

# TOWN OF LADYSMITH



## **Alternative Approval Process, Borrowing to Build a New City Hall Beneath a Housing Development (Buller Street Revitalization Project)**

### **Table of Contents**

#### **This package contains:**

1. Alternative Approval Process Frequently Asked Questions
2. Town of Ladysmith City Hall Loan Authorization Bylaw 2024, No. 2166
3. Certified Resolutions of Council
4. Financial Plan Bylaw 2024, No. 2172
5. Liability Servicing Limit Certificate
6. Estimated Annual Debt Payments
7. Buller Street Revitalization Project Frequently Asked Questions
8. January 9, 2024 Staff Report
9. January 23, 2024 Staff Report
10. February 6, 2024 Staff Report
11. May 14, 2024 Staff Report with Determination of Estimated Eligible Electors
12. Notice of Alternative Approval Process, May 16, 2024
13. Elector Response Form

## **Alternative Approval Process Frequently Asked Questions**

### **Q. What is an Alternative Approval Process**

**A.** Local governments must seek approval from local electors prior to passing a Loan Authorization Bylaw. Under Section 86 of the *Community Charter*, approval of the electors may be obtained through an Alternative Approval Process (AAP) whereby electors opposed to the bylaw complete a form to register their opposition. If 10% (741) of eligible voters in the Town of Ladysmith complete and submit the form, then Council must either abandon the bylaw or put it to Assent Voting to obtain assent of the electors.

### **Q. How was the 10% threshold of electors determined?**

**A.** The 10% threshold of 741 is based on the Provincial provisional number of registered Town of Ladysmith resident voters as of January 23, 2024 (7401) and the number of non-resident property electors on the 2022 Town of Ladysmith non-resident property elector voting list (4), the total number of electors being 7405. Accordingly, the 10% threshold of electors is 741.

### **Q. What is an Assent Voting**

**A.** Assent Voting, more commonly known as a referendum, is much like a local election and involves similar organization, time and cost. The difference is, in a local election voters choose from a list of candidates. In a referendum, voters choose “yes” or “no” to a specific question.

### **Q. Why are you using an AAP instead of a referendum to seek assent of the electors?**

**A.** An AAP is less costly and requires fewer resources than a referendum and allows electors to submit responses over a period lasting at least 30 days.

### **Q. I'm in favour of the proposed Loan Authorization Bylaw for a new City Hall and institutional space; what do I need to do to register my support?**

**A.** If you are in favour of the adoption of the bylaw, which will authorize borrowing to construct a new City Hall and institutional space, no action is required.

**Q. I'm opposed to the proposed Loan Authorization Bylaw for a new City Hall and institutional space; what do I need to do to register my opposition?**

**A.** If you are an elector of the Town of Ladysmith and you are **opposed** to the adoption of the bylaw authorizing borrowing funds to construct a new City Hall and institutional space, you may sign an Alternative Approval Process Elector Response form and submit it to the Town of Ladysmith.

**Q. Where can I obtain an Elector Response form?**

**A.** Elector Response forms are available at Cit Hall, 410 Esplanade and on the Town's AAP webpage at ladysmith.ca.

**Q. Can anyone sign an Elector Response form?**

**A. No.** To be eligible to sign an Elector Response form you must meet the following criteria for either a Resident Elector OR a Non-Resident (Property) Elector in the Town of Ladysmith:

Resident Elector	Non-Resident Elector
<ul style="list-style-type: none"> <li>✓ I am a Canadian citizen;</li> <li>✓ I am 18 years of age or older;</li> <li>✓ I have been a resident of British Columbia for at least the last six months;</li> <li>✓ I reside in the Town of Ladysmith;</li> <li>✓ I am not disqualified by law from voting in local elections; and</li> <li>✓ I am entitled to sign this elector response form for the proposed bylaw.</li> </ul>	<ul style="list-style-type: none"> <li>✓ I am a Canadian citizen;</li> <li>✓ I am 18 years of age or older;</li> <li>✓ I have been a resident of British Columbia for at least the last six months;</li> <li>✓ I have owned and held registered title to a property in the Town of Ladysmith for at least the last 30 days, (and have been designated as the elector in that property);</li> <li>✓ I am not disqualified by law from voting in local elections;</li> <li>✓ I may not sign an Elector Response form more than once in relation to this matter</li> </ul>

**Q. If more than one non-resident individual owns property in the Town, can all the owners of the property sign Elector Response forms?**

**A. No.** If there is more than one registered owner of the property, only one of those individuals may sign the Elector Response Form and only with the written consent of the majority of the owners.

**Q. When a corporation owns all or part of a property, can an Elector Response form be submitted on behalf of the property owner(s) as either resident or non-resident property elector?**

**A. No.** Eligibility to submit Elector Response forms for an AAP parallels eligibility to vote in general local elections. There is no business or corporate vote in British Columbia, therefore when a corporation owns all or part of a property, even if its in the minority or owns that property with an individual who is otherwise eligible to submit an elector response form, no one may submit an elector response form in relation to that property.

**Q. How do I submit my elector response form?**

**A.** Completed Alternative Approval Process Elector Response forms may only be submitted as follows:

- Hand-delivered to the reception desk at City Hall, 410 Esplanade, Ladysmith, BC ;  
OR
- Mailed to the attention of the Corporate Officer, Town of Ladysmith, PO Box 220, Ladysmith, BC V9G 1A2

**Q. What's the deadline to submit my elector response form?**

**A.** Elector Response forms must be received by 4:00 p.m., Tuesday, June 25, 2024.

**Q. Can I withdraw my elector response form after I've submitted it?**

**A. Yes.** Prior to the AAP deadline of Tuesday, June 25, 2024, you can ask the Corporate Officer to return your elector response form. You can no longer withdraw your form after the AAP deadline has passed.

**Q. Who can access and/or review the elector response forms during or after the AAP?**

**A.** Only the Corporate Officer, or their designate, can review and certify elector response forms during an AAP. The Corporate Officer is responsible for the safe-keeping of the elector response forms throughout, and after, the AAP. Local governments must retain elector response forms as per requirements established in the *Freedom of Information and Protection of Privacy Act* (FIPPA, Part 3) after the AAP has been completed.

**Q. How will the results of the AAP be communicated to the public?**

**A.** Following certification of the results by the Corporate Officer after the submission deadline of June 25, 2024, the results will be posted to the Town's website and a report to Council will be provided at the Regular Council Meeting on July 2, 2024.

**Q. Who can I contact for more information on the AAP?**

**A.** For more information on the Alternative Approval Process (AAP), contact:

Sue Bouma, Corporate Officer

Tel (250)245-6419

Email: [sbouma@ladysmith.ca](mailto:sbouma@ladysmith.ca)

**Q. How can I get more information on the Loan Authorization Bylaw and the initiatives for which the borrowing is proposed?**

**A.** Visit the Town's AAP webpage at [ladysmith.ca](http://ladysmith.ca) or contact:

Sue Bouma, Corporate Officer

Tel (250)245-6419

Email: [sbouma@ladysmith.ca](mailto:sbouma@ladysmith.ca)



TOWN OF LADYSMITH

**BYLAW NO. 2166**

A bylaw to authorize the borrowing of the estimated cost of a new City Hall

**WHEREAS** it is deemed desirable and expedient to construct a new City Hall on lands within the Town of Ladysmith located at 1<sup>st</sup> Ave and Buller Street;

**AND WHEREAS** the estimated cost of the works including expenses incidental thereto is the sum of \$13,500,000 of which the sum of \$13,500,000 is the amount of debt intended to be borrowed by this bylaw;

**NOW THEREFORE** the Council of the Town of Ladysmith in open meeting assembled enacts as follows:

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out works for a new City Hall 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 \$13,500,000.00.
  - 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 construction of the said City Hall.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 30 years.

Citation

3. This bylaw may be cited as “Town of Ladysmith City Hall Loan Authorization Bylaw 2024, No. 2166”.

**READ A FIRST TIME** on the 23<sup>rd</sup> day of January, 2024

**READ A SECOND TIME** on the 23<sup>rd</sup> day of January, 2024

**READ A THIRD TIME** on the 23<sup>rd</sup> day of January, 2024

**RECEIVED the approval of the Inspector of Municipalities** on the 26<sup>th</sup> day of February, 2024

**NOTICE of intention** to proceed with this bylaw was published on the 16<sup>th</sup> day of May, 2024 in the Ladysmith Chronicle newspaper, circulating in the Town of Ladysmith, pursuant to section 94.2 of the *Community Charter*, and on the Town of Ladysmith website on the 23<sup>rd</sup> day of May, 2024.

**RECEIVED the approval of the electors of the Town of Ladysmith** on the \_\_\_\_\_ day of \_\_\_\_\_, 2024

**ADOPTED** on the \_\_\_\_\_ day of \_\_\_\_\_, 2024

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Mayor (A. Stone)

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Corporate Officer (S. Bouma)





## *Statutory Approval*

**Under the provisions of section** \_\_\_\_\_ **179**

**of the** \_\_\_\_\_ **Community Charter**

**I hereby approve Bylaw**

**No.** \_\_\_\_\_ **2166**

**of the** \_\_\_\_\_ **Town of Ladysmith** \_\_\_\_\_ ,

**a copy of which is attached hereto.**

**Dated this 26th day**

**of February , 2024**

\_\_\_\_\_  
**Deputy Inspector of Municipalities**



January 24, 2024

## CERTIFIED RESOLUTIONS OF COUNCIL

**CS 2024-005**

**January 9, 2024**

### **Alternative Approval Process – Buller Street Revitalization Project**

That Council direct staff to prepare a borrowing bylaw in the amount of \$13,500,000 for the Buller Street revitalization project located on Town owned lands at 1<sup>st</sup> Avenue and Buller Street and proceed with the Alternative Approval Process to obtain elector assent.

**CS 2024-016**

**January 23, 2024**

### **Town of Ladysmith City Hall Loan Authorization Bylaw 2024, No. 2166**

That Council:

1. Give first, second and third readings to “Town of Ladysmith City Hall Loan Authorization Bylaw 2024, No. 2166”; and
2. Direct staff to refer Bylaw No. 2166 to the Inspector of Municipalities for approval.

***I hereby certify these to be true and correct copies***

of Town of Ladysmith Council Resolution CS 2024-005 and CS 2024-016



Corporate Officer (S. Bouma)



TOWN OF LADYSMITH

BYLAW NO. 2172

Financial Plan Bylaw for the years 2024-2028

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The Council of the Town of Ladysmith in open meeting assembled enacts as follows:

Administration

1. Schedule "A" attached to and forming a part of this bylaw is hereby adopted and shall be the Financial Plan for the Town of Ladysmith for the five years ending December 31, 2028.
2. Schedule "B" attached to and forming a part of this bylaw is hereby adopted and shall be the Statement of Objectives and Policies for the Town of Ladysmith for the five years ending December 31, 2028.

Repeal

3. The Town of Ladysmith "Financial Plan Bylaw 2023, No. 2141 bylaw" in its entirety is hereby repealed.

Citation

4. This bylaw may be cited for all purposes as "Financial Plan Bylaw 2024, No. 2172".

**READ A FIRST TIME** on the 20<sup>th</sup> day of February, 2024

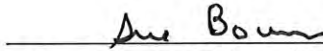
**READ A SECOND TIME** on the 20<sup>th</sup> day of February, 2024

**READ A THIRD TIME** on the 20<sup>th</sup> day of February, 2024

**ADOPTED** on the 5<sup>th</sup> day of March, 2024



  
\_\_\_\_\_  
Mayor (A. Stone)

  
\_\_\_\_\_  
Corporate Officer (S. Bouma)

**SCHEDULE "A"**

**2024 – 2028 Financial Plan**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
<b>REVENUES:</b>					
Revenue From Property Tax Values	10,191,552	10,561,939	11,083,689	11,642,598	12,290,337
Revenue From Grants In Lieu	189,549	191,634	193,742	195,873	198,028
Revenue From Parcel Taxes	3,261,583	3,277,963	3,335,976	3,396,889	3,460,848
Revenue From Fees & Charges	5,842,884	5,940,822	6,040,451	6,216,993	6,321,334
Revenue From Other Sources	24,670,460	5,913,026	7,902,432	3,916,426	3,938,748
	<u>44,156,028</u>	<u>25,885,384</u>	<u>28,556,290</u>	<u>25,368,779</u>	<u>26,209,295</u>
<b>EXPENSES:</b>					
General Operating Expenses	13,497,418	13,496,566	14,131,141	14,486,763	14,850,922
Sanitary Sewer Operating Expenses	1,842,234	1,891,477	1,952,046	2,004,035	2,057,323
Water Operating Expenses	1,979,988	2,041,300	2,116,714	2,181,444	2,247,793
Interest on Debt	1,204,987	1,399,123	1,274,123	1,274,123	1,274,123
Amortization	4,419,318	4,498,866	4,579,846	4,662,283	4,746,204
	<u>22,943,945</u>	<u>23,327,332</u>	<u>24,053,870</u>	<u>24,608,648</u>	<u>25,176,365</u>
Annual Surplus/Deficit	21,212,083	2,558,052	4,502,420	760,131	1,032,930
Add back: Unfunded Amortization	4,419,318	4,498,866	4,579,846	4,662,283	4,746,204
<b>Capital Expenditures</b>					
General Capital	26,506,616	2,485,323	3,801,999	3,415,092	2,354,240
Sanitary Sewer Capital	4,099,171	3,335,000	1,990,000	1,320,000	330,000
Water Capital	21,461,452	5,873,050	6,412,050	598,153	659,311
Proceeds from Borrowing	(17,588,725)	(3,549,275)	-	-	-
Principal Payments on Debt	1,174,842	1,250,706	1,250,706	1,525,220	1,799,734
Transfers to (from) Reserves Funds	(3,463,436)	(1,430,500)	(1,463,675)	(703,307)	(579,776)
Transfer to (from) Accumulated Surplus	(6,558,519)	(907,386)	(2,908,814)	(732,744)	1,215,625
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SCHEDULE "B"**  
**Town of Ladysmith 2024 - 2028 Financial Plan**  
**Statement of Objectives and Policies**

In accordance with the *Community Charter*, the Town of Ladysmith (Town) is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in the *Community Charter*;
2. The distribution of property taxes among the property classes; and
3. The use of permissive tax exemptions.

