



STAFF REPORT

DATE: July 18, 2025

FILE: 0550-04 Board

TO: Chair and Directors,
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: BYLAW NO. 607 – STRATHCONA GARDENS LOAN AUTHORIZATION

PURPOSE/PROBLEM

To consider proceeding at this time with an alternative approval process for Bylaw No. 607 which would authorize borrowing up to \$57,100,000 to be used to complete the re-development of the Strathcona Gardens recreation complex to achieve the objectives of the REC-REATE project.

EXECUTIVE SUMMARY

At its May 21, 2025 meeting the Board gave third reading to Bylaw No. 607 and authorized approval of the electors to be obtained through an alternative approval process (AAP). Bylaw No. 607 was subsequently forwarded to the Inspector of Municipalities for approval which has now been obtained. The Board may therefore proceed at this time to seek elector approval.

Before launching 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 AAP process. It is recommended that the deadline for elector responses be confirmed as noon on Monday, September 22, 2025 which will meet all of the statutory requirements for public notification and give sufficient time for submission of elector responses as required by the *Community Charter* and the *Local Government Act*. The AAP response form has been constructed on this basis. At the conclusion of the elector response period a further report will be presented to the Board confirming the total number of valid responses and 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 Bylaw No. 607 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 Bylaw No. 607 if an assent voting opportunity is provided and a majority of electors who vote at that opportunity are in favour of the bylaw.

The attached schedule has been constructed on the assumption that Loan Authorization Bylaw No. 607 is supported by the electors.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT the total number of electors within the area affected by Bylaw No. 607 be fairly determined to be 33,012 for purposes of the alternative approval process.
3. THAT the deadline for submission of elector responses in respect of the alternative approval process for Bylaw No. 607 be established as 12:00 noon on Monday, September 22, 2025.

4. THAT the elector response form attached to the July 18, 2025 report from the Chief Administrative Officer be approved for use with the alternative approval process for Bylaw No. 607.

Respectfully:



Dave Leitch
Chief Administrative Officer

Schedule	Action
May 21, 2025	Regional Board gives first 3 three readings to Strathcona Gardens Recreation Facility Loan Authorization Bylaw No. 607 and authorizes approval of the electors to be obtained by alternative approval process (AAP).
May 26, 2025	Bylaw No. 607 submitted to Inspector of Municipalities for approval under s.406 of the <i>Local Government Act</i> .
June 25, 2025	Inspector of Municipalities approval received for Bylaw No. 607.
July 23, 2025	Regional Board approves elector response form, elector response deadline and determines total number of electors for AAP purposes.
July 28, 2025	First publication of AAP notice for Bylaw No. 607.
August 6, 2025	Second publication of AAP notice for Bylaw No. 607.
September 22, 2025	Deadline for filing AAP responses with Regional District.
October 22, 2025	If elector approval received, Regional Board may proceed with final passage and adoption of Bylaw No. 607.
November 24, 2025	Quashing period for Loan Authorization Bylaw No. 607 expires. Application made to Inspector of Municipalities for Certificate of Approval.

Prepared by: T. Yates, Corporate Services Manager

Attachments: Bylaw No. 607
Elector Response Form for Bylaw No. 607 AAP
Estimate of Eligible Electors within Strathcona Gardens service area
Copy of May 16, 2025 report to the Regional Board



BYLAW NO. 607

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

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

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

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

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

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

AND WHEREAS the Regional District wishes to provide financing for the redevelopment of the Strathcona Gardens recreation facility, the estimated cost of which including expenses incidental thereto is \$61,200,000 (Sixty-One Million, Two Hundred Thousand Dollars) of which \$57,100,000 (Fifty-Seven Million, One Hundred Thousand Dollars) is the maximum amount of borrowing authorized by this bylaw;

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

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

Borrowing Authorized

1. The Regional District is hereby authorized and empowered to borrow upon its credit a sum not exceeding \$57,100,000 (Fifty-Seven Million, One Hundred Thousand Dollars) for redevelopment of the Strathcona Gardens recreation facility and to do all things necessary or convenient in connection therewith including, without limiting the generality of the foregoing, acquiring all such real property, easements, rights of way, licenses, rights or authorities as may be required.

Service Identification

2. The Regional District service for which the debt authorized by this bylaw would be incurred is the Strathcona Gardens recreation centre 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. 607, being Strathcona Gardens Recreation Facility Loan Authorization Bylaw 2025.

