

DATE OF MEETING January 14, 2019

AUTHORED BY WENDY FULLA, MANAGER, BUSINESS, ASSET AND FINANCIAL PLANNING

SUBJECT **PORT THEATRE COMMUNITY PERFORMING ARTS CENTRE FUNDING**

OVERVIEW

Purpose of Report

To introduce "Port Theatre Borrowing Bylaw 2019 No. 7282", for first, second and third readings and to obtain a Council resolution to fund \$100,000 of the City's commitment for the project from the Strategic Infrastructure Reserve.

Recommendation

1. That "Port Theatre Borrowing Bylaw 2019 No. 7282" (To authorize the borrowing of up to \$4,500,000 for the construction of the Port Theatre Community Performing Arts Centre), pass first reading;
2. That "Port Theatre Borrowing Bylaw 2019 No. 7282" pass second reading; and
3. That "Port Theatre Borrowing Bylaw 2019 No. 7282" pass third reading.
4. That Council approve funding \$100,000 of the City's commitment of the Port Theatre Performing Arts Centre funding from the Strategic Infrastructure Reserve.

BACKGROUND

At the 2018-DEC-17 Council meeting, Council passed a resolution selecting the Port Theatre Community Performing Arts Centre for application under the Community, Culture and Recreation Stream of the Investing in Canada Infrastructure Program.

The recommended project budget is \$21.2 million including a risk-based contingency. Funding for the project will be a grant application for \$15.5 million, \$4.6 million from the City, and the Port Theatre Society will fund up to \$2.0 million on their line of credit (secured by the City).

Funding for the City's \$4.6 million commitment to the project will be funded by \$4.5 million of short-term capital borrowing under section 178 of the *Community Charter* with repayment over five years and \$100,000 from Council's Strategic Infrastructure Reserve.

Under section 178 of the *Community Charter*, the City is permitted to borrow up to \$50 multiplied by our population, without the assent of the electors for any purpose of a capital nature. The City's current limit under section 178 is \$4,525,200 (\$50 x 90,504 (2016 B.C. Census)).

Upon a successful grant application, inspector approval and adoption of the "Port Theatre Borrowing Bylaw 2019 No. 2782" would be required before the City proceeded with the

borrowing. If the City's grant application is unsuccessful, "Port Theatre Borrowing Bylaw No. 2782" will be rescinded.

OPTIONS

1.
 1. That "Port Theatre Borrowing Bylaw 2019 No. 7282" (To authorize the borrowing of up to \$4,500,000 for the construction of the Port Theatre Community Performing Arts Centre), pass first reading;
 2. That "Port Theatre Borrowing Bylaw 2019 No. 7282" pass second reading; and
 3. That "Port Theatre Borrowing Bylaw 2019 No. 7282" pass third reading.
 4. That Council approve funding \$100,000 of the City's commitment from the Strategic Infrastructure Reserve.
 - a. **Budget Implication:** The 2019 – 2023 Financial Plan will be amended to add the project if the grant application is successful. Debt-servicing costs will be funded from general taxation and will result in a property tax increase of approximately 1.0% spread over a three-year period.
 - b. **Strategic Priorities Implication:** The City's 2016 – 2019 Strategic Plan Update identifies Cultural Vitality as a pillar of sustainability.
2. That Council table the report and request more information from Staff.

SUMMARY POINTS

- Council committed \$4.6 million in 2014 and renewed their commitment in 2016 to assist the Port Theatre in construction of a Community Performing Arts Centre.
- The City will be submitting a grant application for \$15.5 million to the Investing in Canada Infrastructure Program.
- The City's funding of \$4.6 million will be a combination of \$4.5 million in short-term capital borrowing and \$100,000 from Council's Strategic Infrastructure Reserve.

ATTACHMENTS

Attachment 1 – "Port Theatre Borrowing Bylaw 2019 No. 7282"

Submitted by:

Wendy Fulla
Manager, Business, Asset and Financial
Planning

Concurrence by:

Laura Mercer
Acting Director of Financial Services