**Funding Sources**

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2024. Table 2 shows a further breakdown of the funding proposed to come from reserves, Development Cost Charges and surpluses. Council currently has no specific policy surrounding the proportion of total revenue to come from each funding source.

Property taxes form the greatest proportion of revenue. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy for residents to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis.

User fees and charges form a large portion of planned revenue. Many services can be measured and charged on a user-pay basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, and sale of services will be charged on a user-pay basis. User fees attempt to apportion the value of a service to those who use the service.

***Objectives & Policies***

- Use property taxes as the funding source for services that do not lend themselves to a user-pay approach;
- Review all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the service and align with those who use them;
- Consider borrowing when a capital project will provide benefits to taxpayers over a long period;
- Seek other sources of revenue in order to reduce reliance on property taxes;
- Allocate a minimum of 10% prior year's municipal tax levy to General Capital projects and a further 5% of the prior year's municipal tax levy to an infrastructure deficit.



**Table 1: Sources of Revenue**

Revenue Source	Dollar (\$)	Percent (%)
Property value taxes	10,191,552	15%
Grants in Lieu	189,549	0%
Parcel Taxes	3,261,583	4%
User fees & charges	5,842,884	8%
Other Sources	5,242,172	7%
Borrowing	17,588,725	24%
Grants	19,428,288	26%
DCCs & Reserves	3,463,436	5%
Own Funds	8,272,883	11%

**Table 2: Utilization of Reserves, Development Cost Charges and Surplus for 2024**

Source	Dollar Value	% of Total
Development Cost Charges - Roads	1,603,317	14%
Development Cost Charges - Sewer	885,085	8%
Development Cost Charges - Water	600,663	5%
Cemetery Care Fund	3,660	0%
Canada Community Building Fund	374,371	3%
Carry-forward reserve	6,077,943	52%
Safe-restart funds	235,000	2%
Surplus & Appropriated Equity	1,325,194	11%
Real Property Reserve	367,471	3%
Growing Communities	267,275	2%
<b>Total</b>	<b>\$11,739,979</b>	



**Distribution of Property Tax Rates**

Table 3 outlines the distribution of property taxes among the property classes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class also forms the largest portion of the assessment base and consumes the majority of Town services.

**Objectives & Policies**

- *Set tax rates and ratios that maintain tax stability between property classes while factoring in non-market growth within classes.*
- *Ensure the Class 4 (Major Industry) percentage is lower than the previous year with a target percentage of 10% of the total taxation.*
- *Ensure the Class 6 (Business/Other) percentage is lower than the previous year with a target percentage of 12% of the total taxation.*
- *Ensure the Class 5 (Light Industry) tax rate is not less than the Class 6 (Business/Other) rate.*
- *Set Class 8 (Recreation/non-profit) rate equal to the Class 1 (Residential) rate.*

**Table 3: Distribution of 2024 Property Tax Rates**

Property Class	2024
	% of Total Property Taxation
Residential (1)	73.725%
Utilities (2)	0.485%
Major Industry (4)	11.371%
Light Industry (5)	0.997%
Business and Other (6)	13.094%
Managed Forest Land (7), Recreation/Non-profit (8), and Farmland (9)	0.328%
<b>Total</b>	<b>100.00%</b>

### **Permissive Tax Exemptions & Revitalizations Tax Exemptions**

The Town supports non-profit organizations through permissive tax exemptions. Permissive tax exemptions will be reviewed annually and considered in conjunction with:

- (a) other assistance being provided by the Town;
- (b) the potential demands for Town services or infrastructure arising from the property; and
- (c) the amount of revenue that the Town will lose if the exemption is granted.

The Town believes revitalizations tax exemptions are an appropriate tool to assist the Town to achieve its strategic objectives. The Town can exempt municipal taxes for up to ten years where the project meets specific criteria and objectives as defined by bylaw. Recipients of exemptions must enter into a Revitalization Tax Exemption Agreement with the Town.

### ***Objectives & Policies***

- The Town will continue to provide permissive tax exemptions to some non-profit societies.
- Continue the use of the revitalization tax exemption for economic revitalization in order to encourage the commercial and industrial redevelopment of specific areas.



**LIABILITY SERVICING LIMIT CERTIFICATE**

The Town of Ladysmith (the "Municipality")  
 In relation to City Hall & Buller Street redevelopment

The undersigned Financial Officer assigned responsibility for financial administration under section 149 of the Community Charter, SBC 2003, Chapter 26 (the "Charter") or Auditor appointed for the Municipality under section 169 of the Charter hereby certifies as follows:

Calculation revenue for the previous year <i>(section 4 &amp; 5, BC Reg 254/2004)</i>	<u>\$19,382,480.00</u>	a
Liability Servicing Limit (a x 25%) <i>(section 2, BC Reg 254/2004)</i>		<u>\$4,845,620.00</u>
Annual Servicing cost for previous year	<u>\$2,702,388</u>	c

Plus: New liabilities incurred, other than current request

Liability Type and reference	Annual servicing cost	
Aerial Truck	\$145,275.81	
_____	_____	g
_____	_____	
_____	_____	i
_____	_____	j
_____	_____	k
_____	_____	l
Total of lines d through l		<u>\$145,275.81</u>

Less: Liabilities which have matured

Liability type and reference	Annual servicing cost	
_____	_____	
_____	_____	
_____	_____	r
_____	_____	

Total of lines n through r		<u>\$0.00</u>	s
Amount of new liability <i>(section 3, BC Reg 254/2004)</i>	<u>\$13,500,000.00</u>		t
Annual servicing cost of new liability <i>(section 3, BC Reg 254/2004)</i>		<u>\$860,520.00</u>	u
Total liability servicing cost including current request (lines c+m-s+u)		<u>\$3,708,183.81</u>	v

which is less than the annual liability servicing limit stated on line b.  
 OR  
 which exceeds the annual liability servicing limit stated on line b, and the undersigned hereby requests approval of the Inspector of Municipalities under section 174 of the Charter to exceed the limit established under the section.

In accordance with section 179(5) or section 175(1)(b) of the Charter, as applicable, the debt to be contracted under the loan authorization bylaw, or other liability for which certification is being made, referred to above will not exceed the lesser of 30 years and the reasonable life expectancy of the capital asset, activity, work or service, or the remaining term of the applicable agreement, as the case may be, for which the debt is to be contracted.

The undersigned Financial Officer or Auditor also hereby authorizes Legal Counsel of the Municipal Finance Authority of British Columbia to rely on this Certificate in giving any opinion in connection with any borrowing by the Municipal Finance Authority of British Columbia ("MFA") and the issuance of bonds, debentures, and other securities by the MFA in respect of the loan authorization bylaw, or other liability for which certification is being made, referred to above.

DATED this 24th day of January, 2024

  
 \_\_\_\_\_  
 Financial Officer  
 Erin Anderson  
 (Please print full name)

OR \_\_\_\_\_  
 Auditor  
 \_\_\_\_\_  
 (Please print full name & company)





Yr 25 Semi Annual		303,750	303,750		3,983,635
Yr 25 Annual	253,020	303,750	556,770	352,105	3,378,509
Yr 26 Semi Annual		303,750	303,750		3,378,509
Yr 26 Annual	253,020	303,750	556,770	374,495	2,750,994
Yr 27 Semi Annual		303,750	303,750		2,750,994
Yr 27 Annual	253,020	303,750	556,770	397,713	2,100,260
Yr 28 Semi Annual		303,750	303,750		2,100,260
Yr 28 Annual	253,020	303,750	556,770	421,790	1,425,449
Yr 29 Semi Annual		303,750	303,750		1,425,449
Yr 29 Annual	253,020	303,750	556,770	446,758	725,671
Yr 30 Semi Annual		303,750	303,750		725,671
Yr 30 Annual	253,020	303,750	556,770	472,650	-0
<b>TOTALS:</b>		<u>18,225,000</u>	<u>25,815,613</u>	<u>5,909,387</u>	
	<u>7,590,613</u>				

**Total principal repaid plus total actuarial earnings equals amount originally borrowed.**

PLEASE NOTE: Estimated payments are based on current Indicative Market Rates, found here: <http://mfa.bc.ca/long-t>  
These rates are provided for analytic/estimate purposes only and may not be available for financing purposes. Actual bo





## **Buller Street Revitalization Project Frequently Asked Questions**

**Q. Has the Town received approval from the Inspector of Municipalities to move ahead with the AAP to approve the Borrowing Bylaw?**

**A.** “Town of Ladysmith City Hall Loan Authorization Bylaw 2024, No. 2166” received approval from the Inspector of Municipalities on February 26, 2024.

**Q. In 2022 the number of registered voters in Ladysmith was 7,236. Is this the number used when calculating 10% of voters required to register dissent to the Bylaw, or is there an opportunity for newcomers to register with Elections BC in order to qualify as an eligible voter prior to, or during, the Alternative Approval Process?**

**A.** The 10% threshold of Ladysmith voters is based on the Provincial provisional number of registered Town of Ladysmith resident electors as of January 23, 2024 (7401) and the number of non-resident property electors on the 2022 Town of Ladysmith non-resident property elector voting list (4), the total number of electors being 7405. Accordingly, the 10% threshold of electors is 741.

Newcomers who would like to express their opposition to the AAP do not need to register with Elections BC. A completed Elector Response form acts as a declaration of eligibility to vote in the AAP.

**Q. Will the AAP be made available in Petition Form?**

**A.** The Town is using a single-response format that can be signed by an individual elector. Single-response forms are the most commonly used method because they protect the privacy of electors.

**Q. It is now confirmed that discussions are taking place between the TOL and the Historical Society. What is the plan for the Museum?**

**A.** Discussions with the Historical Society representatives are ongoing. No decisions have been made regarding the Museum.

**Q. What is BC Builds?**

**A.** BC Builds is a new Provincial initiative delivered through BC Housing that leverages government, community, and non-profit owned land to deliver more homes for middle-income people. It is supported by grant funding and financing from the B.C. Government.

**Q. How accurate are the cost estimates for the project?**

**A.** The current cost estimates are based on typical construction costs for similar projects in the region. Once construction drawings are prepared, “Class A” cost estimates will be prepared to provide a more refined cost estimate prior to starting construction.

**Q. Does \$13.5million reflect a built-in contingency for unforeseen overruns?**

**A.** Yes

**Q. What will the arrangement be between Catalyst Developments, the Town and BC Builds?**

**A.** The Town will lease the housing portion of the development to Catalyst for a period of 60 years. BC Builds will fund construction costs for the housing portion only and the Town will cover the cost of constructing City Hall.

**Q. What will happen when the lease expires in 60 years?**

**A.** The Town can take possession of the housing portion of the development, or the Town and Catalyst can agree to renew the lease for an agreed upon term.

**Q. Who is coordinating the construction of the Project?**

**A.** Catalyst will be coordinating design and construction of the project. However, the Town will be approving the design and other major project decisions.

