



BOARD REPORT

TO: Chair and Directors

File No: BL 5755
BL 5756

SUBJECT: Rail Corridor Trail Service Establishment and Rail Corridor Trail Service Loan Authorization Bylaws

DESCRIPTION: Report from Lynda Shykora, Deputy Manager, Corporate Administration Services dated April 20, 2017

RECOMMENDATION #1 THAT:
"Rail Corridor Trail Service Establishment Bylaw No. 5755" be read a first, second and third time this 20th day of April, 2017.

RECOMMENDATION #2 THAT:
"Rail Corridor Trail Service Loan Authorization Bylaw No. 5756", be read a first, second and third time this 20th day of April, 2017.

RECOMMENDATION #3 THAT:
the Board endorse the alternative approval process in accordance with Section 345(1)(a) of the Local Government Act as the method to obtain the assent of the electors for:

- the establishment of a Rail Corridor Trail Service identified in Bylaw No. 5755, and
- for the proposal to authorize the borrowing of funds for the purpose of acquiring the rail corridor within the service area as identified in the Loan Authorization Bylaw No. 5756.

RECOMMENDATION #4 THAT:
the Board provide that the participating area approval relative to the Rail Corridor Service and associated Loan Authorization is to be obtained for the entire service area (on an area-wide basis).

(2/3 MAJORITY VOTE REQUIRED)

APPROVED for Board Consideration: _____
Meeting Date: April 20, 2017 *Charles Hamilton, CAO*

SHORT SUMMARY:

The Board has received background in a report from the Chief Administrative Officer dated April 20, 2017 entitled – Acquisition of Land – Abandoned CP Rail Corridor from Sicamous to Armstrong. The Board has subsequently endorsed the Purchase Agreement and authorized release of the report from an In Camera meeting on April 20, 2017.

A service area establishment bylaw (Bylaw No. 5755) and a loan authorization bylaw (Bylaw No. 5756) are attached for consideration.

VOTING:	Unweighted <input checked="" type="checkbox"/> Corporate	LGA Part 14 <input type="checkbox"/> (Unweighted)	Weighted <input type="checkbox"/> Corporate	Stakeholder <input type="checkbox"/> (Weighted)
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BACKGROUND:

The establishment of a Service Area bylaw is the mechanism that will formally establish the Rail Corridor Trail Service in the City of Salmon Arm, the District of Sicamous and Electoral Areas C, D, E and F. Identified within Bylaw 5755, the service proposed is to acquire, construct, improve, manage and operate the Rail Corridor Trail initiative in those parts of the Rail Corridor Trail that are located within the boundaries of the Columbia Shuswap Regional District.

Bylaw No. 5755 is attached for consideration to establish a service area for the proposed Rail Corridor Trail Service ("Service"). Recommendation #1 is for the Board to proceed with First, Second and Third Readings of this bylaw.

In order to acquire the abandoned Canadian Pacific Rail corridor, the adoption of a loan authorization bylaw is needed to authorize the CSRD to borrow up to \$1,840,000. Bylaw No. 5756 is attached for consideration to authorize borrowing for the purpose of acquiring the abandoned Canadian Pacific rail corridor located within the boundaries of the Columbia Shuswap Regional District. Recommendation #2 is for the Board to proceed with First, Second and Third Readings of Bylaw No. 5756.

Though the Board, at an In Camera meeting, has previously adopted a resolution to endorse the alternative approval process as the method to obtain the assent of the electors related to the establishment of a rail corridor trail service and for the associated loan authorization, it is recommended that the Board again adopt a resolution, for transparency and for public information, at its April 20, 2017 Board meeting.

In relation to the alternate approval process, the Board may, by resolution adopted by at least 2/3 of the votes cast, provide that the participating area approval is to be obtained for the entire proposed service area. Though the Board has previously adopted a resolution, by 2/3 majority vote, to provide that the participating area approval is to be obtained for the entire proposed service area, the resolution was adopted some months ago at an In Camera meeting. Therefore, staff is recommending that the Board repeat the resolution process at its April 20, 2017 Regular meeting, for transparency and for public information.

Upon approval of the bylaws by the Inspector of Municipalities, an alternative approval process will be advanced within the Service Area of Electoral Areas C, D, E and F, the City of Salmon Arm and the District of Sicamous.

