



UCLUELET COMMUNITY CENTRE HUB PROJECT

BACKGROUND ON LOAN AUTHORIZATION NEEDS AND PROCESS

The District of Ucluelet is moving ahead on the process to build the centre, and the architects are preparing to move into design drawings as the last major step before construction can begin. Open Houses are scheduled in April to bring everyone up to speed with the building and receive feedback and input before Council approves the final design. The estimated cost to completion of the project including contingencies is \$9,000,000. The projected cost is \$8.1 million at this time.

This amount includes the cost of the facility, all professional fees, site clearing, and basic furnishing of the facility. The cost estimate for this facility has been determined by the architect based on the costs of building a LEEDS Gold Institutional level facility in a rural area. The District is extremely conscious of construction costs in today's market. The costs have been estimated at the highest range and additional contingency costs have been built into the project.

The new Community Centre is classified as an institutional building. The aim is to build an aesthetically pleasing facility at a reasonable cost. The idea is to attract people, groups and conferences to the facility while creating a facility that has a West Coast feel.

Currently the funding sources include:

Municipal Rural Infrastructure Fund GRANT	\$2,000,000
Municipal Finance Authority Loan (**)	\$2,000,000
Amenities Contribution	\$3,650,000
District Reserves	\$1,150,000
Community Hub Grant	\$200,000
Total funding	\$9,000,000

(**) It should also be noted that the District continues to seek additional grant funding, and to negotiate with developers for additional amenity contributions, and therefore the funding structure, including the amount of any loan may change. Obviously any additional funding from other sources would reduce the amount to be borrowed.

Bylaw No. 1074, 2007 establishes the maximum amount that may be borrowed. The District would only draw the amount needed to complete the project. The annual debt payments will be fixed when the debt is actually drawn, so new housing, hotels, commercial structures, or other activities which add to the pie will all have the effect of reducing the burden on future taxpayers. It is anticipated that it will not be necessary to borrow before 2010, which means that a household assessed at \$300,000 would expect to pay \$48 dollars a year in taxes for a \$2 million loan, while a \$1 million loan would only cost \$24 per year (or \$2 a month). By 2013 it is expected that this amount will be reduced by 25%.

LOAN AUTHORIZATION PROCESS ()**

The Community Centre is nearing active construction. It is necessary to complete our funding arrangements regarding borrowing although actual use of the authorization and the draw of funds will not take place immediately. The District has funds on hand to begin the project.

If approval is granted the following remains in force for a period of 5 years from the date of adoption of the bylaw; namely the District:

- **Will not draw on the funds until those funds are required.** *(The District has significant funds on hand to begin the project and draws on this loan may not be necessary for up to two years, hence repayment of principle and interest may not take place until 2010, when the property tax-base will be higher and spread over a much higher number of users).*
- Will draw only funds for the completion of the Community Centre up to the maximum permitted by the bylaw.
- May draw funds for a term less than the maximum term permitted by the bylaw.