**Q. Will the Town retain ownership of the land?**

**A.** Yes

**Q. Will the Town Hall mean an increase in Taxes to residents in Ladysmith?**

**A.** Yes

**Q. How much will the increase be?**

**A.** The debt payments are anticipated to be \$860,520 per year. This will be allocated across the various property classes and incorporated into the property taxes. A portion of this was included in the 2024 budget.

**Q. Will the amount of the increase be disclosed before the AAP is announced?**

**A.** As required, the Town has stated the estimated debt payment amount as \$860,520 per year.

**Q. What happens if or when the project goes over budget??**

**A.** Any cost overruns related to the housing component will be the responsibility of Catalyst/BC Builds. Options to offset overruns on the Town Hall portion include: contingency, general reserves, and postponing other capital projects.

**Q. How much will the Town save when Development Services relocates to the new Town Hall?**

**A.** Currently, lease payments for the Development Services offices on Roberts Street are \$32,277/ year.

**Q. How many floors will this be?**

**A.** The building is expected to have a maximum height of 21 meters, which is about six stories. The fourth, fifth and sixth stories must be “stepped back” from Buller Street and 1<sup>st</sup> Avenue.

**Q. What income level can rent there?**

**A.** The housing development will be comprised of purpose-built housing for middle income renters.

**Q. What are the apartment sizes?**

**A.** Approximately 500 sq.ft. to 1,000 sq.ft. dependent on configuration.

**Q. Will the proposal impact parking in the area?**

**A.** The design will include parking spaces and streetscape improvements will be required as part of the project which will likely include parking.

**Q. I see that the footprint of the new Town Hall is 25,000 square feet including commercial & institution spaces. My question is what is the square footage of the Town Hall.**

**A.** Approximately 19,000 sq.ft.



**STAFF REPORT TO COUNCIL**

**Report Prepared By:** Erin Anderson, Director of Financial Services and Sue Bouma, Manager of Corporate Services  
**Reviewed By:** Allison McCarrick, CAO  
**Meeting Date:** January 9, 2024  
**File No:** 4200-20  
**Re:** **Alternative Approval Process – Buller Street Revitalization Project**

**RECOMMENDATION:**

That Council direct staff to prepare a borrowing bylaw in the amount of \$13,500,000 for the Buller Street revitalization project located on Town owned lands at 1<sup>st</sup> Avenue and Buller Street and proceed with the Alternative Approval Process to obtain elector assent.

**EXECUTIVE SUMMARY:**

The Town is pursuing opportunities to work with the Provincial and Federal Governments to build housing in the downtown heart of Ladysmith. This housing is proposed to be provided above a new city hall and institutional space on the Town-owned properties at 1<sup>st</sup> Avenue and Buller Street. Staff are seeking Council’s direction to prepare a borrowing bylaw and to proceed with an Alternative Approval Process (AAP) to fund the city hall and institutional space.

**PREVIOUS COUNCIL DIRECTION:**

Resolution	ResolutionDetails
CE 2017-132	That Council direct staff to bring the City Hall Space Requirements and Funding Strategy back to the July 17th Closed Meeting of Council with the following items noted: <ol style="list-style-type: none"> <li>1. Potential partnership</li> <li>2. Direct award options</li> <li>3. Debt servicing limits, with consideration of all other current and upcoming capital projects</li> <li>4. Accommodating additional staff in the Council office for the interim</li> <li>5. Use of the Seniors’ Centre for Council meetings in the interim</li> <li>6. Comparisons with municipal building costs in other communities</li> </ol>



Resolution	ResolutionDetails
CE 2016-086	That Council direct staff to prepare a report outlining options for financing the construction of a new City Hall, including the Town’s capacity to borrow funds and alternative arrangements such as leasing or lease to purchase.
CE 2016-065	That Council receive the report from Process Four on the City Hall Optimization Project as a guideline for the design and construction of a new City Hall, and invite report author Jim Sumi to a future Council meeting to present the report and discuss his recommendations.
CE 2013-049	It was moved, seconded and carried that the draft agreement for Right of First Refusal for the purchase of properties on Buller Street and First Avenue owned by the Ladysmith and District Credit Union be approved, and that staff be directed to execute the agreement.
CE 2013-051	It was moved, seconded and carried that Council arise with report on Resolution CE 2013-49, that staff were directed to execute an agreement for Right of First Refusal for the purchase of properties on Buller Street and First Avenue owned by the Ladysmith and District Credit Union.

**INTRODUCTION/BACKGROUND:**

The need for a new city hall has been discussed and listed as a strategic priority for several years. Since 2013, the Town engaged with consultants to prepare a space-needs assessment and to analyze various options/locations for a new city hall building. In 2015, the Town purchased the lands located at Buller Street and 1<sup>st</sup> Avenue with the intention of constructing a new administration building.

The current city hall no longer fits the needs of the community. The building is too small and requires staff to work out of multiple locations, which results in process inefficiencies. The Town pays for rented space at 132c Roberts Street and also utilizes an off-site storage area due to moisture and rodent issues at the current city hall. Over the years, minor modifications have been made internally to accommodate additional staff by re-arranging offices and moving Council meetings to the Seniors Centre, though the functional inefficiencies remain. The opportunity to work with upper levels of government and achieve housing and a new city hall on the Town owned property is a great opportunity for the community.

The current city hall was constructed in the early 1950’s<sup>1</sup> (see Attachment A regarding the history of Ladysmith city halls published by Ladysmith Chemainus Chronicle on March 22, 2016 by Ed Nicholson). Recently, there have been several necessary upgrades to the

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<sup>1</sup> Ladysmith & District Historical Society - <https://www.ladysmithhistoricalsociety.ca/histories/buildings/410-esplanade-avenue-ladysmith-british-columbia/> accessed January 4, 2024.

building, such as a new roof and windows in 2023. These upgrades were required to ensure the building would remain functional into the future, but further renovations would be required if the building is to remain as a city hall.

### *Borrowing process*

Borrowing funds for a period of more than five years requires the Town to pass a loan authorization bylaw. In accordance with the *Community Charter*, before the bylaw can be adopted, it must receive approval from the Inspector of Municipalities and then receive the approval of the Town's electors. Although elector approval may be sought via a referendum or an AAP, staff are recommending using the AAP approach as it is a more cost-effective process.

The proposed introduction of the borrowing bylaw for first three readings is January 23, 2024, after which the bylaw will be forwarded to the Inspector of Municipalities. Upon approval by the Inspector of Municipalities, staff will return to Council with the Alternative Approval Process.

If the final results of the AAP indicate that the Town's electors do not approve borrowing funds to build a city hall and institutional space below the proposed housing development, staff will provide alternative options for the Town-owned properties at 1<sup>st</sup> Avenue and Buller Street.

### **ALTERNATIVES:**

Council can choose to:

1. Sell the property at 1<sup>st</sup> Avenue and Buller Street.
2. Direct staff to hold a referendum on the borrowing question instead of an AAP. (This will be much more costly than running an AAP due to additional staff time, facility costs, ballots and voting machines.)
3. Not proceed with the Buller Street project.

### **FINANCIAL IMPLICATIONS:**

This project contains housing, a city hall, and institutional space, though the Town would only be borrowing for the city hall and institutional space, not for the housing portion of the project. There are economies of scale savings using the same developer throughout the entire construction project.

Borrowing is estimated to be \$13,500,000. Similar to all previous borrowing, the Town will use the Municipal Finance Authority to borrow the funds. Using the interest rate of 4.5% over 30 years, the annual estimated debt payments would be \$860,520.

At the November 21, 2023, Council meeting, staff presented a 6.3% budget increase for the 2024 fiscal year. Council also approved a number of Higher Service Level Requests which added an additional 0.7% to the budget. Included in the proposed budget was \$590,520 for asset renewal. These renewal funds would be used to offset the annual borrowing costs. There is a shortfall of \$270,000 to cover the annual debt payments, though it would not be required until 2025 due to the timing of the project and borrowing timelines.

Running an AAP does have additional costs for communications, statutory advertising and mailouts. It is expected that the staffing costs will be absorbed into the current budget.

**LEGAL IMPLICATIONS:**

The municipal borrowing process is highly legislated through the *Community Charter*<sup>2</sup>.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

Statutory advertising will be completed, and the AAP timelines will be followed, allowing for public participation. The Ladysmith & District Historical Society currently occupies a Town-owned building on the proposed site. Staff have discussed the potential of relocating the Museum to another location if the AAP passes and negotiations with the higher levels of government are successful. A report for consideration by Council will be brought forward when appropriate.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

If approved, Corporate Services will lead the AAP; Finance will lead the borrowing process.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Core Infrastructure         | <input type="checkbox"/> Economy        |
| <input type="checkbox"/> Official Community Plan Implementation | <input type="checkbox"/> Leadership     |
| <input type="checkbox"/> Waterfront Area Plan                   | <input type="checkbox"/> Not Applicable |

***I approve the report and recommendation.***

**Allison McCarrick, Chief Administrative Officer**

**ATTACHMENTS**

A – Ladysmith Chemainus Chronicle – “A brief history of our city halls” by Ed Nicholson, March 22, 2016.

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<sup>2</sup> Community Charter s.179 & 180



# LADYSMITH CHEMAINUS CHRONICLE

## A brief history of our city halls

Ed Nicholson

Mar 22, 2016 7:00 PM



*The opening address at the present city hall by Mayor Len Ryan in 1952.*

In February of 1902, a group of local businessmen met in the Checkers Room of the Grand Hotel to form the Ladysmith Board of Trade. They wanted to incorporate Ladysmith as quickly as possible so that the new city would rival Nanaimo. They discussed the need for a water and sewer system, electric lighting and a cemetery for the new city. They also decided where the civic centre of Ladysmith would be located.

James Dunsmuir supported incorporation, but did not want his industrial facilities included within municipal boundaries. Nor did the owners of the smelter and several other employers including future mayor John Coburn.

After canvassing local businesses and property owners, a decision was made to petition the Provincial government. Despite the fact that Newcastle provincial riding had elected a socialist MLA, the Conservative government of Richard McBride agreed and letters patent were issued on June 3, 1904.

Elections were quickly held in the Oddfellow's Lower Hall. Mayor John Coburn who had served previously as Mayor of Wellington, was a logical choice for Ladysmith's first Mayor. He was joined by Aldermen Dan Nicholson, Murdoch Matheson, Henry Blair, William Beveridge and George Haworth. All positions, including City Clerk and Police Constable were elected by acclamation. (In fact, until January of 1908, no vote was necessary in a Ladysmith City election!)

The first meeting of the new city council was held in the recently built Oddfellows Hall. Meetings were held here or in the Grand Hotel Checkers Room until, in October of 1904, Council purchased a lot at 207 Roberts Street. William Nicholas was hired to draw up plans for a combination City Hall, Jail and Fire Station. Downstairs held the fire hall, two jail cells and a bedroom for an attendant. The Upper floor contained a 23 by 35 foot area for the Council Chambers. This area also served as a court room after the city appointed a magistrate in 1905.

This building was used as City Hall until 1917 and continued as the Fire hall until the Safety Building on Dogwood Drive was constructed in 1973. Later, the building at 207 Roberts was used for many years by the Fraternal Order of Eagles, who renovated the interior and took down the hose drying chamber. Today it is a private residence.

However, Ladysmith's service needs were growing rapidly, and the elected officials realized there was a need for a new location in which to conduct the city's business. In 1917, Mayor Pannell informed electors that the Fire Department required more space in the existing building and other municipal services should be relocated to a new common area.

The council began a search for a new home. As it turned out, the answer was less than a block away. For a number of years, the Grand Hotel at the corner of Roberts and Esplanade had been in financial

difficulty from both the loss of business during the Coal Strike and a requirement to make structural changes to the hotel due to changes in the provincial liquor laws. In August of 1917, owner William Beveridge agreed to sell the old hotel to the council for the sum of \$600 plus the cancellation of back taxes. After purchasing the Grand, the building was renovated to contain the civic chambers, the city clerk's office, the jail, the library, a morgue, and later a public health clinic.

This arrangement lasted until 1951, when the steadily increasing population of Ladysmith had outgrown the ability of the repurposed hotel to serve the municipal requirements of a modern town. Town Council presented a plan for a new Municipal Building immediately behind the existing site which would cost the town \$45,000. It called for a one-storey stucco building with a footprint of approximately 54 by 64 feet. The new structure would serve both as town hall and RCMP station, with the council chamber doubling as a court room. The Ladysmith Library also shared the building space.

On Wednesday, January 23, 1952, Mayor Len Ryan proudly opened the first meeting of city council in their new "spacious" chambers. In the 64 years since that meeting, Mayors Kay Grouhel, Bob Stuart, Frank Jameson, Alex Stuart, Rollie Rose, Rob Hutchins and Aaron Stone have all endured complaints about a crowded, stuffy council chamber with uncomfortable chairs and long winded local politicians.

