the first step to initiate an Alternative Approval Process with the public.

ORGANIZATIONAL:
Once the bylaw receives approval from the Inspector, the following steps would occur:

- Advertising for an alternative approval process (for 2 consecutive weeks)
- Intense public consultation process
- Elector approval of the bylaw (alternative approval process) which must be at least 30 days after the second advertisement
- Reconsideration and adoption of the bylaw by Council
- 30-day quashing period
- Inspector granting a Certificate of Approval for the Bylaw
- Municipal Security Issuing Resolution and Agreement
- Forwarding of the resolution to RDEK and MFA
RDEK prepares a security issuing bylaw, and adopts it (10-day quashing period before a Certificate of Approval being issued by Ministry)

Certificate of Approval Issued, then the issue goes to Long Term Debt through the Municipal Finance Authority (who funds loan requests twice per year).

FINANCIAL:
Using 2018 number of parcels, and depending on how long Council wishes to amortize the debt and using the current Municipal Finance Authority interest rates, the potential parcel tax would have the following implications:

<table>
<thead>
<tr>
<th>Term of Loan</th>
<th>Annual Loan Payment</th>
<th># of Parcels</th>
<th>Annual Parcel Tax Rate</th>
<th>Total Interest Paid over Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 years</td>
<td>$419,333</td>
<td>2,770</td>
<td>$151.38</td>
<td>$2,257,500</td>
</tr>
<tr>
<td>20 years</td>
<td>$336,579</td>
<td>2,770</td>
<td>$121.51</td>
<td>$3,010,000</td>
</tr>
<tr>
<td>25 years</td>
<td>$287,639</td>
<td>2,770</td>
<td>$103.84</td>
<td>$3,762,500</td>
</tr>
<tr>
<td>30 years</td>
<td>$255,596</td>
<td>2,770</td>
<td>$92.27</td>
<td>$4,515,000</td>
</tr>
</tbody>
</table>

This is based on a maximum of $5,000,000. Should any possible funding come in prior to the issuance of the long-term debt, the District would not need to utilize the full $5,000,000. Any reminder would sit on the District’s books as “authorized but un-issued” and the annual parcel tax rates would go down.

BACKGROUND:
On August 14, 2018 Council resolved to submit a formal offer to purchase the subject lands (Council Resolution 18/SPIC05). It was conditional on the successful completion of a public consultation process including a potential referendum for a long term borrow. A non-binding public opinion poll to the residents was conducted on October 20, 2018. The result of the opinion poll was 682 in favour (66%) and 352 against (34%).

At that time the District had a signed letter of intent to purchase the subject lands with a conditional sale date of February 28, 2019 pending public consultation and approval. With the election occurring in October and intensive strategic planning sessions held in December, this timeline was no longer attainable. The District now has until June 30, 2019 to complete the public consultation process.

In compliance with applicable legislation, the District is required to secure approval by the electors for this borrowing to be consummated. Staff is recommending that the District undertake an Alternative Approval Process (AAP) as provided in the legislation. The process will commence after the approval of the Inspector of Municipalities and will be run by the District’s Corporate Officer. The AAP is a defined process within legislation, which provides an opportunity for elector engagement and participation.
Financing Options and Risks:

There are two (2) main financing options available for Council consideration:

1. **Long-Term Capital Borrowing:**

The District can enter into long-term capital borrowing to finance the purchase of these lands. This is done through a loan authorization bylaw. The bylaw must include the purpose of the borrowing, the maximum amount to be borrowed and the maximum duration of the borrowing. All loan authorization bylaws must receive approval of the Inspector of Municipalities before any borrowing can be done.

There are two forms of approval of the electors:

a) **Alternative Approval Process** (formerly counter-petition) - The alternative approval process allows electors to indicate whether they are against a local government proposal moving forward. If 10 percent or more of the eligible electors in the area to which the process relates submit elector response forms, the local government may not proceed with the action or proposal unless it obtains assent of the electors.