READ A FIRST TIME ON THE 21ST DAY OF MAY, 2025

READ A SECOND TIME ON THE 21ST DAY OF MAY, 2025

READ A THIRD TIME ON THE 21ST DAY OF MAY, 2025

APPROVED BY THE INSPECTOR OF MUNICIPALITIES ON THE 23RD DAY OF JUNE, 2025

APPROVAL OF THE ELECTORS OBTAINED ON THE DAY OF , 2025

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE DAY OF , 2025

Chair

Corporate Officer



ELECTOR RESPONSE FORM **Bylaw No. 607 (Strathcona Gardens Loan Authorization Bylaw 2025)**

The Board of directors for the Strathcona Regional District is seeking the approval of the electors by alternative approval process for Bylaw No. 607, being Strathcona Gardens Recreation Facility Loan Authorization Bylaw 2025. If adopted, Bylaw No. 607 would authorize the Regional District to borrow up to \$57,100,000 (Fifty-Seven Million, One Hundred Thousand Dollars) to be repaid over a period not exceeding 25 years to fund the redevelopment of the Strathcona Gardens recreation complex.

INSTRUCTIONS

1. If you qualify as an elector within the service area for the Strathcona Gardens recreation complex and are opposed to the adoption of Bylaw No. 607 without first seeking assent of the electors by voting, you can sign and submit an elector response form.
2. If you are **NOT opposed** to the adoption of Bylaw No. 607 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 within the City of Campbell River or Electoral Area D of 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 is the only person able to complete and submit a response form on behalf of the property. See Page 3 of this form.]

4. Only one elector per elector response form is permitted.

1.

Elector response forms must be received by the Regional District not later than 12:00 noon on Monday, September 22, 2025.

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

2.

The total number of electors in the service area for the Strathcona Gardens has been fairly determined to be 33,012. Unless at least 10% of those electors submit an elector response form to oppose the adoption of Bylaw No. 607, the Regional District may adopt the bylaw without first 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@srd.ca



ELECTOR RESPONSE FORM
**Bylaw No. 607 (Strathcona Gardens
Loan Authorization Bylaw 2025)**

I, the undersigned, being a duly qualified elector of the service area for the Strathcona Gardens Recreational Complex (City of Campbell River and Electoral Area D), am **opposed to** the adoption of Bylaw No. 607, being Strathcona Gardens Recreation Facility Loan Authorization Bylaw 2025, by the Board of Directors for 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 am a resident of the City of Campbell River or Electoral Area D of the Strathcona Regional District,

OR

I have been a registered owner of real property within the City of Campbell River or Electoral Area D of 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 Bylaw No. 607.

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 City of Campbell River or Electoral Area D of the Strathcona Regional District.
- ☐ I am not a resident elector within the City of Campbell River or Electoral Area D of the Strathcona Regional District but own real property within the area described above that is legally described as follows:

SIGNATURE OF ELECTOR

**NON-RESIDENT PROPERTY ELECTOR
AUTHORIZATION TO SUBMIT A RESPONSE FORM***
Bylaw No. 607, Strathcona Gardens Loan Authorization

*To be used only for property having multiple owners.

APPOINTMENT AND CONSENT

We the undersigned persons, together with the person named as our appointee, constitute a majority of registered owners of the real property described below and we hereby appoint that person and give consent for them to act as the designated non-resident property elector for the purposes of this alternative approval process.

NAME AND ADDRESS OF APPOINTEE

LAST NAME	FIRST NAME(S)
RESIDENTIAL ADDRESS	
CITY/TOWN	POSTAL CODE

B.C.

PROPERTY DESCRIPTION

LEGAL DESCRIPTION	or	CIVIC ADDRESS (if applicable)
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OWNER SIGNATURES

1. _____ (PRINT NAME)	_____ (SIGNATURE)	_____ (DATE)
2. _____ (PRINT NAME)	_____ (SIGNATURE)	_____ (DATE)
3. _____ (PRINT NAME)	_____ (SIGNATURE)	_____ (DATE)
4. _____ (PRINT NAME)	_____ (SIGNATURE)	_____ (DATE)
5. _____ (PRINT NAME)	_____ (SIGNATURE)	_____ (DATE)
6. _____ (PRINT NAME)	_____ (SIGNATURE)	_____ (DATE)

Note:

- If more than one person owns the above property the person wishing to submit a response form for that property must provide, at the time of submission, written consent from a majority of the property owners.
- The person appointed as the non-resident property elector must be one of the registered owners of the property.
- The only persons who are registered owners of the real property, either as joint tenants or tenants in common, are individuals who are not holding the property in trust for a corporation or another trust.
- A non-resident property elector may not submit more than one response form regardless of the number of properties owned.