*Ed Nicholson is Board Chair of the Ladysmith Historical Society. With thanks to fellow society volunteer Harald Cowie, who provided research for this article.*

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**INFORMATION REPORT TO COUNCIL**

**Report Prepared By:** Mike Gregory, Communications and Engagement Specialist  
**Reviewed By:** Allison McCarrick, CAO  
**Meeting Date:** January 23, 2024  
**File No:** 4200-20  
**Re:** Buller Street Revitalization Project

**RECOMMENDATION:**

That Council receive for information the report dated January 23, 2024, regarding the Buller Street Revitalization Project.

**EXECUTIVE SUMMARY:**

The construction of a new City Hall has been a strategic priority of both the current and previous Councils for close to ten years. Attempts to make the priority a reality have involved consultant work delivering three separate, yet similar proposals, for three different Councils. As each proposal has failed to materialize, the ability of the Town to provide efficient services and superior customer service to its citizens is compromised further.

The Town is currently in a position to move ahead with this priority in a strategic and financially prudent fashion by combining the project with a much-needed housing development.

This report is to provide the “why” the Town requests to borrow funds on a Town-owned land revitalization project.

**PREVIOUS COUNCIL DIRECTION:**

CS 2015-249	2015-07-06	<p>That Council:</p> <ol style="list-style-type: none"> <li>1. Enter into a loan agreement with the Municipal Finance Authority for an amount up to \$920,000 for a maximum period of 5 years, ending in July 2020, to purchase the properties located at 721 1<sup>st</sup> Avenue, 12 Buller Street, 20 Buller Street, and 26 Buller Street, Ladysmith, as authorised by section 175 of the Community Charter;</li> <li>2. Acknowledge that, in accordance with section 175 of the Community Charter, the term of this loan may not be extended without the approval of the electors; and,</li> <li>3. Amend the Financial Plan accordingly.</li> </ol>
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## **INTRODUCTION/BACKGROUND:**

The current Ladysmith City Hall at the corner of Roberts Street and Esplanade Avenue opened to the public in 1952, operating as a shared building with both the RCMP detachment and the library board.

Since that time, the Ladysmith community has grown from a population of 2,094 residents to 8,890 residents in 2021, as well as almost 500 businesses.

Over this period the Town has been the primary occupant of the civic building, while the other entities have long since moved on to buildings that more adequately accommodate their respective operational capacities and functions.

Due to the age of the building, capital funds continue to be allocated to maintain City Hall in a state that is appropriate for employees to serve the public.

Including a new City Hall as part of the proposed Buller Street Revitalization Project will allow the Town to deliver excellence in customer service through the consolidation of civic offices in the heart of downtown while offering the public a missing middle housing initiative.

A potential partnership with the Provincial and Federal governments is in the early stages and may not come forward again. This funding approval would allow the Town to proceed with the Buller Street Revitalization Project, which is proposed to include housing, civic offices and institutional space.

The approval to borrow is a long process of up to 6 months and is also a pivotal step. Without the borrowing, the City Hall would be delayed once again.

## **Consolidation of Office Space**

The existing City Hall is on the Town's heritage register and occupies a prominent location at the corner of Roberts Street and the Trans-Canada Highway. However, City Hall has reached its maximum capacity for office space and its useful life as a City Hall.

According to the Official Community Plan (OCP), between 2021 and 2050, the population is expected to grow at an estimated annual rate of 1.2% to reach a total of 10,125 people by 2030, 11,345 by 2040, and 12,712 people by 2050.

Due to the limited space at City Hall, Development Services, which currently has eight staff, leases a building at Roberts and 2<sup>nd</sup> Avenue. The annual cost of leasing this office space was \$32,277 in 2023.

Additionally, staff in areas such as Information Technology, Bylaw, Protective Services and Engineering do not currently have offices at City Hall. They are spread among varying Town-owned buildings within Ladysmith.

A new City Hall would consolidate staff from these areas under one roof, thereby improving the Town's overall efficiency in carrying out business and responding to resident inquiries.

In addition, municipal governments across BC continue to take on new responsibilities. Local governments are now responsible for managing regulatory changes, grant-based funding for new programs, health and social services, climate change mitigation, emergency services and housing. These new responsibilities demand an increase in staff, resources and capacity and the current strained office space allocation will not be able to accommodate these increases.

### **Current Condition of City Hall**

As already mentioned, the availability of usable space in City Hall is an ongoing challenge, and the building is at a maximum capacity. Individual offices are too small to conduct a meeting of more than two people and therefore the previous Council Chamber is used for this purpose. This space is booked daily and is at its capacity for use. Council meetings have been moved to the Ladysmith Resources/Senior's Centre building to safely accommodate the public's participation at Council meetings and public hearings.

In addition, City Hall does not have enough space to house and keep safe all of its corporate files. As a result, the Town stores some of its corporate files off-site at an annual cost of just under \$8,000.

City Hall also lacks a shipping and receiving area, resulting in packages and other deliveries being stored in corridors, creating obstacles and posing safety issues. This makeshift storage accommodation reduces the accessibility for patrons using the back entrance, and generally adds clutter and disorganization.

The Accessible BC Act requires that organizations develop a plan to "identify, remove and prevent barriers to individuals in or interacting with the organization". City Hall is currently not an accessible building. The back door entrance is the only stair-less access point to the building, but once inside, internal stairs make it impossible for people with poor mobility to access the front desk or to make payments. Washrooms are not equipped to handle wheelchairs. The new city hall will be fully accessible.

### **Upgrades to City Hall**

Council approved \$435,000 as part of the 2023 Capital Budget to complete necessary improvements to the building.

A review of the building determined that investments in a new roof, windows and HVAC system were all required if the Town were to ensure the continued operation of City Hall at the current location.

The proposed improvements quickly became necessities -in recent months, City Hall was forced to close to address flooding caused by the aging roof. The failing roof drains that were causing leaks inside the building were replaced with a completely new system.

In addition, the recent cold snap has underscored the need to deal with the building's heating and cooling inefficiencies. These temperature inconsistencies are currently being addressed.

The upgrades to City Hall have progressed steadily throughout the latter half of 2023, highlighted recently with the completion of the windows and roof.

It is anticipated that these upgrades will make City Hall a functional and comfortable space for a new potential tenant if the Buller Street Revitalization Project were to proceed in the future.

### **Public Attendance Space at Council Meetings**

Due to the COVID-19 pandemic and requirement for additional physical distancing space, Council transitioned to meeting in the Seniors Centre building rather than the City Hall Council Chambers. This also provided the necessary meeting space at the City Hall for operational use.

The Town invested \$92,000 in the municipally-owned Seniors Centre (630 2<sup>nd</sup> Avenue) to adequately accommodate the return to in-person Council meetings.

These funds were allocated from the Provincial government COVID relief funds and were used to purchase a new audiovisual system and other IT upgrades.

While the capacity at the Seniors Centre is an improvement over the former Council Chambers at City Hall, it still does not adequately accommodate a larger public hearing and it is still not cost effective due to meeting set up/take down costs and extra janitorial requirements.

A meeting requiring greater capacity would need to be held at either Aggie Hall, or a hall rental, such as Eagles Hall. A new City Hall would allow for meetings to occur at one location while avoiding the additional costs that are necessary when changing venues.

### **City Hall as a Strategic Priority**

The Town's purchase of the Buller Street property in 2015 was the first step forward in one day achieving Council's long-standing strategic priority to build a new City Hall.

The project is included in the current Council's 2023-2026 Strategic Plan and is being brought forward now by staff after a potential partnership with senior levels of government was identified to include high-density housing.



The unprecedented synergy of resources and capital funds on a redevelopment project of this type will likely never occur again in Ladysmith if the Town were to abandon its interest.

The project aligns with the Ladysmith Official Community Plan, which supports optimizing infill development in the downtown as this area is already walkable and provides good access to employment opportunities, shops, services, and other amenities.

The revitalization of Buller Street would mark a significant economic investment in the downtown area, creating temporary jobs during construction and ultimately much-needed housing as our community grows.

Since purchasing the property, funding has been directed for both staff and consultants to study the configuration of City Hall, using assumptions for both institutional, commercial and/or housing space.

These consultants' reports were received by previous Councils, including cost estimates which have increased exponentially.

The construction of a new City Hall has been expressed in these reports as a necessary inevitability for the reasons described in detail above, and costs will only continue to rise.

A 2016 report to Council by Process Four explained how municipalities should make an effort to limit the number of visits between facilities. Ladysmith requires customers to make multiple trips to receive information or complete transactions, thereby creating inefficiencies in our administrative processes, frustrating patrons and contributing to more vehicle trips.

In 2017, Council asked staff to bring forward a financial strategy and spacing requirements for a new City Hall. Staff were also directed to explore partnerships for the project and despite these discussions taking place, no decision was ever reached on how to proceed, although project timing and financial restraints may have been contributing factors.

In 2020, Urban Systems prepared an update looking at options for a new City Hall. The report included a financial analysis showing escalating costs and a range of options for commercial, and / or rental residential, noting the success of this model in other jurisdictions. Potential partnerships were explored in this scenario, with no further action. Again, project timing and financial restraints may have been contributing factors.

The City of Rossland recently completed Rossland Yards, a different type of partnership development that includes a City Hall. An artist rendering and an image showing the completed build has been included as an example of what can be accomplished through partnership.

# SAMPLE ONLY



*The above artist rendering and project photo is not the design of the proposed Buller Street Revitalization Project and is only being provided as an example of a civic building combined with residential development through government partnerships.*

*Rossland Yards is the result of a partnership between the Province through BC Housing, the City of Rossland, Columbia Basin Trust, the Federation of Canadian Municipalities' Green Municipal Fund and non-profit operator the Lower Columbia Affordable Housing Society (LCAHS). The mixed-use building features Rossland City Hall on the ground level with 37 housing units above.*

The COVID-19 pandemic resulted in a change to how society views office space and in-person gatherings, such as meetings. The Town modified the front counter of our offices to safely reopen to the public. As mentioned, Council meetings were shifted to the Seniors Centre until a new permanent solution can be reached in the new City Hall.

Staff capacity and the configuration of City Hall in its current state continues to expose the town staff and patrons to risk if another outbreak were to occur again in the future.

The “why” of including a new City Hall in the Buller Street Revitalization Project is presented now to Council, and the community, with eight years of exploratory studies and a strong case to move ahead with the backing of potential partners.

### **The short answer to “why” fund a new City Hall within the Buller Street Revitalization Project**

- Increase the effective and efficient provision of public services.
- Increase operational workspace capacity.
- Increase operational efficiency.
- Provide fiscal responsibility.
- Deliver sound asset management.
- Increase housing supply.

- Implement an overdue strategic priority.

The “what and how” will be brought back to Council and the public if the funding is approved.

### **FINANCIAL IMPLICATIONS:**

#### **Project borrowing**

The Town’s portion of the project (i.e. the cost of constructing the City Hall portion) is estimated to be approximately \$13.5 million dollars and is not eligible for grant funding. As the cost is greater than the limit set in the *Municipal Liabilities Regulation*, the Town is required to obtain electoral approval to debt finance this amount.

For a municipality to borrow funds, it must adhere to specific Provincial borrowing legislation. A municipality’s debt servicing costs (principal and interest payments) cannot exceed 25% of the specific municipal revenue.

The Town currently has 5 long-term debt agreements. As of December 31, 2023, there was:

- \$1,185,000 owing on the RCMP detachment building from 2006,
- \$5,312,000 owing on the Water Filtration Plant from 2019,
- \$673,000 owing on Water improvements from 2012, and
- \$6,500,000 owing on the Waste Water Treatment Plant from 2016.

The debt servicing costs (interest and principal) for these executed long-term borrowings in 2023 was \$1,133,293. There is an additional \$6.2 million dollars in approved debt for Water Supply Improvements, though this debt has not been executed and the Town does not pay interest or principal payments.

The Town also borrowed monies to fund the purchase of 3 fire trucks. The total debt outstanding at December 31, 2023 for the fire vehicles was \$2.8 million and the debt servicing costs for these trucks was \$217,668 in 2023.

This proposed debt is expected to add an additional \$860,520 in debt servicing payments for a total of \$3,534,456 in debt servicing payments including unexecuted debt. This amount is less than the latest Provincially approved legislative cap on debt servicing for the Town of \$4,870,390.

### **LEGAL IMPLICATIONS:**

The municipal borrowing process is highly legislated through the *Community Charter*<sup>1</sup>.