POLICY:

Section 332 of the Local Government Act identifies that a regional district may by bylaw, establish and operate any service that the board considers necessary or desirable for all or part of the regional district.

The Local Government Act requires that the Board seek the approval of the electors in the participating area to establish the Service and to authorize the borrowing of funds.

The Inspector of Municipalities' approval of these bylaws is required before undertaking the Alternative Approval Process. It will take a minimum of four weeks to receive the Ministerial approval.

FINANCIAL:

The annual costs for this service will be recovered through the collection of taxes levied against the value of land and improvements for those properties within the boundaries of the service area (the entirety of the City of Salmon Arm, the District of Sicamous and Electoral Areas C, D, E and F). The Service Area Establishment Bylaw proposes the following customized cost apportionment formula amongst the service area participants:

- City of Salmon Arm: 35%
- District of Sicamous: 30%
- Electoral Area E: 15%
- Electoral Area D: 3%
- Electoral Area C: 12%
- Electoral Area F: 5%.

The proposed loan authorization bylaw would authorize the CSRD to borrow up to \$1,840,000 to purchase the abandoned Canadian Pacific rail corridor. The Loan Authorization Bylaw proposes borrowing over a 25 year period; however, prior to giving three readings, the term of the loan may be amended by the Board to either a 20 or a 30 year repayment term. The Financial Services Manager has recommended the term of 25 years.

The document entitled CP Rail Corridor - Preliminary Funding Exercise Reflecting Geographic Considerations is attached for the Board's reference. The analysis contains an estimate of the annual repayment costs per participating area as well as the potential cost per average residential assessment, in each of the participating areas. The scenarios vary dependent on the repayment term of 20, 25 or 30 years.

COMMUNICATIONS:

Upon receiving Third reading, the bylaws will be submitted to the Inspector of Municipalities for approval.

Staff will bring forward a Board Report on the Alternative Approval Process (AAP) at the May 18, 2017 meeting in order that the Board is able to fulfill its legislated requirements associated with the Alternative Approval Process.

DESIRED OUTCOMES:

Endorse the recommendations.

BOARD'S OPTIONS:

1. *Endorse the Recommendations*
2. *Deny the Recommendations*
3. *Defer*
4. *Any other action deemed appropriate by the Board.*

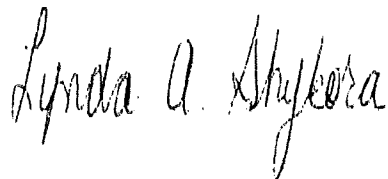
Report Approval Details

Document Title:	Bylaws 5755 and 5756 Rail Corridor Trail Service and Loan Authorization.docx
Attachments:	- BL5755 Rail Corridor Trail Service Establishment.pdf - BL 5756 Rail Corridor Trail Loan Authorization.pdf - CP Rail Corridor Trail Financial re BL 5755 and 5756.pdf
Final Approval Date:	Apr 19, 2017

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Jodi Pierce was completed by assistant Chelsea Kraft

Jodi Pierce - Apr 19, 2017 - 1:50 PM



Lynda Shykora - Apr 19, 2017 - 1:54 PM

No Signature - Task assigned to Charles Hamilton was completed by assistant Lynda Shykora

Charles Hamilton - Apr 19, 2017 - 2:09 PM

COLUMBIA SHUSWAP REGIONAL DISTRICT

BYLAW NO. 5755

A bylaw to establish a service and service area for a network of regional trails within former railway corridor lands

WHEREAS under section 332 of the *Local Government Act* a regional district may, by bylaw, establish and operate any service that the board considers necessary or desirable for all or part of the regional district;

AND WHEREAS the Board of the Columbia Shuswap Regional District (the "Board") wishes to acquire, in conjunction with the Splatshin First Nation and the Regional District of the North Okanagan, the abandoned Canadian Pacific rail corridor between Sicamous and Armstrong in order to develop a network of regional trails (the "Rail Corridor Trail Initiative");

AND WHEREAS THE Board wishes to establish a service to acquire, construct, improve, manage and operate the Rail Corridor Trail Initiative with respect to those parts of the Rail Corridor Trail Initiative that are within the Columbia Shuswap Regional District;

AND WHEREAS the approval of the electors in the Participating Areas has been obtained in accordance with section 345(1)(a) of the *Local Government Act*;