NOTICE OF ALTERNATIVE APPROVAL PROCESS

BYLAW NO. 607

STRATHCONA GARDENS – RECREATE PROJECT

Public notice is hereby given that the Board of Directors for the Strathcona Regional District may proceed with final passage and adoption of Bylaw No. 607, being Strathcona Gardens Recreation Facility Loan Authorization Bylaw 2025, at its meeting of Wednesday, October 22, 2025 unless at least 10% of the eligible electors within the City of Campbell River and Electoral Area D (Oyster Bay-Buttle Lake) submit elector response forms not later than 12:00 noon on September 22, 2025.

Bylaw No. 607 would authorize borrowing up to \$57,100,000 to be used for funding re-development of the Strathcona Gardens recreation complex with the debt to be repaid over a period not exceeding 25 years.

The number of eligible electors within the boundaries of the City of Campbell River and Electoral Area D has been fairly determined to be 33,012 and the number of valid elector response forms required to prevent the adoption of Bylaw No. 607 without first obtaining the assent of the electors by voting is 3,302. Elector response forms must be in the form approved by the Regional Board and may be obtained online at www.srd.ca/strathcona-gardens-aap or in person at the Regional District office during regular office hours. Only persons who qualify as electors within the City of Campbell River or Electoral Area D of the Strathcona Regional District are entitled to sign and submit an elector response form.

Further information regarding Bylaw No. 607 or this alternative approval process may be obtained at www.srd.ca/strathcona-gardens-aap or by contacting the Regional District.

T. Yates,
Corporate Officer



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

Strathcona Gardens Loan Authorization

Bylaw No. 607

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. 607, being Strathcona Gardens Loan Authorization Bylaw 2025. An elector is defined as a person who would qualify to vote on the question of approving Bylaw No. 607 if such a vote was to be held on the date this report was prepared.
- Area Affected:** The area affected by Bylaw No. 607 is the City of Campbell River and Electoral Area D which comprises the current service area for the Strathcona Gardens recreation complex.
- Approval Process:** The Regional District intends to proceed with an alternative approval process to determine whether Bylaw No. 607 may be adopted without first obtaining the assent of the electors by voting. Should it be determined that less than ten percent of the eligible electors within the affected area file a written objection to Bylaw No. 607 prior to the deadline for receipt of responses, the Regional Board may proceed to adoption without the requirement to obtain elector assent by voting, in accordance with the provisions¹ of the *Local Government Act*. In the event that ten percent or more of the eligible electors object to adoption of Bylaw No. 607 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 Bylaw No. 607 is authorized by section 407 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 Campbell River or Electoral Area D (or owner of real property within Campbell River or Electoral Area D for the last 30 days)
 - not otherwise disqualified from voting

Corporate entities are not permitted to qualify as electors in British Columbia.

Methodology: This report will attempt to make a fair determination of the total number of electors within the area affected by Bylaw No. 607. 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 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 necessarily aligned with local government jurisdictional boundaries and are therefore not particularly useful for purposes of this report. Since there is no reliable information available from these sources, it is necessary to consider the use of other data for the purpose of preparing an estimate of eligible electors.

BC Stats, Elections BC and the Ministry of Municipal Affairs are public agencies that maintain comprehensive databases of population, population distribution, voter eligibility, voter participation rates and other demographics. The City of Campbell River also maintains data related to the number of electors within its boundaries. The following data are supplied by those agencies:

Demographic	Estimate	Source
Population of British Columbia	5,722,318	BC Stats (January 1, 2025)
Population of Strathcona Regional District	48,150	Municipal Affairs (November 1, 2022)
Population of Electoral Area D	4,153	Municipal Affairs (November 1, 2022)
Provincial electors in British Columbia	3,564,307	Elections BC (July 1, 2019)
Resident electors in City of Campbell River	29,600	Report to Campbell River Council (June 15, 2023)

Using the above data, it can be determined that approximately 62.3% 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 resident electors within Electoral Area D. Once this number has been determined, it can be added to the number of resident electors provided by the City of Campbell River and, 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, this total should provide a reasonable estimate of the number of resident electors within the current service area for the Strathcona Gardens recreation complex.