### **CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

The process for public input regarding this potential project begins once the preliminary steps have been taken for loan approval via a borrowing bylaw. “Town of Ladysmith City

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<sup>1</sup> Community Charter s.179 & 180

Hall Loan Authorization Bylaw 2024, No. 2166” appears later in tonight’s agenda. Once Bylaw No. 2166 receives first three readings and approval from the Inspector of Municipalities, the process for engaging the public via an Alternative Approval Process (AAP) will be brought back to Council and citizen engagement will begin shortly thereafter.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

The Finance Department will lead the borrowing process and Corporate Services will lead the AAP.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Core Infrastructure         | <input type="checkbox"/> Economy        |
| <input type="checkbox"/> Official Community Plan Implementation | <input type="checkbox"/> Leadership     |
| <input type="checkbox"/> Waterfront Area Plan                   | <input type="checkbox"/> Not Applicable |

***I approve the report and recommendation.***

**Allison McCarrick, Chief Administrative Officer**



**STAFF REPORT TO COUNCIL**

**Report Prepared By:** Jake Belobaba, Director of Development Services  
 Erin Anderson, Director of Financial Services

**Reviewed By:** Allison McCarrick, CAO

**Meeting Date:** February 6, 2024

**File No:** 0760-20/4200-20

**Re:** **Buller Street Revitalization Project-Construction Contract and Lease Agreement**

**RECOMMENDATION:**

That Council:

1. Authorize sole-source procurement pursuant to purchasing policy 5-1790-D with Catalyst Developments for the non-residential component of the Buller Street Revitalization Project described in the February 6, 2024 report to Council; and
2. Direct staff to finalize:
  - a. a construction contract with Catalyst Developments for the non-residential component of the Buller Street Revitalization Project;
  - b. a long-term lease agreement with Catalyst Developments for the provision of the housing component of the Buller Street Revitalization Project; and
  - c. bring back the proposed contracts for Council’s consideration.

**EXECUTIVE SUMMARY:**

This report seeks direction from Council to finalize contractual agreements necessary to commence work on the Buller Street Revitalization Project and make the project eligible for BC Builds Funding. Advancing project planning and design work will support the Alternative Approval Process, by providing the public with more information about the project.

**PREVIOUS COUNCIL DIRECTION:**

Resolution	Meeting Date	Resolution
CS 2024-015	2024-01-23	That Council receive for information the report dated January 23, 2024, regarding the Buller Street Revitalization Project.
CS 2024-005	2024-01-09	That Council direct staff to prepare a borrowing bylaw in the amount of \$13,500,000 for the Buller Street revitalization project located on Town owned lands at 1st Avenue and Buller Street and proceed with the Alternative Approval Process to obtain elector assent.
CS 2015-249	2015-07-06	That Council:



Resolution	Meeting Date	Resolution
		<ol style="list-style-type: none"> <li>1. Enter into a loan agreement with the Municipal Finance Authority for an amount up to \$920,000 for a maximum period of 5 years, ending in July 2020, to purchase the properties located at 721 First Avenue, 12 Buller Street, 20 Buller Street, and 26 Buller Street, Ladysmith, as authorised by section 175 of the Community Charter;</li> <li>2. Acknowledge that, in accordance with section 175 of the Community Charter, the term of this loan may not be extended without the approval of the electors; and,</li> <li>3. Amend the Financial Plan accordingly.</li> </ol>

**INTRODUCTION/BACKGROUND:**

*The Buller Street Properties:*

In 2015, the Town purchased the Buller Street properties from the Ladysmith & District Credit Union with the intention of developing a new city hall. The site is currently comprised of four separate parcels (one of which hosts the Museum) totaling 0.27ha. The site is zoned Downtown Commercial (C-2), and allows a six storey, mixed-use building and Floor Space Ratio (FSR) of 3.3. A variety of non-residential uses are permitted on the site and residential is permitted above the first storey fronting 1<sup>st</sup> Avenue and/or at grade along Buller Street.

*Project Planning to date:*

In 2016, the Town commissioned a report from Process Four (Attachment A)<sup>1</sup> to support “strategic decisions about the redevelopment of City Hall and the proposed inclusion of a Library” on the Buller Street properties. A supplementary report from Urban Systems (Attachment B) was commissioned in 2020 to update parameters of the Process Four Report, examine alternative sites and explore the option of adding housing to the project. These reports were preliminary, and drafted with the expectation that the report parameters would be reevaluated and updated over time and as the project progressed. Should the Buller Street Revitalization Project proceed, a number of recommendations and parameters of the reports will need to be disregarded or reexamined including:

- Preliminary estimates: Both reports are based on a broad range of point-in-time assumptions such as population growth, interest rates, construction costs, staffing, etc. Even since 2020, many of these parameters have changed, in some cases significantly (e.g. construction costs and interest rates).
- Assumptions on organizational makeup: The reports predate the Town bringing IT support in-house<sup>2</sup> and assume engineering will be relocated to City Hall. Engineering works closely with both Public Works and Development Services and these relationships have changed significantly due to organizational and technological

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<sup>1</sup> The Process Four report has been redacted to remove confidential HR information.

<sup>2</sup> Until 2021, the Town contracted with the District of North Cowichan for IT support.

change. Engineering's role in essential service delivery and recovery following a disaster is also a consideration for their place of work (see below).

- Post-disaster construction: The Process Four report assumes City Hall will be constructed to a post-disaster standard<sup>3</sup>. This has significant implications for construction costs, especially if residential development is included in the project as proposed, because both components would likely need to be built to a post-disaster standard<sup>4</sup>. Because emergency preparedness and workplace technology has evolved significantly, business continuity requirements need to be reexamined before deciding on post-disaster construction.
- Zoning: As noted below, zoning for the Buller Street site has recently changed to align with the new OCP. In both reports, zoning parameters (e.g. floor space ratio, lot coverage, setbacks, height) are out of date.
- Parking: Parking requirements referenced in both reports are out of date. Parking standards were recently changed to reflect the new OCP. On the Buller Site, no parking spaces are required for non-residential uses and cash-in-lieu for up to 50% of required residential parking is allowed. There are also new parking requirements for bike parking and end of trip facilities. Additionally, neither report examines the availability of street parking in the area. The Downtown parking utilization study under Policy 2.33 of the OCP is expected to be complete later this year and will provide useful information in this regard. Parking requirements will need to be reexamined when design work commences.
- Inclusion of residential: The Process Four report does not examine the possibility of residential in conjunction with City Hall. Subsequently, the various building configurations described in the report are largely inapplicable.
- Existing City Hall Building: The Process Four report predates upgrades to the Building Envelope and HVAC system in the existing City Hall building. These renovations have addressed most of the issues noted in the report related to the condition of the building. Additionally, the Urban Systems report considered the option to sell the current City Hall. Currently, other options are being explored for this site and staff expect to report back to Council on these efforts by the end of March.

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<sup>3</sup> Generally speaking, a post-disaster building is designed to function, and be safe for reoccupation, immediately following an earthquake.

<sup>4</sup> Under the BC Building code, neither City Halls nor apartment buildings are required to be built to a post-disaster standard. Generally speaking, these buildings need only be designed to allow occupants to safely evacuate, with no requirement for immediate reoccupation and reuse. It follows that if City Hall is built to a post-disaster standard, structurally integrated residential units would need to be designed so as to not jeopardize City Hall following an earthquake (e.g. by collapsing on City Hall during an aftershock.)



- Process improvements: The Process Four Report explores a number of operational changes at City Hall to improve efficiencies. Staff incorporated many of the streamlining process and worked with the Town auditors to ensure the suggested improvements meet PSAB standards.
- Library: Both reports explore the possibility of a Library in conjunction with City Hall. As noted below, this remains a possibility under the current proposal, however VIRL is not a confirmed project partner at this time.
- Machine Shop and Public Works Locations: The Urban Systems report considers these locations as options for inclusion with a new City Hall. Housing proposals in these locations would be more challenging, and these sites present significant opportunity cost (i.e. they are needed for other tenants/uses which are likely to expand in the future). Subsequently, these locations are not being considered under the current proposal.

#### Provincial Housing Programs:

The Premier and Minister of Housing have spoken publicly about a new provincial program coming called BC Builds which will be “dedicated to delivering more homes for middle-income households.” The details of the program are expected to be announced in early 2024.

A key piece of the program is for local governments to provide land; either in the form of vacant or underutilized sites or through partnerships where housing is built in conjunction with municipal facilities and to work together to start the construction of rental housing quickly.

#### Catalyst:

Catalyst is a not-for-profit development group that develops, owns, and operates affordable rental housing across BC. They specialize in partnerships with municipalities, non-profits, charities and other institutional and private owners. Catalyst has the capacity to manage all aspects of development as either a partner or consultant. Catalyst reinvests projects’ revenues to increase rental affordability, typically offering rents that are 10-40% below market. More information on Catalyst is available at: <https://catalystcommdev.org/>

The Town has been working with the Province and Catalyst to be prepared and ready to participate in the the BC Builds program when it is implemented.

#### **PROPOSAL:**

The proposed project would include approximately 95 rental housing units atop approximately 25,000 ft<sup>2</sup>, of non-residential space containing a new City Hall. Under this scenario, non-residential space not needed for City Hall can be provided to one or more other tenants selected by the Town at a later date. This could be a library or another institutional use or a commercial use chosen by the Town. The project is expected to fit within most (if not all) zoning parameters. The current zoning (which was recently changed to align with the new OCP) allows a gross total floor area of 8,850m<sup>2</sup> (95,230 ft<sup>2</sup>).

Staff are seeking direction to finalize lease and construction agreements with Catalyst so as to prepare the residential portion of the project in anticipation of the announcement of BC Builds. Exact details of the agreements still need to be finalized. However, generally speaking they are expected to operate as follows:

1. Catalyst would be responsible for constructing the entire facility, including design and construction management, and subject to Town approvals at key project milestones.
2. Construction and design costs would be apportioned based on the separate components of the project (i.e. the Town would cover costs attributable to the non-residential component and Catalyst would cover costs attributable to the residential component).
3. Catalyst will be eligible for provincial financing for the housing portion of the development and enter agreements with the province for this purpose.
4. The Town would grant a long-term lease or similar arrangement to Catalyst for the residential component of the project. The non-residential and residential components would be operated and maintained separately, as separate real-estate entities or through contractual arrangements.

Staff are working with Catalyst, the Province and the Town's lawyer to draft the necessary agreements, which will be brought back to Council for approval. Agreements would be contingent on the Town obtaining the necessary approvals (e.g. a successful Alternative Approval Process).

### **ANALYSIS**

Concentrating growth in the Downtown and housing are top priorities of the Town's Official Community Plan and pressing issues in Ladysmith.

For housing, the Town does not have the financial capacity to provide housing without support from the province, and the partnership with Catalyst and the Province provides an opportunity to leverage existing and future assets to provide housing at no additional cost to the Town. Catalyst has had a number of successful projects throughout BC and it is reasonable to expect that these homes will be provided to those in need of them at rents that are affordable to middle income working people in Ladysmith.

Redeveloping the Buller Street site and maximizing the mix of uses and density on the site will contribute to the redevelopment of the Downtown. Staff, customers and residents of the facilities will contribute significantly to the Downtown economy which will further drive growth and redevelopment of the Downtown.

The Town is in urgent need of both a new City Hall and housing. Moving quickly to secure partnerships to capitalize on BC Builds funding will extend the benefits of this project, without requiring the Town to take on additional debt, risk or project costs.

### **ALTERNATIVES:**

Council can choose to:

1. Seek other partners for the Buller Street Revitalization Project.
2. Terminate the Buller Street Revitalization Project.
3. Specify another course of action.

**FINANCIAL IMPLICATIONS:**

Financial Implications of the project are discussed in the January 9, 2024, report seeking authorization to initiate the Alternative Approval Process (AAP).

**LEGAL IMPLICATIONS:**

The Town’s solicitor will be involved in drafting the necessary contracts.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

Community engagement will occur as part of the AAP. By endorsing the above recommendation, design and project planning work can advance prior to the conclusion of the AAP, providing residents with greater detail as to the features and design of the proposed project.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

Development Services, Facilities, Finance and Communications are working jointly on the Buller Street Revitalization Project.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Core Infrastructure                    | <input checked="" type="checkbox"/> Economy |
| <input checked="" type="checkbox"/> Official Community Plan Implementation | <input type="checkbox"/> Leadership         |
| <input type="checkbox"/> Waterfront Area Plan                              | <input type="checkbox"/> Not Applicable     |

***I approve the report and recommendations.***

**Allison McCarrick, Chief Administrative Officer**

**ATTACHMENTS:**

- A. Process Four Report
- B. Urban Systems Report

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# City Hall Optimization Project

## Summary Document

Attachment A



PROCESS FOUR...