- **Advantage:** The opinion poll held on October 2, 2018 showed a favourable **66%** to the question of “Would you support the District purchasing the “Lake Windermere Resort Lands” located in Athalmer for an amount not to exceed $5,000,000”

- **Risk:** Timing is the biggest challenge here as this process takes at least 4 months. If the Alternative Approval Process is chosen here and if 10% or more of the electors sign and submit an elector response form, and the District decides to proceed with the purchase, then the District MUST hold an assent vote (referendum) within 80 days (no later than June 29, 2019).

b) **Assent Voting** (referendum) - Assent voting allows electors to vote on whether a proposal should move forward or not. Assent of the electors is obtained if a majority of the votes counted are in favour of the bylaw or question. Assent voting is conducted under the rules that generally apply to local elections.

- **Advantage:** The advantage of this form is the assent voting is in essence final and requires only 50%+1 electors to be approved.

- **Risk:** If the referendum fails, then the project fails and would require another referendum at a later date if the land is still available. Bylaws would be defeated and the purchase agreement would be voided. The process would need to start over again from the very start and we would have to wait a minimum of six (6) months before it is reconsidered. It would be roughly the same cost as running an election, approximately $10,000, and would require staff work plans to be reconfigured.
Interim Financing

After the loan authorization bylaw is adopted, a local government may interim finance the construction and development of a capital project through one or more temporary borrowing bylaws. The total amount of approved temporary borrowing cannot exceed the maximum authorized borrowing under the initial loan authorization bylaw. Staff are proposing to interim finance while undertaking the planning process and determining if there is outside funding through grants, contributions and/or sale/long term lease of lands to reduce the tax impact on residents and property owners.

Convert Borrowing to Long-Term Debenture Debt

Once the capital project (or a major phase of the project) is completed, a local government can convert its temporary borrowing into long-term debenture debt through a regional district security issuing bylaw. This security issuing bylaw provides regional joint and several liability, and provides greater assurance against default, reducing the risk associated with the debentures.

This security issuing is undertaken through the Municipal Finance Authority, which pools all local government long-term debt and sells it through the bond markets.

Borrowing Process

There are several steps in the process for a local government to undertake long-term borrowing, each of which may take several weeks or months to complete. Local government loan authorization bylaws are valid for five years from the date of adoption.

Steps in the process:

1. Loan authorization bylaw drafted and council gives it three readings - Complete
2. Municipal council provide consent - Pending February 5, 2019
3. Provincial review and statutory approval by the Inspector of Municipalities (6-8 weeks)
4. Approval of the electors (if applicable, 8-11 weeks)
5. Adoption of the bylaw by the council or board
6. Challenge period (1 month)
7. Provincial review and certificate of approval by the Inspector of Municipalities (2-4 weeks)
8. Municipal council passes security issuing resolution and agreement
9. Regional district drafts security issuing bylaw and board adoption
10. Challenge period for security issuing bylaw (10 days)
11. Provincial review of the security issuing bylaw and certificate of approval by the Inspector of Municipalities (2-4 weeks)
12. Security issuing by the Municipal Finance Authority
2. Drain Reserves:

The second financing option available is to drain reserves to fund all or a portion of the purchase and develop a repayment program to re-build the reserves.

- **Advantage:** This is the quickest option and would not have immediate tax impact on residents.

- **Risks:** The majority of these reserves are already earmarked for capital replacements in 2019 as well as into the future. Draining the reserves may force the District to borrow for future capital improvements and purchase and increasing property taxes to cover the costs of those expenses. In addition, the majority of Council’s proposed 2019 Capital Plan would need to be deferred for at least 2019-2020 and potentially longer. Capital Expenditures in the 2019-2023 Financial Plan are as follows:

  ✓ Detailed design and engineering for 13th Avenue Upgrade
  ✓ Westside Legacy Trail
  ✓ Roundabout detailed design at 7th Avenue and 4th Street
  ✓ Sidewalk on 14th Avenue from MNAP (Pineridge)
  ✓ Johnson Road culvert - design and construction (grant dependant)
  ✓ Outfall to Lake - Phase 1 Construction
  ✓ Toby Creek Dyke Flood Mitigation
  ✓ Courthouse Roof Replacement
  ✓ Transit Shelter at Hospital
  ✓ Rotary Comfort Station Revitalization
  ✓ Pedestrian, Information and Trail Signage
  ✓ Replace 2 irrigation boxes at Kinsmen Beach
  ✓ Fire Department turnout gear
  ✓ Smoke detectors/cameras at Firehall
  ✓ Firehall Aprons
  ✓ Kinsmen Beach Lighting (phased and ongoing)
  ✓ Replace Traffic Loops Laurier/3rd Ave Signals
  ✓ Potential Brine System
  ✓ Public Works vehicle replacements
  ✓ Sewer Camera
  ✓ Replace 1 Blower + VFD
  ✓ Athalmer Sewer Buffer Tank
  ✓ 12th Ave/14th St/9th Ave sewer main replacement
  ✓ Re-line main at Ft. Point Close
  ✓ Lift Station #7 Pump
  ✓ Lift Station #9 Platform
  ✓ NEW Lift Station #5 (Industrial Road #2)
  ✓ NEW Lift Station #8 (KPOKL)
  ✓ Castlerock Phase 3 Community Park Sewer and Water
  ✓ Castle Rock Booster Pumps
  ✓ Water Meter Replacement Program (to radio heads - 100 per year)
  ✓ Athalmer PRV Construction
  ✓ MNAP Pump
  ✓ Back Feed to MNAP Reservoir
**Reserve Fund Balances as at December 31, 2017**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Works Reserve Fund</td>
<td>$147,453</td>
</tr>
<tr>
<td>Building Maintenance Reserve Fund</td>
<td>$20,725</td>
</tr>
<tr>
<td>PW Equipment and Machinery Reserve Fund</td>
<td>$702,505</td>
</tr>
<tr>
<td>Fire Dept. Equip and Machinery Reserve Fund</td>
<td>$180,967</td>
</tr>
<tr>
<td>Asphalt Rehabilitation Program Reserve Fund</td>
<td>$64,251</td>
</tr>
<tr>
<td>- CPR Bridge*</td>
<td>$290,465</td>
</tr>
<tr>
<td>Public Land Prot. &amp; Acquisition Reserve Fund</td>
<td>$141,288</td>
</tr>
<tr>
<td>Environmental Reserve Fund</td>
<td>$268,594</td>
</tr>
<tr>
<td>Parks Improvement Reserve Fund</td>
<td>$47,359</td>
</tr>
<tr>
<td>Water Utility Reserve Fund</td>
<td>$726,031</td>
</tr>
<tr>
<td>Sanitary Sewer Capital Reserve Fund</td>
<td>$635,457</td>
</tr>
<tr>
<td><strong>Subtotal - Unrestricted</strong></td>
<td><strong>$3,225,095</strong></td>
</tr>
</tbody>
</table>

*NOTE - $360,000 LOAN is receivable from General Operating for 2017 CVC Capital Expenditures*

*NOTE - Once the 2018 year-end is complete, the above balances will change.

**CONSULTATION PROCESS:**

The public will be extensively consulted during the alternative approval process. This process cannot be outlined until the approval of the Inspector of Municipalities. A further, detailed report will come back to Council after this occurs.

**KEY ISSUE(S)/CONCEPT(S):**

The purchase of these lands and the public consultation is Council’s #1 strategic priority.

**DESIRED OUTCOMES:**

That Loan Authorization Bylaw No. 1557, 2019 receive three readings in order to send it to the Province to receive approval from the Inspector of Municipalities, so the District can then commence the public consultation and Alternative Approval Process.
COUNCIL’S OPTIONS:

1. Council could choose to refer this back to the Committee of the Whole for further review and discussion.

2. Council could choose to proceed with the recommendation and give the bylaw three readings.

3. Council could choose to not support the recommendation and defeat the bylaw.

RECOMMENDED:
That this bylaw receives three readings.

Reviewed by: Karen L. Cote

Other review: Kindry Luyendyk
A bylaw to authorize the borrowing of the estimated cost to purchase property for community purposes.