To summarize, the number of resident electors within the service area for the Strathcona Gardens may therefore be calculated as follows:

Step 1: 3,564,307 (eligible provincial electors)
 ÷ 5,722,318 (total population of B.C.)
 = 62.29% (B.C. average % of electors)

Step 2: 4,153 (Electoral Area D population)
 x 62.29% (B.C. average % of electors)
 = 2,587 (Electoral Area D resident electors)

Step 3: 2,587 (Electoral Area D resident electors)
 + 29,600 (City of Campbell River resident electors)
 = 32,187 (total resident electors within service area)

It is concluded that a fair estimate of the number of resident electors within the area affected by Bylaw No. 607, based on the above data, is 32,187.

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 and assent voting opportunities solely on the basis of property ownership³. 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.

The following data has been extracted from the sources noted and will provide a reasonable starting point for estimating the number of non-resident property electors within the service area for the Strathcona Gardens recreation facility.

Demographic	Count	Source
Total properties within Electoral Area D	2,316	BC Assessment Authority (April 2025)
Total registered owners within Electoral Area D	2,881	
Registered owners resident within Electoral Area D or City of Campbell River	1,980	
Electoral Area D owners resident outside of British Columbia	41	
Electoral Area D property owners being corporate entities	65	
Electoral Area D property owners being public entities	2	
Non-resident property electors in City of Campbell River	32	Staff report to Council (June 15, 2023)

In order to estimate the number of NRPE's within the boundaries of Electoral Area D, the database of the BC Assessment Authority was queried, and it was determined that there are 2,316 separate properties within Electoral Area D and 2,881 unique registered owners of those properties.

From this total of 2,881 unique owners of property the following were eliminated in order:

- 1,980 owners of property who are residents of Electoral Area D or Campbell River;
- 41 owners of property who non-residents of British Columbia;
- 65 owners of property who are corporate entities; and
- 2 owners of property who are public (federal, provincial or local).

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 area affected by Bylaw No. 607 (including the City of Campbell River), based on the most recently available data, is 825. In arriving at this estimate it is worth noting that voting requirements related to age, citizenship or length of property ownership have not been addressed since there is no data available to the Regional District upon which to evaluate this demographic.

Summary:

The total number of eligible electors within the service area for the Strathcona Gardens recreation complex, being the City of Campbell River and Electoral Area D, has been fairly determined to include 32,187 resident electors and 825 non-resident property electors for a total of 33,012.

Conclusion:

For the purpose of the alternative approval process for Bylaw No. 607, being Strathcona Gardens Loan Authorization Bylaw 2025, the total number of eligible electors has been fairly determined to be 33,012. The number of valid elector responses that are required to withhold approval for the adoption of Bylaw No. 607 without first obtaining elector assent by voting is therefore 3302.

- 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

DATE: May 16, 2025

FILE: 0550-04

TO: Chair and Directors,
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: BYLAW NO. 607 - STRATHCONA GARDENS BORROWING

PURPOSE/PROBLEM

To consider Bylaw No. 607 which would authorize borrowing up to \$57.1 million for Phase 2 of the redevelopment of the Strathcona Gardens recreational facility.

EXECUTIVE SUMMARY

At its April 23, 2025 meeting the Strathcona Gardens Commission considered the attached report and passed the following resolution:

Rice/Grunerud: SGC 45/25

THAT the Commission recommend the Regional District conduct an alternative approval process (AAP) to seek approval of the electors for a loan authorization bylaw to fund Phase 2 of the RECREATE project.

The method recommended for securing the approval of the electors with respect to Bylaw No. 607 is an alternative approval process (AAP). This method requires that the Regional District notify the public of its intention to borrow capital funds and provide at least 30 days for responses using the approved form. If less than 10% of the electors object in writing before the response deadline the Regional District may adopt Bylaw No. 607 without further approvals. If, on the other hand, at least 10% of the electors submit an objection to proceeding with Bylaw No. 607, the Regional District may only adopt the bylaw if it holds an assent voting process (referendum) and receives elector support. The attached schedule shows the timeframe for securing elector approval via an AAP.

The actions outlined below are offered on the assumption that the Board supports the Commission's recommendation.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT Bylaw No. 607, being a bylaw to authorize the borrowing of funds for redevelopment of the Strathcona Gardens recreation facility, be now introduced and read a first time.
3. THAT the rules be suspended and Bylaw No. 607 be given second and third readings.