AND WHEREAS the approval of the Inspector of Municipalities has been obtained in accordance with sections 342(1)(a) of the *Local Government Act*;

NOW THEREFORE the Board of the Columbia Shuswap Regional District, in open meeting assembled, HEREBY ENACTS as follows:

1. The Regional District hereby establishes a service for the purpose of acquiring, constructing, improving, managing and operating the Rail Corridor Initiative (the "Rail Corridor Trail Service").
2. The participating areas and the service areas for the Rail Corridor Trail Service consist of the City of Salmon Arm, the District of Sicamous and Electoral Areas "C", "D", "E" and "F" (the "Participating Areas").
3. Boundaries:

The boundaries of the service area are:

- All of Electoral Area C;
- All of Electoral Area D;
- All of Electoral Area E;
- All of Electoral Area F;
- All of the City of Salmon Arm;
- All of the District of Sicamous.

4. The annual costs for the Rail Corridor Trail Service shall be recovered by:
 - (a) requisition of money to be collected by property value taxes imposed in accordance with Division 3 of Part 11 of the *Local Government Act*;
 - (b) fees and charges imposed under section 397 of the *Local Government Act*;
 - (c) revenues raised by other means authorized under the *Local Government Act* or another Act; and
 - (d) revenues received by way of agreement, enterprise, gift, grant or otherwise.

5. The requisition of money to be collected by property value taxes imposed in accordance with Division 3 of Part 11 of the *Local Government Act* is to be apportioned among the Participating Area as follows:
 - a. 35% from City of Salmon Arm;
 - b. 30% from District of Sicamous;
 - c. 12% from Electoral Area "C";
 - d. 3% from Electoral Area "D";
 - e. 15% from Electoral Area "E"; and
 - f. 5% from Electoral Area "F".

6. The maximum amount that may be requisitioned for the Rail Corridor Trail Service is the amount equivalent to \$0.50 for each \$1,000 of net taxable value of land and improvements included in the Service Area.

7. This bylaw may be cited as "Rail Corridor Trail Service Establishment Bylaw No. 5755."

READ A FIRST TIME THIS _____ day of _____, 2017.

READ A SECOND TIME THIS _____ day of _____, 2017.

READ A THIRD TIME THIS _____ day of _____, 2017.

Approved by the Inspector of Municipalities this _____ day of _____, 2017.

RECEIVED elector approval this _____ day of _____, 2017.

ADOPTED THIS _____ day of _____, 2017.

 MANAGER OF CORPORATE
 ADMINISTRATION SERVICES (SECRETARY)

 CHAIR

CERTIFIED a true copy of
Bylaw No. 5755 as read a third time.

Deputy Manager of Corporate
Administration Services

CERTIFIED a true copy of
Bylaw No. 5755 as adopted.

Deputy Manager of Corporate
Administration Services

COLUMBIA SHUSWAP REGIONAL DISTRICT

BYLAW NO. 5756

A bylaw to authorize borrowing for the purpose of
acquiring of the abandoned Canadian Pacific rail corridor
to develop a network of regional trails

WHEREAS the Columbia Shuswap Regional District Board (the "Board") has established by Bylaw No. 5755 (Rail Corridor Trail Service Establishment Bylaw), a service for the purpose of providing a network of regional trails based on the abandoned Canadian Pacific rail corridor between Sicamous and Armstrong;

AND WHEREAS it is deemed desirable and expedient to acquire the abandoned Canadian Pacific rail corridor serving the participating areas of the City of Salmon Arm, the District of Sicamous and Electoral Areas "C", "D", "E" and "F" (the "Service Area");

AND WHEREAS the estimated cost of acquiring the rail corridor including expenses incidental thereto is the sum of Two Million One Hundred Seventy Thousand Dollars (\$2,170,000) of which the sum of One Million Eight Hundred Forty Thousand Dollars (\$1,840,000) is the amount of debt intended to be borrowed by this bylaw;

AND WHEREAS the maximum term for which a debenture may be issued to secure the debt created by this bylaw is for a term not to exceed twenty-five years;

AND WHEREAS the authority to borrow under this bylaw expires five years from the date on which this bylaw is adopted;

AND WHEREAS the Board has submitted the proposal to borrow funds for the purpose of acquiring the corridor to the electors within the service area and approval of electors, in accordance with section 345 of the *Local Government Act* has been obtained;