APRIL 2016

**TABLE OF CONTENTS**

**INTRODUCTION**.....1

**SUMMARY OF PARAMETERS** .....1

**PARAMETERS- DETAIL**.....1

DEMAND ..... 1

    PARTICIPANTS.....1

    TARGET YEARS.....3

    POPULATION .....4

    STAFFING.....5

FACILITIES .....7

    COMPONENT AREAS .....7

    STANDARDS.....8

    PARKING.....10

SITE .....11

    DESCRIPTION .....11

    STACKING.....12

RELATIVE COSTS .....18

    CONSTRUCTION TO PROJECT COST- CITY HALL .....19

    CONSTRUCTION TO PROJECT COST- LIBRARY .....20

    ESCALATION .....21

**SPACE LIST** .....1

**STREAMLINING**.....7

    BLIND SPOTS .....7

CUSTOMERS.....7

LEAN SYSTEMS THINKING .....8

FINANCIAL SERVICES.....8

    PURCHASE ORDERS.....9

    INVENTORY SYSTEM.....10

    A PRIMER FOR GL CODES.....11

IMPLEMENTATION .....12



## INTRODUCTION

This document has been prepared in order to consolidate information generated to date, in planning for the redevelopment of Ladysmith City Hall. This document is organized into 5 main parts, comprising this INTRODUCTION and

- **SUMMARY OF PARAMETERS:** extracts key information from the body of the document. This portion of the document is intended for the reader seeking a broad understanding of the parameters, or limits, within which this project is being proposed.
- **PARAMETERS- DETAIL:** for those who wish to understand the rationale and more detailed assumptions from which the parameters are derived. Decision-makers should at least be aware of the kind of information contained in this portion of the document.
- **SPACE LIST:** a space-by-space listing, along with area allocations for each space, quantifies the facilities being proposed at a detailed level.
- **STREAMLINING-**

The information in this document is intended for use in making strategic decisions about the redevelopment of City Hall and the proposed inclusion of a Library. Key assumptions should be reviewed and verified at each point in the decision-making process



## SUMMARY OF PARAMETERS

As a planning tool, this document and associated decision support model establish a number of parameters within which this project will proceed. Any changes significantly affecting these outlined parameters must be examined for their impacts on other parameters, including costs. Decisions about modifying assumptions and/or parameters should be made before proceeding to subsequent steps in planning and design.

### DEMAND

There are a range of drivers of service demand

### PARTICIPANTS

There are 2 participant organizations planned for inclusion in the project. They are

- City Hall; and
- Library.

### CITY HALL

Service delivery is significantly compromised, as staff are forced to work in substandard conditions. In compensating for facility age, inadequate infrastructure, and lack of space, staff spend unnecessary time and effort in conducting their work. Lack of space has also forced Development Services to be located in leased space several blocks away from City Hall. Engineering services are located at the Works Yard, which means people must often travel among three locations in securing the services they need.

The project, as proposed, will offer

- One Stop Shopping- will expedite the delivery of services for people coming to City Hall;
- Retail- space for a small ‘coffee kiosk’ type of operation has been included as an informal complement to City Hall and the Library;
- Post Disaster- residents will look to City Hall for support and leadership in coping with disasters;
- Streamlining- staff continue to reduce elapsed time, redundant steps, and staff time required to meet the range of requests for service;
- Repatriate Departments- current planning assumes the repatriation of Development Services and Engineering with the rest of City Hall departments; and

### LIBRARY

- VIRL (Vancouver Island Regional Library) is anticipating development of a new library on the same site.

SUMMARY

**TARGET YEARS**

The concept of ‘Target Years’ is used in planning for the future. The specific year is of less importance than calculated demand and capacities.

	Baseline	Mid-term	Long Term
Target Year	2014	2020	2035
Target Year for Construction	2017		
Target Year for Costs	2015		

**POPULATION**

The primary driver of demand is population. The following table outlines assumptions about Ladysmith population over the mid- to long-term.

	Baseline	Mid-term	Long Term
Target Year	2014	2020	2035
Population- LHA	18,332	19,679	22,442
Ladysmith Municipal	8,167	9,337	11,149
% of LHA	45%	48%	50%

**STAFFING**

Facility requirements for City Hall are organized into *Components*. Components are the building blocks for facility planning, and are defined as

***Component:** a group of people and/or spaces that must be kept together when locating them within a building.*

They reflect a functional organization of people and space, and often are the same as organizational units. The following table outlines the distribution of Ladysmith staff and space into planning components. Not all components listed below are included in City Hall planning, but are listed as part of overall staffing projections.

Component: Included Staff	2014	2020	2035	Excluded
Front of House	2	2.29	2.73	-
Council Chambers	-	-	-	-
Administration	6	6.88	8.20	-
Financial Services	7	8.03	9.57	-
Engineering	4	4.57	5.46	-
Staff Support	-	-	-	-
Building Support	-	-	-	-
Finance Storage	-	-	-	-
Administration Storage	-	-	-	-
Development Services	6	6.90	8.20	-
Public Works- Subtotals	24	22.86	27.29	-
Recreation- Subtotals	7	8.01	9.57	37
Parks- Subtotals	2	2.29	2.73	-
	58	61.83	73.74	37





## SUMMARY

## STAFFING- continued

**Head Count-** the following table lists staff to be included in the proposed facility, as well as Mayor and Council.

Component: Workplace HC	2014	2020	2035	EmpList
Front of House	2	2.3	2.7	2.0
Council Chambers	-	-	-	-
Administration	13	13.9	15.2	6.0
Financial Services	7	8.0	9.6	7.0
Engineering	3	4.6	5.5	4.0
Development Services	6	6.9	8.2	6.0
Staff Support	-	-	-	-
Building Support	-	-	-	-
Finance Storage	-	-	-	-
Administration Storage	-	-	-	-
	31	35.7	41.2	25.0
Note 1: HC- Head Count				
Note 2: Administration incl Mayor & Councillors				

## FACILITIES

## COMPONENT AREAS

Area Allocations for each of the participant organizations are summarized in the table following. It should be noted that VIRT area allocations differ very little between 'NASF' and 'BGSF'. This reflects differences in approach to area allocations at this stage of planning. Facilities will be planned for calculated 2020 capacities.

Component Areas	NASF- 2020	BGSF- 2020	NASF- 2035	BGSF- 2035
<u>City Hall Components</u>				
Front of House	1,815	2,832	1,845	2,878
Council Chambers	1,172	1,829	1,172	1,828
Administration	1,896	2,958	2,054	3,204
Development Services	1,124	1,753	1,642	2,561
Financial Services	1,142	1,782	1,303	2,033
Engineering	639	997	877	1,368
Staff Support	681	1,062	681	1,062
Building Support	950	1,482	950	1,482
Finance Storage	900	1,404	900	1,404
Administration Storage	1,112	1,735	1,112	1,735
Retail	500	780	500	780
Subtotal City Hall	11,931	18,614	13,035	20,335
<u>Library Components</u>				
Library- Public Use	7,665	7,895	7,665	7,895
Library-Entry/Circulation	705	726	705	726
Library- Processing	1,803	1,857	1,803	1,857
Subtotal Library	10,173	10,478	10,173	10,478
NASF- Net Assignable Square Feet: excludes all circulation, walls and service space.				
BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.				



## SUMMARY

## FACILITIES- COMPONENT AREAS- continued

There is little difference between City Hall area allocations for 2020 and 2035, as current assumptions anticipate staffing to increase by 6 people. There is minimal impact on overall support space from such a small staff increase.

There is no difference between Library area allocations for 2020 and 2036.

## STANDARDS

Space and corresponding area allocations will be based on standardized *Workplace* and *Ancillary* spaces. The workplace allocations for Ladysmith staff have been established in consideration of provincial standards ( GOSS- Government Office Space Standards), but are generally smaller in area for corresponding position types. The following table outlines proposed allocations, rationale, and furnishing capacities for each workplace type.

Enclosed/Open- ft <sup>2</sup>	Remarks
Enclosed 150	150 Mayor and City Manager. Same as EA- 13.9, despite functional similarities to Assistant Deputy Minister (EA- 22.5) <i>6' desk, credenza + 4 ancillary</i>
Enclosed 140	140 Director (or equivalent). Lower than GOSS allocation for this position type at EA- 13.9 <i>3 worksurfaces + 6 ancillary</i>
Enclosed 120	120 Functional justification for privacy needs <i>2 worksurfaces + 5 ancillary</i>
Enclosed 100	100 Functional justification for privacy needs <i>2 worksurfaces + 3 ancillary</i>
Open 70	70 Supervisor or Clerical <i>2 worksurfaces + .5 ancillary</i>
Homebase	40 Inspectors and other staff who spend the majority of their time in the field. <i>1 worksurface</i>



SUMMARY

**PARKING**

Current assumptions about the site and parking are theoretical and must be ‘tested’ through the preparation of concept drawings, but it is anticipated that some 26 stalls will need to be provided off-site. The cost of surface parking on additional property purchased nearby is significantly more economical than structured parking on-site.

**City Hall-** it is assumed that 23stalls are provided off-site based on preliminary site capacity calculations described later in this document.

Parking Assumptions- City Hall		2020
Struct Pkg	No	
Staff Parking	64% of staff	0 stalls
Staff- Structured		0 stalls
Visitor Parking		6 stalls
Visitor- Structured		0 stalls
Loading Stalls		1 stalls
Pay in Lieu	50% of stalls	29 stalls
Parking- Offsite- City Hall		23 stalls
#Parking Spaces (By-law)		58 stalls

**Library-** it may be possible to provide 3 stalls for staff parking off-site, but visitor stalls will all need to be located on-site for easy access.

Parking Assumptions- Library		2020
Struct Pkg	No	
Staff Parking	100% of staff	0 stalls
Staff- Structured		0 stalls
Visitor Parking		13 stalls
Visitor- Structured		0 stalls
Loading Stalls		1 stalls
Pay in Lieu	50% of stalls	17 stalls
Parking- Offsite- Library		3 stalls
#Parking Spaces (By-law)		33 stalls



SUMMARY

SITE

The proposed site is located at First Avenue and Buller Street in Ladysmith.



DESCRIPTION

There are 4 adjacent lots, 721 First Avenue, 12, 20, and 26 Buller Street, aligned as shown in the following diagram with total site dimensions of 120 feet by 240 feet.



## SUMMARY

## SITE- DESCRIPTION- continued

The proposed site slopes away from 1<sup>st</sup> Avenue, downwards along Buller away from the intersection at 1<sup>st</sup> towards the Island Highway. Access from Buller is about one storey below the elevation along 1<sup>st</sup> Avenue near the last of the four lots that make up the site.

- Level 1 defined as the level of 1<sup>st</sup> Avenue;
- Level 0 is then accessible directly from Buller; and
- Level 2 is the second storey above Level 1.

In addition

- **Individual lot sizes-** each of the four lots is 60' x 120'
- **Zoning-** the site is zoned C-2 Downtown Commercial
- **Existing Buildings-** there are buildings on the properties requiring demolition
- **Natural Light-** as the site slopes away from First Avenue, any space on Level 0 along the first half or more of the distance along Buller would not have access to natural light.

## STACKING

For the purposes of this document, three 'Stacking Scenarios' are outlined. They serve to provide a sense of the capacity of the proposed site, as well as to raise some key issues that must be resolved. These and other scenarios must be explored through concept layouts before subsequent planning and design proceed.

In all scenarios:

- The floor space ratio of 1.00 allows up to 28,800 sq ft of building space, and current allocations are calculated at just over 29,000 sq ft, which may require a variance, depending upon efficiency of building design;
- Any on-site parking would be accommodated at the lower portion of the site at Level 0;
- Elevator access will likely be required to and from Level 0
- The site is too small to accommodate required parking, so off-site parking on a nearby location is assumed; and
- Structured parking would add significantly to project costs.



SUMMARY

SITE- STACKING- continued

**Scenario One**

Scenario One locates the Library on Level 1, along with the Front of House, Council Chambers, and Retail components of City Hall. This provides these components with pedestrian access from First Avenue. City Hall storage and building support spaces are located on Level 0, with the balance of City Hall components on Level 2.

Building Stack	Stack 1		BGSF	
Total Stacked (BGSF)			29,092	
Facility Program- Stacked				
<u>Level 0</u>			4,621	16%
<u>Level 1</u>			15,919	55%
<u>Level 2</u>			8,552	30%

BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.

This raises a number of points to consider

- Level 1 area exceeds Level 0 by more than 11,000 sq ft which, with the sloping site, is not an appropriate distribution of space among building levels
- City Hall storage components are on a different level than the components they support.