4. THAT elector approval of Bylaw No. 607 be authorized to be obtained using an alternative approval process.

Respectfully:



Dave Leitch
Chief Administrative Officer

Schedule	Action
May 21, 2025	Regional Board gives first 3 three readings to Strathcona Gardens Recreation Facility Loan Authorization Bylaw No. 607 and authorizes approval of the electors to be obtained by alternative approval process (AAP).
May 26, 2025	Bylaw No. 607 submitted to Inspector of Municipalities for approval under s.406 of the <i>Local Government Act</i> .
July 17, 2025	Inspector of Municipalities approval received for Bylaw No. 607.
July 23, 2025	Regional Board approves elector response form, elector response deadline and determines total number of electors for AAP purposes.
July 28, 2025	First publication of AAP notice for Bylaw No. 607.
August 6, 2025	Second publication of AAP notice for Bylaw No. 607.
October 14, 2025	Deadline for filing AAP responses with Regional District.
October 22, 2025	If elector approval received, Regional Board may proceed with final passage and adoption of Bylaw No. 607.
November 24, 2025	Quashing period for Loan Authorization Bylaw No. 607 expires. Application made to Inspector of Municipalities for Certificate of Approval.
October 22, 2030	Deadline for adopting Security Issuing Bylaw No. ____ to access capital funding authorized by Bylaw No. 607.

Prepared by: T. Yates, Corporate Services Manager

Attachments: Copy of April 17, 2025 report to the Strathcona Gardens Commission



BYLAW NO. 607

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

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

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

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

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

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

AND WHEREAS the Regional District wishes to provide financing for the redevelopment of the Strathcona Gardens recreation facility, the estimated cost of which including expenses incidental thereto is \$61,200,000 (Sixty-One Million, Two Hundred Thousand Dollars) of which \$57,100,000 (Fifty-Seven Million, One Hundred Thousand Dollars) is the maximum amount of borrowing authorized by this bylaw;

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

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

Borrowing Authorized

1. The Regional District is hereby authorized and empowered to borrow upon its credit a sum not exceeding \$57,100,000 (Fifty-Seven Million, One Hundred Thousand Dollars) for redevelopment of the Strathcona Gardens recreation facility and to do all things necessary or convenient in connection therewith including, without limiting the generality of the foregoing, acquiring all such real property, easements, rights of way, licenses, rights or authorities as may be required.

Service Identification

2. The Regional District service for which the debt authorized by this bylaw would be incurred is the Strathcona Gardens recreation centre 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. 607, being Strathcona Gardens Recreation Facility Loan Authorization Bylaw 2025.

READ A FIRST TIME ON THE DAY OF , 2025

READ A SECOND TIME ON THE DAY OF , 2025

READ A THIRD TIME ON THE DAY OF , 2025

APPROVED BY THE INSPECTOR OF MUNICIPALITIES ON THE DAY OF , 2025

APPROVAL OF THE ELECTORS RECEIVED ON THE DAY OF , 2025

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE DAY OF , 2025

Chair

Corporate Officer



STAFF REPORT

DATE: April 17, 2025

FILE:

TO: Chair and Commissioners,
Strathcona Gardens Commission

FROM: Dave Leitch
Chief Administrative Officer

RE: REC-REATE ARENA PROJECT (PHASE TWO) – FUNDING ALTERNATIVES

PURPOSE/PROBLEM

To consider the alternatives for obtaining elector approval to construct Phase Two of the redevelopment plan for the Strathcona Gardens facility, specifically the Rod Brind'Amour arena revitalization as envisioned by the REC-REATE project.

EXECUTIVE SUMMARY

Phase Two of the REC-REATE project has reached a key milestone with the consultants team completing the design phase. This finalized design reflects input from community members, facility users and BC junior hockey, aiming to create a cohesive space that fosters community connections both on the ice and within the facility. On March 31, 2025 the SRD Board approved the 2025-2029 Financial Plan which included an increase to the reserves (50% of the necessary Phase Two debt payment) for the Strathcona Gardens Service (Function 640) in anticipation of continued support for the construction of Phase Two, focusing on the revitalization of the Rod Brind'Amour Arena.