NOW THEREFORE, the Columbia Shuswap Regional District Board in open meeting assembled, enacts as follows:

1. The Board of the Columbia Shuswap Regional District is hereby empowered and authorized to undertake and carry out or cause to be carried out the acquisition of the abandoned Canadian Pacific rail corridor within the Columbia Shuswap Regional District 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 Columbia Shuswap Regional District a sum not exceeding One Million Eight Hundred Forty Thousand Dollars(\$1,840,000);
 - (b) To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the Rail Corridor Trail Service.
2. The Regional District service for which the debt authorized by this bylaw would be incurred

is "Rail Corridor Trail Service Establishment Bylaw No. 5755".

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is twenty-five years.
4. This bylaw may be cited as "Rail Corridor Trail Service Loan Authorization Bylaw No. 5756".

READ A FIRST TIME THIS _____ day of _____, 2017.

READ A SECOND TIME THIS _____ day of _____, 2017.

READ A THIRD TIME THIS _____ day of _____, 2017.

Approved by the Inspector of Municipalities this _____ day of _____, 2017.

RECEIVED elector approval this _____ day of _____, 2017.

ADOPTED THIS _____ day of _____, 2017.

MANAGER OF CORPORATE
ADMINISTRATION SERVICES (SECRETARY)

CHAIR

CERTIFIED a true copy of
Bylaw No. 5756 as read a third time.

CERTIFIED a true copy of
Bylaw No. 5756 as adopted.

Deputy Manager of Corporate
Administration Services

Deputy Manager of Corporate
Administration Services

CP Rail Corridor
Preliminary Funding Exercise
Reflecting geographic considerations

		Annual Repayment
Total purchase price	\$ 2,170,000	
Less Area E EOF Funds	\$ 250,000	
Less Area B EOF Funds	\$ 100,000	
Net purchase price to finance	\$ 1,820,000	
MFA debt proceeds (includes top up)	\$ 1,838,384	
MFA Indicative Market 25 Y rate	3.58%	116,340.00

Scenario A (Salmon Arm, Sicamous, Areas C,D,E,F)

Mill Rate

Average Residential Tax

	Gross Converted Assessments (2017 Revised Roll)	Proportionate Share of Tax Burden	Adjusted Proportionate Share of Tax Burden (benefitting areas)	Share of annual repayment (20 years)	Share of annual repayment (25 years)	Share of annual repayment (30 years)	Mill Rate			Average Residential Tax			
							20 Years	25 Years	30 Years	Average Residential Assessment	20 Years	25 Years	30 Years
City of Salmon Arm	362,023,365	41.96%	35.00%	46,507	40,719	36,592	0.0128	0.0112	0.0101	335,874	4.541	3.976	3.573
District of Sicamous	79,862,014	9.26%	30.00%	39,863	34,902	31,364	0.0499	0.0437	0.0393	258,302	13.570	11.881	10.677
Area E	50,307,529	5.83%	15.00%	19,932	17,451	15,682	0.0396	0.0347	0.0312	274,779	11.458	10.032	9.015
		57.04%	80.00%										
Area D	52,129,714	6.04%	3.00%	3,986	3,490	3,136	0.0076	0.0067	0.0060	258,969	2.084	1.825	1.640
Area C	237,671,017	27.54%	12.00%	15,945	13,961	12,546	0.0067	0.0059	0.0053	349,414	2.467	2.160	1.941
Area F	136,440,312	15.81%	5.00%	6,644	5,817	5,227	0.0049	0.0043	0.0038	286,637	1.469	1.286	1.156
		49.40%	20.00%										
	<u>918,433,951</u>			<u>132,877</u>	<u>116,340</u>	<u>104,548</u>	<u>0.0145</u>	<u>0.0127</u>	<u>0.0114</u>				

Maximum tax at .50/\$1,000 =	459,216.98		Maximum	Anticipated	Room Available
		Salmon Arm	160,726	46,507	114,219
		Sicamous	137,765	39,863	97,902
		Area E	68,883	19,932	48,951
		Area D	13,777	3,986	9,790
		Area C	55,106	15,945	39,161
		Area F	22,961	6,644	16,317
			<u>459,217</u>	<u>132,877</u>	<u>326,340</u>