**Scenario Two**

This scenario locates the Library on Level 0, with the balance of City Hall components on Level 1.

- Level 0 and Level 1 areas are about the same;
- Library access from visitor parking is at the same level
- Front of House would be on the same level as the components which support the majority of requests for service

Building Stack	Stack 2		BGSF	
Total Stacked (BGSF)			29,092	
Facility Program- Stacked				
<u>Level 0</u>			15,099	52%
<u>Level 1</u>			13,993	49%

BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.



SUMMARY

SITE- STACKING- continued

**Scenario Three**

Similar to Scenario One, the Library, Retail, Front of House, and Council Chambers components of City Hall are all on Level 1. The balance of City Hall components are on Level 0.

Building Stack	Stack 3		BGSF	
Total Stacked (BGSF)			29,092	
Facility Program- Stacked				
<b>Level 0</b>			17,834	62%
<b>Level 1</b>			11,258	39%

BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.

Point to consider include

- Calculated areas indicate the count of on-site visitor parking stalls may not fit
- There may not be sufficient building perimeter above grade to provide natural light for staffed workplaces.

RELATIVE COSTS

In addition to building area and site parameters, the relative costs of partial and overall portions of the outlined project are outlined for consideration.

Building Area Summary	Combined	City Hall	Library
NASF	22,104	11,931	10,173
BGSF	29,092	18,614	10,478
Building Construction	\$ 8,631,665	\$ 5,398,034	\$ 3,233,631
Parking Construction	\$ 260,258	\$ 142,081	\$ 118,177
Site Construction	\$ 933,324	\$ 618,984	\$ 314,340
Other Construction	\$ 1,277,282	\$ 800,683	\$ 476,599
<b>Subtotal Construction Costs</b>	<b>\$ 11,102,529</b>	<b>\$ 6,959,782</b>	<b>\$ 4,142,747</b>
Project Cost in 2015		\$ 9,882,369	\$ 5,882,390
Escalation		\$ 642,354	\$ 382,355
<b>Project Cost in 2019</b>	<b>\$ 16,789,468</b>	<b>\$ 10,524,723</b>	<b>\$ 6,264,745</b>

NASF- Net Assignable Square Feet: excludes all circulation, walls and service space.

BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.



## PARAMETERS- DETAIL

This portion of the document provides more detailed information about the proposed parameters for the project. Parameters are described in terms of

- DEMAND- is based on assumptions about the participant organizations to be included and the factors affecting service demands on each;
- FACILITIES- the spaces and areas required to accommodate calculated demand;
- SITE- the land required for facilities and supporting site elements; and
- RELATIVE COSTS- a summary of costs to inform decisions about the project and its parts. As relative costs, they allow decision-makers to understand the impacts of changes to key assumptions.

All calculations for this project are extracted from a '*decision support model*', a spreadsheet-based tool which allows decision-makers to test changes in key assumptions. This provides a broader base from which to make decisions, in understanding the impacts of change. It also simplifies incorporating operational and facility changes that take place over time.

### DEMAND

This portion of the document identifies the participant organizations and describes the factors affecting space and area allocations for each, including

- PARTICIPANTS;
- TARGET YEARS;
- POPULATION; and
- STAFFING.

### PARTICIPANTS

There are 2 participant organizations planned for inclusion in the project. They are

- City Hall; and
- Library.



## PARAMETERS

## CITY HALL

The existing City Hall falls far short of meeting current needs. People looking for services must find their way among three different locations. There is insufficient space for effectively serving customers, and workplaces are overcrowded. The shortages in space as well as how they are organized require staff to expend unnecessary time to accomplish their work. Wiring, both electrical and communications, are at the limits of what patchwork measures can do for a building constructed in a different era. They also represent risks not acceptable in a modern city hall. The workplace environment, including air quality, also falls far short of current standards.

Current assumptions include a range of direct and indirect provisions for service demands, including

- One Stop Shopping- municipalities are increasingly working to reduce the number of stops required by people coming to city hall. Current facilities require people to go to multiple locations as well as make multiple trips;
- Retail- space for a small 'coffee kiosk' type of operation has been included as an informal complement to City Hall and the Library;
- Post Disaster- residents will look to City Hall for support and leadership in coping with disasters;
- Streamlining- staff continue to reduce elapsed time, redundant steps, and staff time required to meet the range of requests for service. These 'Streamlining' initiatives will free up staff time, which is then reallocated to new or improved services; and
- Repatriate Departments- current planning assumes the repatriation of Development Services and Engineering with the rest of City Hall departments. Efficiencies achieved through proximity, better facilities, staff communication and teamwork will translate to better service.

## LIBRARY

The Vancouver Island Regional Library (VIRL) is anticipating redevelopment of the existing library in Ladysmith. It is currently anticipated that Library and City Hall space will be co-located. Ownership/financial arrangements as well as organization of building elements have yet to be established. Preliminary assumptions about size and budget are based on population projections, and will be revisited in subsequent stages of planning and design.



## PARAMETERS

**TARGET YEARS**

The concept of ‘Target Years’ is used in planning for the future. The specific year is of less importance than calculated demand and capacities. Population is the primary driver of calculated demand, and while there is uncertainty about the exact year population targets will be reached, they represent reasonable milestones. Five ‘Target Years’ have been identified for this project.

	Baseline	Mid-term	Long Term
Target Year	<b>2014</b>	<b>2020</b>	<b>2035</b>
Target Year for Construction	2017		
Target Year for Costs	2015		

**Baseline-** a current context in terms of staff and facilities serves as a comparative context for future demand. As indicated in the preceding table, 2014 is the baseline year. If significant time passes or changes are implemented prior to subsequent stages in planning and design, baseline data should be reviewed and updated.

**Mid-term-** 2020 has been selected as the target year for which staff and facilities are calculated. It is important to emphasize that 2020 simply sets a theoretical capacity for the facility. Actual growth and operational changes will determine when the facility reaches its true capacity. Part of that process will likely involve ‘crowding’ as found in current conditions.

**Long Term-** population projections to the year 2035 are used to provide an understanding about the degree of growth anticipated over the long term. At current per capita staffing levels, growth beyond the facility capacity in 2020 should be readily accommodated without expansion.

**Target Year for Construction/Target Year for Costs-** these are used to establish an understanding of the impact of escalation on project costs.



PARAMETERS

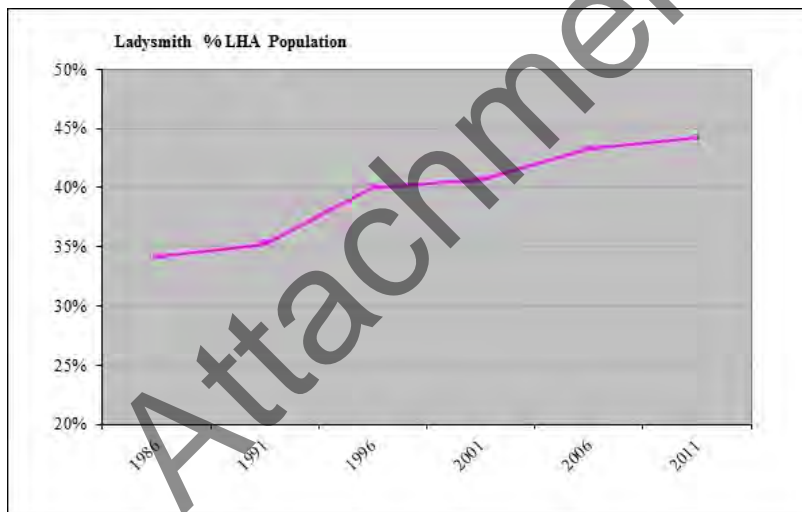
**POPULATION**

The primary driver of demand is population. The following table outlines assumptions about Ladysmith population over the mid- to long-term.

	Baseline	Mid-term	Long Term
Target Year	<b>2014</b>	<b>2020</b>	<b>2035</b>
Population- LHA	18,332	19,679	22,442
Ladysmith Municipal	8,167	9,337	11,149
% of LHA	45%	48%	50%

Projections are based upon P.E.O.P.L.E. 14<sup>1</sup>, the 2014 version of a projection model prepared by StatsBC. As the level of detail only extends to the Local Health Area (LHA); census data is used to establish Ladysmith population as a % of LHA population. The following table and chart illustrate the growth in Ladysmith population in terms of people as well as percent of LHA population.

Population- Historical		1991	1996	2001	2006	2011
Census Year						
	Ladysmith Municipal	13,838	16,145	16,200	17,432	17,930
	% of LHA	35%	40%	41%	43%	44%



Current assumptions are that % of LHA population will continue to increase to

- 48% by 2020; and
- 50% by 2036.

As noted earlier, as this information is integrated into a decision support model, assumptions can be modified to understand the impacts of change. For example, the base population model can be updated with the latest version of the PEOPLE model, or assumptions about & of LHA can be modified.



<sup>1</sup> P.E.O.P.L.E. 14 (Population Extrapolation for Organizational Planning with Less Error; StatsBC

PARAMETERS

**STAFFING**

In calculating staff required to meet future service demand, existing staff were organized in terms of ‘departmental groups’. These groupings tend to reflect a community’s emphases in service delivery. The following table summarizes existing and future staffing.

Staffing	Included			Excluded
Departmental Groups- Included	2014	2020	2035	2014
Management, Support & Elected	15	17.2	20.5	-
Planning & Development	6	6.9	8.2	-
Parks, Recreation, & Culture	9	10.3	12.3	37
Works & Utilities	28	32.0	38.2	-
Subtotal Staff	58	66.4	79.2	37

\*Excluded staff are those who work at venues such as pools, community centres, etc.

A comparison of staffing across communities appears to show relatively consistent patterns, when some ‘mandate areas’ are excluded

- Venues such as pools, community centres, et cetera are excluded as there are significant variations in the range and type of facilities supported, as well as differences in how they are operated. For example, societies and non-profit groups operate many community facilities;
- Utilities- the degree to which individual municipalities operate utilities such as wastewater, electrical, and gas precludes comparisons; and
- Police and Fire- funding mechanisms, regional responsibilities, and use of volunteer firefighters varies significantly across jurisdictions.

While demographics and changing community expectations will also affect service delivery decisions, it is assumed that such changes will be made within per capita rates of staffing similar to current rates. The following table outlines current and future per capita staffing by departmental group and the pro-rated distribution of staff by Department.

Departmental Group- Included Staffing per thousand population	2014	2020	2035	Excluded
Management, Support & Elected	1.84	1.84	1.84	-
Planning & Development	0.74	0.74	0.74	-
Parks, Recreation, & Culture	1.10	1.10	1.10	4.53
Works & Utilities	3.43	3.43	3.43	-
Per Capita Staffing- Included	7.10	7.10	7.10	4.53
Department	2014	2020	2035	Excluded
Administration	15	17.20	20.50	-
Development Services	6	6.90	8.20	-
Public Works	28	32.00	38.20	-
Recreation	7	8.01	9.57	37
Parks	2	2.29	2.73	-
	58	66.40	79.20	37



PARAMETERS

STAFFING BY COMPONENT

Facility requirements for City Hall are organized into *Components*. Components are the building blocks for facility planning, and are defined as

**Component:** *a group of people and/or spaces that must be kept together when locating them within a building.*

They reflect a functional organization of people and space, and often are the same as organizational units. The following table outlines the distribution of Ladysmith staff and space into planning components, prorated to future totals. Not all components listed below are included in City Hall planning, but are listed as part of overall staffing projections.

Component: Included Staff	2014	2020	2035	Excluded
Front of House	2	2.29	2.73	-
Council Chambers	-	-	-	-
Administration	6	6.88	8.20	-
Financial Services	7	8.03	9.57	-
Engineering	4	4.57	5.46	-
Staff Support	-	-	-	-
Building Support	-	-	-	-
Finance Storage	-	-	-	-
Administration Storage	-	-	-	-
Development Services	6	6.90	8.20	-
Public Works- Subtotals	24	22.86	27.29	-
Recreation- Subtotals	7	8.01	9.57	37
Parks- Subtotals	2	2.29	2.73	-
	58	61.83	73.74	37

**Head Count-** the following table lists staff to be included in the proposed facility, as well as Mayor and Council.

Component: Workplace HC	2014	2020	2035	EmpList
Front of House	2	2.3	2.7	2.0
Council Chambers	-	-	-	-
Administration	13	13.9	15.2	6.0
Financial Services	7	8.0	9.6	7.0
Engineering	3	4.6	5.5	4.0
Development Services	6	6.9	8.2	6.0
Staff Support	-	-	-	-
Building Support	-	-	-	-
Finance Storage	-	-	-	-
Administration Storage	-	-	-	-
	31	35.7	41.2	25.0
Note 1: HC- Head Count				
Note 2: Administration incl Mayor & Councillors				



PARAMETERS

FACILITIES

Facility parameters set the limits within which planning will address

- COMPONENT AREAS;
- STANDARDS; and
- PARKING.