Since that time the project budget has been reviewed to ensure the new economic conditions of world trade, including ongoing market volatility and supply chain issues resulting from the imposition of tariffs are accounted for. Incorporating the current tariff conditions, a 25% increase has been applied to approximately \$7M worth of equipment and materials expected to be sourced from the United States, where there are limited viable alternatives. As well, cost escalation and contingency allowances have been added to safeguard against potential local supply chain disruptions or the possibility that additional equipment and materials may be added to the tariff list prior to procurement. These adjustments have changed the overall project budget to \$61.2M, up \$3.68m from the pre-tariff estimate. The change in budget will ensure that sufficient funds will be available to award contracts and to avoid delays or compromised delivery should costs fluctuate further.

After applying available reserve funds, \$57.1M in borrowing will be required to complete the revitalization of the Rod Brind'Amour Arena, marking the final phase of the REC-REATE redevelopment plan. At current MFA borrowing rates, this would require an increase in 2026 requisition to approximately \$88/property, (\$8 per property increase from approved 2026 requisition increase) for properties within the service area. Before any borrowing can occur, a loan authorization bylaw must be adopted, which will require approval of the electors. Loan Authorization Bylaw No. 342, which funded Phase One of REC-REATE, was approved through an alternative approval process (AAP). The other method for obtaining elector approval is assent voting (referendum) which is much more expensive in comparison to an AAP.

ALTERNATIVES

Option A: THAT the Commission recommend the Regional District conduct an alternative approval process (AAP) to seek approval of the electors for a loan authorization bylaw to fund Phase 2 of the REC-REATE project.

Option B: THAT the Commission recommend the Regional District conduct an assent voting process (referendum) to seek approval of the electors for a loan authorization bylaw to fund Phase 2 of the REC-REATE project.

RECOMMENDATION

THAT the report from the Chief Administrative Officer be received.

Respectfully:



Dave Leitch
Chief Administrative Officer

BACKGROUND/HISTORY

If loan authorization funding is not approved, the revitalization of the Rod Brind'Amour Arena cannot proceed. The need for these upgrades was established through project scoping and has been reaffirmed by facility patrons, user groups, the Strathcona Gardens Commission and staff throughout the project's development. The updated design expands the arena's capabilities, bringing it in line with modern facility standards and addressing community needs.

The budget for Phase Two has been updated to reflect the impact of external economic pressures, including new tariffs on construction materials imported from the United States. These tariffs combined with general market volatility, pose a challenge to cost forecasting. Since a portion of the required materials (approximately \$7M) is expected to be sourced from the U.S. with few viable Canadian alternatives, a 25% tariff contingency has been added to that subset of costs. Additionally, overall cost escalation and a healthy contingency have been built into the updated estimate to ensure the project can absorb potential price increases driven by local supply chain challenges or the inclusion of additional materials under future tariff measures. Ensuring that sufficient funding is in place is essential to maintaining momentum and avoiding significant delays or the risk of the project becoming unviable.

The project will increase seating capacity to 1,560 bucket seats and approximately 400 standing spaces to meet BC Junior A Hockey requirements. The arena will include advanced lighting to support HD broadcasts and new spaces to accommodate BC Hockey League requirements, including office space for business and hockey operations, a box office, athletic therapy and equipment rooms, a player lounge, study areas, a team store, a dry room, dedicated camera spaces, and a loading bay for visiting teams. The lobby will be transformed into a multi-functional hub with rentable tenant spaces and specialty offices. Concessions will be expanded to include a primary skate lobby concession, a secondary concession on the second floor, a designated beer garden area, and a walking track. Additionally, the project enhances accessibility to better serve users of all abilities and expands team rooms to a total of six, including a dedicated room for a home team.

The parking lot will be reconfigured to meet the City of Campbell River's loading and capacity requirements, with an alternate access road under consideration to address an easement issue, along with associated civil and landscaping works.

Phase Two construction will require the use of the eastern section of the site for the construction footprint and laydown areas. Coordination between phases must ensure continued facility access and adequate parking for ongoing operations. Parking lot reconfiguration and access improvements will be strategically managed to minimize disruption and maintain safe, efficient access to unaffected parts of the facility during construction.

The timeline for securing elector approval, obtaining necessary permits from the City of Campbell River, and tendering the project supports the targeted construction start date of April 2026. This schedule aligns with Phase One construction and minimizes disruptions to the hockey season.

The possible retention of the current construction manager, Heatherbrae Builders, for Phase Two presents may provide an opportunity to achieve both cost and schedule efficiencies. Their existing familiarity with the arena revitalization design, site conditions, stakeholder relationships and overall project scope could position them to continue seamlessly into the next phase. This continued relationship could reduce or eliminate demobilization and remobilization expenses and help mitigate potential delays associated with onboarding a new contractor.

