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REPORT TO ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, 06 JULY, 2011

SUBJECT GALIANO ISLAND COMMUNITY USE BUILDING SERVICE ESTABLISHMENT AND
LOAN AUTHORIZATION BYLAWS

ISSUE

Request for a second referendum regarding service establishment and loan authorization for construction and operation of the Galiano Island Community Use Building.

BACKGROUND

At its June 15, 2011 meeting, the Capital Regional District (CRD) Board proclaimed the results of the Galiano Island Community Use Building Referendum held on Saturday, April 23, 2011; the referendum was defeated by a margin of 31 votes. Concurrently, the Board also learned that the CRD was advised on June 8, 2011 of its success in securing a \$400,000 *Towns for Tomorrow* grant to help offset the construction cost of the building. As a result, the Board approved a motion directing staff to bring back for consideration updated service establishment and loan authorization bylaws that take into account the contribution of grant funding to the project budget.

Given the financial impact of the grant, the Board needs to consider whether or not the proposed service area should be invited to participate in a second referendum. This referendum could be held cost-effectively in tandem with the November 2011 BC civic election.

ALTERNATIVES

1. a) That bylaw No. 3792 cited as "Galiano Island Community Use Building Service Establishment Bylaw No. 2, 2011" be introduced and read a first time and second time, and read a third time.
b) That bylaw No. 3793 cited as "Galiano Island Community Use Building Loan Authorization Bylaw No. 2, 2011" be introduced and read a first and second time, and read a third time.
2. That work on the Galiano Island Community Use Building project be discontinued without the opportunity for a second referendum in November of 2011.

IMPLICATIONS

Social Implications

Community support for the project is divided as evidenced by the referendum that was narrowly defeated. The reduction in the tax burden resulting from the *Towns for Tomorrow* grant may be sufficient to sway a majority of proposed service area residents toward supporting establishment of the service.

Economic Implications

Success in securing the *Towns for Tomorrow* grant helps increase the viability of the project. Annual debt servicing and operation costs for the service area are now \$100,100 or \$67.79 per average household, down from \$138,000 and \$94.20 per average household respectively. Likewise, the loan amount required has changed to seven hundred thirty thousand dollars (\$730,000), down from the previous amount of \$1,066,000. Given the economic implications, a referendum is once again required to seek electorate approval for service establishment and loan authorization.

Intergovernmental Implications

The CRD's *Towns for Tomorrow* grant application was based on the assumption that the Galiano Community Use Building had a good chance of receiving the required service area approval via referendum. The CRD's application clearly identified that a referendum, to be held in the Spring of 2011,

had to be successful in order for the project to proceed. It is not known what impact abandoning the project would have on the grant; but should that occur, it is reasonable to assume that the CRD would need to forfeit the grant.

The Galiano Library Society (GLS) has requested that the CRD Board consider implementing a second referendum. The GLS considers that the grant's positive financial impact will sway a majority of voters toward supporting the project.

CONCLUSION

Establishment of the Galiano Community Use Building Service was narrowly defeated in the referendum held on Galiano Island on April 23, 2011. Subsequently, the CRD was advised of its success in securing a *Towns for Tomorrow* grant of \$400,000 to offset construction costs of the community use building. At this juncture, we know that:

- The grant enhances the project's financial viability;
- Another referendum is required in order to determine if the residents of the proposed service area support service establishment based on the updated bylaws;
- Abandoning the project may result in the CRD having to forfeit the grant;
- Implementation of a second referendum can be done cost-effectively in tandem with the November 2011 BC civic election.

Given the significant effort and resources that the CRD has invested to date in the project, the positive financial impact of the grant, and the opportunity to implement a second referendum cost-effectively, proceeding with a second referendum is a reasonable way forward. It will provide the residents of the proposed service area the opportunity to direct the course of this project in light of updated financial information.

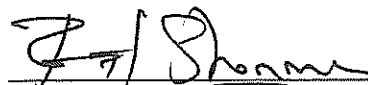
RECOMMENDATIONS

That the Electoral Area Services Committee recommend to the CRD Board that a second referendum be held concurrently with the November 2011 BC civic election in order to confirm the proposed service area's position regarding the updated service establishment and loan authorization bylaws; and therefore:

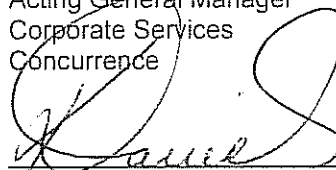
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