WHEREAS under section 179 of the Community Charter, the Council may, by a loan authorization bylaw, adopted with the approval of the inspector, incur a liability by borrowing for any purpose of a capital nature;

AND WHEREAS the Council of the District of Invermere now deems it desirable and expedient to purchase properties to be utilized for community purposes;

AND WHEREAS the estimated cost to purchase properties legally described on Schedule “A” for the sum of Five Million Dollars ($5,000,000), of which the sum of Five Million Dollars ($5,000,000) is the amount of debt intended to be created by this bylaw;

NOW THEREFORE the Council of the District of Invermere, in open meeting assembled, enacts as follows:

1. This Bylaw may be cited as "Loan Authorization Bylaw No. 1557, 2019."

2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out for the purchase of properties for community purposes referred to in this bylaw generally in accordance with specifications on file in the Municipal Office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

   a) to borrow upon the credit of the municipality a sum not exceeding Five Million Dollars ($5,000,000); and

   b) To acquire all such real property, easements, rights-of-way, licences, rights, or authorities as may be requisite or desirable for or in connection with the purchase of property for community purposes.

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is twenty-five (25) years.
Read a First Time this 5th day of February, 2019.

Read a Second Time this 5th day of February, 2019.

Read a Third Time this 5th day of February, 2019.

Received the approval of the Inspector of Municipalities this ___ day of ____________, 2019.

Received the approval of the electors of the District of Invermere this ___ day of ____________, 2019.

**ADOPTED** this ___ day of ____________, 2019.

______________________________
MAYOR

______________________________
CHIEF ADMINISTRATIVE OFFICER

Certified a true copy of Bylaw No. 1557, 2019 as at third reading.

______________________________
Corporate Officer

Certified a true copy of Bylaw No. 1557, 2019 as adopted.

______________________________
Corporate Officer
District of Invermere
Loan Authorization Bylaw No. 1557, 2019

SCHEDULE “A”

Summary of Subject Lands:

- Parcel A (KM53088), D.L. 267, K.D., Plan NEP18891, PID 024-165-573
- Lot A, D.L. 267, K.D., Plan NEP18804, PID 015-899-021
- Lot 2, Block 2, D.L. 267, K.D., Plan NEP740, Except Part included in Plan NEP19552, PID 016-087-429
- Lot 3, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-087-411
- Lot 4, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-087-399
- Lot 5, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-106-971
- Lot 6, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-106-989
- Lot 7, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-107-004
- Lot 8, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-107-012
- Lot 9, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-107-021
- Lot 10, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-087-305
- Lot 11, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-087-321
- Lot 12, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-087-330
- Lot 13, Block 2, D.L. 267, K.D., Plan NEP740, PID 016-087-348
- Lot 21, Block 2, D.L. 267, K.D., Plan NEP740, Except Part included in Plan NEP19552, PID 016-107-055
- Lot 22, Block 2, D.L. 267, K.D., Plan NEP740, Except Part included in Plan NEP19552, PID 016-107-063
- Lot 23, Block 2, D.L. 267, K.D., Plan NEP740, Except Part included in Plan NEP19552, PID 016-107-071
- Lot 24, Block 2, D.L. 267, K.D., Plan NEP740, Except Part included in Plan NEP19552, PID 016-107-080
- Lot 25, Block 2, D.L. 267, K.D., Plan NEP740, Except Part included in Plan NEP19552, PID 016-088-328
- Lot 26, Block 2, D.L. 267, K.D., Plan NEP740, Except Part included in Plan NEP19552, PID 016-088-336
- Lot 17, Block 8, D.L. 267, K.D., Plan NEP740, PID 017-548-616
- Lot 18, Block 8, D.L. 267, K.D., Plan NEP740, PID 017-548-624
- Lot 19, Block 8, D.L. 267, K.D., Plan NEP740, PID 017-548-632
- Lot 20, Block 8, D.L. 267, K.D., Plan NEP740, PID 017-548-641
- Lot 21, Block 8, D.L. 267, K.D., Plan NEP740, PID 017-548-659
- Lot 22, Block 8, D.L. 267, K.D., Plan NEP740, PID 016-087-291
- District Lot 17129, K.D., ALL THAT UNSURVEYED CROWN FORESHORE BEING THE PART OF THE BED OF THE COLUMBIA RIVER, TOGETHER WITH THAT
PART OF D.L. 17129 ISSUED FOR COMMERCIAL MARINA, Lease/Permit/Licence #341642, LBF: 0278645

DIAGRAM OF PROPERTIES