To capitalize on these efficiencies and minimize disruptions to arena user groups, securing funding before the end of 2025 is essential. A total of \$57.1 million in borrowing is required. A new loan authorization bylaw must be adopted before the Regional District can access these funds. Local governments in British Columbia can seek elector approval through either assent voting (referendum) or the alternative approval process (AAP). Assent voting requires a formal vote in which a majority (50% +1) must be in favour. Referendum voting is the most costly method for obtaining elector approval requiring expenses for ballots, staffing, advertising and rental of facilities for voting by electors.

In contrast, an AAP allows local governments to proceed unless 10% or more of eligible electors formally oppose the proposal, making it a much more cost-effective process that can be completed relatively quickly. An AAP was used for Phase One, where the response period lasted 42 days and closed on October 4, 2023. At that time, 3,288 elector responses would have been required to prevent the adoption of Bylaw No. 342 without assent voting. Ultimately, only 106 valid elector response forms were received, indicating broad public support for the project.

FINANCIAL IMPLICATIONS

The revised cost estimate to construct Phase Two is \$61.2 million. With \$4.1 million in reserves available to support the project, approximately \$57.1 million in borrowing will be required. Based on a lending rate of 4.15%, the average increase in 2026 will be approximately \$88/property within the service area. The 2025 Financial Plan anticipated this borrowing and incorporated a tax requisition increase phased in over the 2025/2026 budget years, 50% in the current year and the remaining 50% in 2026. The final household impact will depend on several variables, including assessed property values, the confirmed project cost, and interest rates at the time of borrowing.

Several factors have contributed to the project cost, including the adoption of the 2024 BC Building Code, which introduces stricter structural and seismic requirements, and stakeholder-driven enhancements such as expanded office space, improved accessibility, upgraded lighting for high-definition broadcasts, and reconfigured parking and access.

In addition to scope changes, the estimate accounts for economic uncertainty and material-specific risks. A 25% tariff contingency has been applied to roughly \$7 million in materials and equipment expected to be sourced from the United States, where alternative suppliers are limited.

This results in a \$3.68 million allowance for potential tariff-related costs. Further escalation and a strengthened contingency have been added to address volatility in local supply chains and the risk that additional materials may be subjected to tariffs before procurement.

Including this buffer is essential. Since tariffs and material pricing cannot be precisely forecast at the time of tendering or purchase by trades, excluding adequate contingency would expose the project to significant financial risk.

Category	Nov 2024 Estimate	April 2025 Estimate	Notes
Total Project Cost	\$58.0 million	\$61.2 million	Includes tariff contingency and updated escalation
Tariff Contingency	–	\$3.68 million	New allowance for potential import tariffs on U.S. equipment and materials
Available Reserves	\$4.0 million	\$4.1 million	No change
Borrowing Requirement	\$54.0 million	\$57.1 million	Increased to reflect updated total cost
Estimated Annual Household Cost	\$160/year	~\$168/year	Subject to lending rates and individual assessments

INTERGOVERNMENTAL/REGIONAL IMPLICATIONS

The Ministry of Municipal Affairs will need to review and approve the loan authorization bylaw before it can be submitted to the electors, regardless of the method chosen for seeking elector approval.

The City of Campbell River will require both a development variance permit and a building permit for this phase to proceed to construction if funding is secured. Preliminary discussions with City staff have already taken place and permit requirements such as reconfiguring the parking lot to bring stalls into compliance have been incorporated into the design. Ongoing collaboration with the City will help ensure the project meets all regulatory requirements and advances without unnecessary delays.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS

Concept plans and requirements for the arena design have been accessible on the REC-REATE website, ensuring transparency and broad access to project details. In 2023, direct engagement with user groups and local First Nations was conducted to gather feedback and refine the design, ensuring it aligns with the needs and expectations of facility users.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

The management team at Strathcona Gardens has been integral to the design process, leveraging their deep understanding of facility operations and user group needs. Their insight, shaped by daily feedback from visitors, has been invaluable in refining the design and addressing challenges. Their dedication and collaboration have been instrumental in advancing the project to this stage.

Submitted by: W. Parada, Senior Manager, Engineering Services

Prepared by: S. Fisher, Engineering Services Coordinator