

DATE OF MEETING February 19, 2018  
AUTHORED BY VICTOR MEMA, CHIEF FINANCIAL OFFICER  
**SUBJECT FIRE STATION # 1 BORROWING BYLAW**

## **OVERVIEW**

### **Purpose of Report**

To introduce “Fire Station # 1 Borrowing Bylaw 2018 No. 7257”, for first, second and third readings. |

### **Recommendation**

That:

1. “Fire Station #1 Borrowing Bylaw 2018 No. 7257” (To Authorize the Borrowing of up to \$17,000,000 for the Reconstruction of Fire Station Number 1 [“Fire Station #1”]), pass first reading;
2. “Fire Station #1 Borrowing Bylaw 2018 No. 7257” pass second reading; and,
3. “Fire Station #1 Borrowing Bylaw 2018 No. 7257” pass third reading.

## **BACKGROUND**

The City of Nanaimo’s borrowing activities are guided by provisions of the *BC Community Charter*, *BC Local Government Act* and *BC Regulation 254/2004*, all as amended. *BC Regulation 254/2004* provides liability limits. *BC Community Charter Part 6, Division 3, Sections 179 and 180* provides guidance on process of undertaking a municipal borrowing. *BC Local Government Act Section 86, 94, 169 through 177* guide the process of Elector approval.

On May 8, 2017 Council received and considered a report outlining Fire Station # 1 condition assessment and renewal assessment. Council directed staff to proceed and include Option # 3 (Scenario 3) – Build New at Existing Location at an estimated cost of \$17 million in the 2018 - 2022 Financial Plan as a capital project. This project is now included in the approved 2018 - 2022 Financial Plan. The business case analysis for this capital project is attached to this report for reference. Assuming a term of 20 years and interest rate of 3% borrowing through Municipal Finance Authority (MFA), annual debt service is estimated at \$1.1 million. Impacts to the City’s property tax rates have been incorporated in the City’s financial plan.

In compliance with applicable legislation, the City is required to secure approval by the electors for this borrowing to be consummated. Staff is recommending that the City undertake an Alternative Approval Process (AAP) as provided in the legislation. This process will start from April 3, 2018 and run by the City Corporate Officer. The AAP is a defined process within legislation, which provides an opportunity for elector engagement and participation opportunity. |

## **OPTIONS**

1. That “Fire Station # 1 Borrowing Bylaw 2018 No. 7257” (To Authorize the Borrowing of up to \$17,000,000 for the Reconstruction of Fire Station Number 1 [“Fire Station #1”]) pass first reading;  
  
That “Fire Station # 1 Borrowing Bylaw 2018 No. 7257” pass second reading; and,  
  
That “Fire Station # 1 Borrowing Bylaw 2018 No. 7257” pass third reading.
2. Council may table this report and request additional information from Staff. ]

## **SUMMARY POINTS**

- Fire Station # 1 was constructed in 1966 and houses the City’s main emergency response centre; fire station, emergency coordination centre and dispatch centre.
- Fire Station # 1 does not meet BC Building Code seismic capacity.
- Fire Station # 1 is not accessible.
- Fire Station # 1’s mechanical and other systems are past their useful life.
- Cost of reconstructing Fire Station # 1 has been estimated at \$17 million.]

## **ATTACHMENTS**

- Attachment “A”: Nanaimo Fire Station # 1: Business Case Analysis: Renovation vs Replacement – April 25, 2017.
- Attachment “B”: “Fire Station # 1 Borrowing Bylaw 2018 No. 7257”. ]

**Submitted by:** ]

Victor Mema  
Chief Financial Officer ]

## **CITY MANAGER COMMENT:**

This is the first major project that will be implemented utilizing guidance of the recommendations from the Deloitte Report.]

Link to Fire Station #1 Borrowing Bylaw Attachment B:

<https://www.nanaimo.ca/docs/your-government/city-council/attachmentbnanaimofirestation1.pdf>

CITY OF NANAIMO

BYLAW NO. 7257

A BYLAW TO AUTHORIZE THE BORROWING OF UP TO \$17,000,000 FOR THE  
RECONSTRUCTION OF FIRE STATION NUMBER 1 ("FIRE STATION #1")

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WHEREAS it is deemed desirable and expedient to reconstruct Fire Station #1 on the lands in the City of Nanaimo with civic address 666 Fitzwilliam Street, as shown outlined on the plan attached to this Bylaw Schedule "A", to buildings, works, fire prevention and fighting and emergency operations facilities to serve the City of Nanaimo;

AND WHEREAS the estimated cost of reconstructing Fire Station #1, including expenses incidental thereto, is the sum not exceeding \$17,000,000 of which the sum of \$17,000,000 is the amount of debt intended to be created as a result of borrowing authorized under this bylaw;

NOW THEREFORE the Council of the City of Nanaimo in open meeting assembled enacts as follows:

1. This bylaw may be cited as "FIRE STATION #1 BORROWING BYLAW 2018 NO. 7257".
2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the reconstruction of Fire Station #1 and services generally in accordance with general plans 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 \$17,000,000;
  - (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 reconstruction of Fire Station #1;
  - (c) site preparation, environmental site remediation, installation of all ancillary road works, on-site and off-site services and utilities, furnishings and equipment for use in connection with Fire Station #1.
3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is twenty (20) years.

PASSED FIRST READING \_\_\_\_\_  
PASSED SECOND READING \_\_\_\_\_  
PASSED THIRD READING \_\_\_\_\_

APPROVED BY THE INSPECTOR OF MUNICIPALITIES \_\_\_\_\_

Notice of the referendum process was published on the \_\_\_ day of \_\_\_\_\_, 2018 in the *Nanaimo News Bulletin*, on the \_\_\_ day of \_\_\_\_\_, 2018 and on the \_\_\_ day of \_\_\_\_\_, 2018, in newspapers circulating in the City of Nanaimo, pursuant to Section 94 of the *Community Charter*.

RECEIVED APPROVAL OF THE ELECTORS  
BY ALTERNATIVE APPROVAL PROCESS \_\_\_\_\_

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER

SCHEDULE "A"

