

**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE  
MEETING OF WEDNESDAY, 3 JANUARY 2007**

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**SUBJECT**      NEW SALT SPRING ISLAND PUBLIC LIBRARY PROJECT

**PURPOSE/ISSUE**

The purpose of this report is to request endorsement for the grant application originating with the Salt Spring Island Public Library Association for the Municipal Rural Infrastructure Fund and to request approval of bylaws necessary under the application to 1) amend Bylaw No. 2725, being "Salt Spring Island Public Library Local Establishment Bylaw No1, 1999" and 2) "Authorize the Borrowing of Four Million, Eight Hundred and Fifty Thousand Dollars (\$4,850,000 for the Purpose of Designing and Constructing a New Library on Salt Spring Island".

**HISTORY/BACKGROUND**

The Municipal Rural Infrastructure Fund's (MRIF) purpose is to improve municipal and rural infrastructure with the objectives of ensuring that communities, large and small, are sustainable, competitive and healthy centres of economic growth. The funding parties (the federal and provincial governments) must be satisfied that their contribution is required to enable project implementation, enhance scope or accelerate timing. The deadline for filing applications is January 31, 2007.

The Salt Spring Island Public Library Association wishes to construct and operate a new public library. The land for the project consists of the site of the present library (which will be demolished) and an adjoining parcel acquired by the CRD for the library service in February 2006. The site of the present library is now owned by the Library Association but it is intended that that site will be transferred to the CRD as part of the development of the new library. The estimated cost of construction is \$6,850,000 and the amount to be borrowed is \$4,850,000. A potential grant of up to \$2 million is available from the MRIF for a project such as this. The annual cost of debt servicing is estimated to be \$494,400 (over 15 years) if the grant is received. The increased operating costs are estimated to be \$123,770. The grant is only available through the local government entity (CRD). The application must be supported by a resolution of the CRD Board and must be made by the CRD on the Association's behalf.

The applicant must demonstrate its ability to operate and sustain the facility within its operating budget. Bylaws to permit the requisition of the additional operating costs and to authorize borrowing for any expenditure to construct the new library over and above any grant received are necessary under the application.

The project must be able to be completed by March 31, 2010 and be owned by the local government entity for at least 10 years, in order that any portion of the funding not be repayable. If the grant application is successful, the Association anticipates completion within two years of electoral approval.

The facility must be accessible and exceed Model National Energy Code energy efficiency requirements by at least 25%. The Association has commissioned an architect who has developed preliminary plans and cost estimates for an accessible building, featuring green construction and LEED principles to meet or exceed the requirements.

**ALTERNATIVES**

- 1) Support for the grant application and approval of the related bylaws is necessary for the grant application to proceed. A referendum to obtain the necessary assent of the electors will be held only if the grant funding decision is positive.
- 2) Not approve the bylaws, therefore the grant application cannot proceed.

**FINANCIAL IMPLICATIONS**

If the application is approved for the maximum \$2 million grant and thus reduces MFA borrowing by the same amount, a saving of as much as \$204,300 a year for each of 15 years in debt servicing costs can be realized. Further consideration by the Library Association and the Electoral Area will be necessary if the MRIF grant is not received.

**SUMMARY/CONCLUSIONS**

The grant is only available through the local government. The Salt Spring Island Public Library Association and the Electoral Area Director support this project and the Salt Spring Island Public Library Association meets all application criteria. The project is ranked as the first priority within the community for purposes of the MRIF agreement. The grant will provide funds to substantially reduce the cost of this project to the taxpayers of Salt Spring Island. The Bylaws provide the necessary authority to borrow the funds needed for the project and for the provision of additional library services within the Electoral Area.

**RECOMMENDATION**

- 1) That the application to the Municipal Rural Infrastructure Fund, as prepared by the Salt Spring Island Public Library Association to fund a portion of the project costs, be endorsed.
- 2) That Bylaw No 3410, "A Bylaw to Amend Bylaw No. 2725, Being Salt Spring Island Public Library Local Service Area Establishment Bylaw No. 1, 1999" be introduced and read a first time, read a second time and read a third time.
- 3) That Bylaw No. 3411, "A Bylaw to authorize the Borrowing of Four Million, Eight Hundred and Fifty Thousand Dollars (\$4,850, 000) for the Purpose of Designing and Constructing a New Library on Salt Spring Island" be introduced and read a first time, read a second time and read a third time.

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