COMPONENT AREAS

Area Allocations for each of the participant organizations are summarized in the table following. It should be noted that VIRT area allocations differ very little between ‘NASF’ and ‘BGSF’. This reflects differences in approach to area allocations at this stage of planning.

Component Areas	NASF- 2020	BGSF- 2020	NASF- 2035	BGSF- 2035
<u>City Hall Components</u>				
Front of House	1,815	2,832	1,845	2,878
Council Chambers	1,172	1,829	1,172	1,828
Administration	1,896	2,958	2,054	3,204
Development Services	1,124	1,753	1,642	2,561
Financial Services	1,142	1,782	1,303	2,033
Engineering	639	997	877	1,368
Staff Support	681	1,062	681	1,062
Building Support	950	1,482	950	1,482
Finance Storage	900	1,404	900	1,404
Administration Storage	1,112	1,735	1,112	1,735
Retail	500	780	500	780
<b>Subtotal City Hall</b>	<b>11,931</b>	<b>18,614</b>	<b>13,035</b>	<b>20,335</b>
<u>Library Components</u>				
Library- Public Use	7,665	7,895	7,665	7,895
Library-Entry/Circulation	705	726	705	726
Library- Processing	1,803	1,857	1,803	1,857
<b>Subtotal Library</b>	<b>10,173</b>	<b>10,478</b>	<b>10,173</b>	<b>10,478</b>
NASF- Net Assignable Square Feet: excludes all circulation, walls and service space.				
BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.				

There is little difference between City Hall area allocations for 2020 and 2035, as current assumptions anticipate staffing to increase by 6 people. There is minimal impact on overall support space from such a small staff increase.

There is no difference between Library area allocations for 2020 and 2036.



## PARAMETERS

**STANDARDS**

Space and corresponding area allocations will be based on standardized *Workplace* and *Ancillary* spaces. Position types for Ladysmith staff were compared for functional similarities against provincial government standards (GOSS- Government Office Space Standards) in arriving at proposed standards for Ladysmith.

**Workplace-** a *Workplace* may be an enclosed office or an open workstation, and includes one or more worksurfaces and may also include a number of ancillary furniture items. Within a workplace, ancillary furniture includes items such as chairs, tables, filing cabinets and bookcases. For planning purposes, these items will not be identified specifically until the design process is initiated.

**Ancillary-** despite the redundancy, the term *Ancillary* is also used for *shared furnishings*, equipment, and spaces *outside* of individual workplaces. These include not only the same kind of furnishings such as filing cabinets and bookcases, et cetera that are found in workplaces, but also include spaces like meeting rooms, storage, and other spaces shared by two or more people.

In planning for flexibility and improved functionality, it is important to identify and accommodate *shared* furniture and equipment separately from workplaces. Comparing area allocations to existing workplaces must take into consideration that bookcases and file cabinets might be more effectively used if kept in a location where others can easily access the material contained.

Area allocations are in *NASF- Net Assignable Square Feet*, which accounts for functional area only and excludes walls and circulation.

**Workplace- GOSS**

The acronym GOSS- Government Office Space Standards, describes provincial government standards for workplace allocations. They are used as a benchmark in generating appropriate area allocations for Ladysmith staff. The following descriptions summarize comparable positions and their workplace allocations:

Enclosed/Open- m <sup>2</sup>	ft <sup>2</sup>	Function
EA- 22.5	242	Assistant Deputy Minister
EA- 13.9	150	Director (or equivalent)
EA- 11.15	120	<i>Manager*</i>
OA- 9.3	100	Accounting Officer, <i>Administrative Officer*</i> , <i>Clerk*</i> , <i>Communications Officer*</i> , Manager, Executive Coordinator, <i>Executive Secretary*</i> , <i>Financial Officer*</i> , <i>Information Systems Analyst*</i> , Planning Officer, <i>Research Officer*</i> , Social Program Officer, <i>Systems Analyst*</i>
OA- 6.5	70	Administrative Officer, Clerk, Communications Officer, Executive Secretary, Financial Officer, Information System Analyst, Inspector, Office Assistant, Research Officer, Systems Analyst
OA- 4.5	50	Building Maintenance Worker, Shipper/Stockworker, Youth Employment Program

*Note\*- italicized and asterisked position names require Deputy Approval or functional justification for larger area allocation*



## PARAMETERS

**Workplace- Ladysmith**

The workplace allocations for Ladysmith staff have been established in consideration of GOSS allocations, but are generally smaller in area for corresponding position types. The following table outlines proposed allocations, rationale, and furnishing capacities for each workplace type.

Enclosed/Open- ft <sup>2</sup>	Remarks
Enclosed 150	150 Mayor and City Manager. Same as EA- 13.9, despite functional similarities to Assistant Deputy Minister (EA- 22.5) <i>6' desk, credenza + 4 ancillary</i>
Enclosed 140	140 Director (or equivalent). Lower than GOSS allocation for this position type at EA- 13.9 <i>3 worksurfaces + 6 ancillary</i>
Enclosed 120	120 Functional justification for privacy needs <i>2 worksurfaces + 5 ancillary</i>
Enclosed 100	100 Functional justification for privacy needs <i>2 worksurfaces + 3 ancillary</i>
Open 70	70 Supervisor or Clerical <i>2 worksurfaces + .5 ancillary</i>
Homebase	40 Inspectors and other staff who spend the majority of their time in the field. <i>1 worksurface</i>
Transaction	60 Reception. May or may not be primary workplace for designated staff <i>2 worksurfaces</i>





PARAMETERS

**PARKING**

The following tables summarize parking assumptions for

- City Hall; and
- Library.

Both take full advantage of ‘Pay in Lieu’ provisions which reduce required parking by 50%.

Current assumptions about the site and parking are theoretical and must be ‘tested’ through the preparation of concept drawings, but it is anticipated that some 26 stalls will need to be provided off-site. The cost of surface parking on additional property purchased nearby is significantly more economical than structured parking on-site.

While it is the stated preference of VIRL is for the Library to be located on ‘Level 1’ with pedestrian access from 1<sup>st</sup> Avenue, any on-site parking would be at ‘Level 0’ and accessed from Buller at the end of the site away from 1<sup>st</sup> Avenue. The ‘Stacking’ description later in this document describes this issue in more detail.

**City Hall-** it is assumed that 20 stalls are provided off-site based on preliminary site capacity calculations described later in this document.

Parking Assumptions- City Hall		2020
Struct Pkg	No	
Staff Parking	64% of staff	0 stalls
Staff- Structured		0 stalls
Visitor Parking		6 stalls
Visitor- Structured		0 stalls
Loading Stalls		1 stalls
Pay in Lieu	50% of stalls	29 stalls
Parking- Offsite- City Hall		23 stalls
#Parking Spaces (By-law)		58 stalls

**Library-** it may be possible to provide 3stalls for staff parking off-site, but visitor stalls will all need to be located on-site for easy access.

Parking Assumptions- Library		2020
Struct Pkg	No	
Staff Parking	100% of staff	0 stalls
Staff- Structured		0 stalls
Visitor Parking		13 stalls
Visitor- Structured		0 stalls
Loading Stalls		1 stalls
Pay in Lieu	50% of stalls	17 stalls
Parking- Offsite- Library		3 stalls
#Parking Spaces (By-law)		33 stalls



PARAMETERS

SITE

The proposed site is located at First Avenue and Buller Street in Ladysmith.



DESCRIPTION

There are 4 adjacent lots, 721 First Avenue, 12, 20, and 26 Buller Street, aligned as shown in the following diagram with total site dimensions of 120 feet by 240 feet.



## PARAMETERS

**SITE- DESCRIPTION-** continued

The proposed site slopes away from 1<sup>st</sup> Avenue, downwards along Buller away from the intersection at 1<sup>st</sup> towards the Island Highway. Access from Buller is about one storey below the elevation along 1<sup>st</sup> Avenue near the last of the four lots that make up the site.

- Level 1 defined as the level of 1<sup>st</sup> Avenue;
- Level 0 is then accessible directly from Buller; and
- Level 2 is the second storey above Level 1.

In addition

- **Individual lot sizes-** each of the four lots is 60' x 120'
- **Zoning-** the site is zoned C-2 Downtown Commercial
- **Existing Buildings-** there are buildings on the properties requiring demolition
- **Natural Light-** as the site slopes away from First Avenue, any space on Level 0 along the first half or more of the distance along Buller would not have access to natural light.

**STACKING**

For the purposes of this document, three 'Stacking Scenarios' are outlined. They serve to provide a sense of the capacity of the proposed site, as well as to raise some key issues that must be resolved. These and other scenarios must be explored through concept layouts before subsequent planning and design proceed.

In all scenarios:

- The floor space ratio of 1.00 allows up to 28,800 sq ft of building space, and current allocations are calculated at just over 29,000 sq ft, which may require a variance, depending upon efficiency of building design;
- Any on-site parking would be accommodated at the lower portion of the site at Level 0;
- Elevator access will likely be required to and from Level 0
- The site is too small to accommodate required parking, so off-site parking on a nearby location is assumed; and
- Structured parking would add significantly to project costs.



PARAMETERS

SITE- STACKING- continued

**Scenario One**

Scenario One locates the Library on Level 1, along with the Front of House, Council Chambers, and Retail components of City Hall. This provides these components with pedestrian access from First Avenue. City Hall storage and building support spaces are located on Level 0, with the balance of City Hall components on Level 2.

Building Stack	Stack 1		BGSF	
Total Stacked (BGSF)			29,092	
Facility Program- Stacked				
<u>Level 0</u>			4,621	16%
<u>Level 1</u>			15,919	55%
<u>Level 2</u>			8,552	30%

BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.

This raises a number of points to consider

- Level 1 area exceeds Level 0 by more than 11,000 sq ft which, with the sloping site, is not an appropriate distribution of space among building levels
- City Hall storage components are on a different level than the components they support.

**Scenario Two**

This scenario locates the Library on Level 0, with the balance of City Hall components on Level 1.

- Level 0 and Level 1 areas are about the same;
- Library access from visitor parking is at the same level
- Front of House would be on the same level as the components which support the majority of requests for service

Building Stack	Stack 2		BGSF	
Total Stacked (BGSF)			29,092	
Facility Program- Stacked				
<u>Level 0</u>			15,099	52%
<u>Level 1</u>			13,993	49%

BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.



PARAMETERS

SITE- STACKING- continued

**Scenario Three**

Similar to Scenario One, the Library, Retail, Front of House, and Council Chambers components of City Hall are all on Level 1. The balance of City Hall components are on Level 0.

<b>Building Stack</b>	Stack 3		BGSF	
Total Stacked (BGSF)			29,092	
<b>Facility Program- Stacked</b>				
Level 0			17,834	62%
Level 1			11,258	39%

BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.

Point to consider include

- Calculated areas indicate the count of on-site visitor parking stalls may not fit
- There may not be sufficient building perimeter above grade to provide natural light for staffed workplaces.

**Detail- Scenario One**

Building Stack	Components	FP	Facility Program- Stacked		
			NASF	BGSF	Staff
<b>Location</b>	<b>2020</b>		<b>2020</b>		
<b>City Hall</b>	Stack 1				
Front of House	Level 1		1,815	2,832	2
Council Chambers	Level 1		1,172	1,829	-
Financial Services	Level 2		1,142	1,782	8
Administration	Level 2		1,896	2,958	14
Development Services	Level 2		1,124	1,753	7
Engineering	Level 2		639	997	5
Staff Support	Level 2		681	1,062	-
Building Support	Level 0		950	1,482	-
Finance Storage	Level 0		900	1,404	-
Administration Storage	Level 0		1,112	1,735	-
Retail	Level 1		500	780	-
<b>Subtotal City Hall</b>			<b>11,931</b>	<b>18,614</b>	<b>36</b>
<b>Library</b>					
Library- Public Use	Level 1		7,665	7,895	-
Library-Entry/Circulation	Level 1		705	726	-
Library- Processing	Level 1		1,803	1,857	3
<b>Subtotal Library</b>			<b>10,173</b>	<b>10,478</b>	<b>3</b>

NASF- Net Assignable Square Feet: excludes all circulation, walls and service space.

BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.



PARAMETERS

Detail- Scenario Two

Building Stack		Facility Program- Stacked		
Components	FP	NASF	BGSF	Staff
<b>Location</b>	<b>2020</b>	<b>2020</b>		
<b>City Hall</b>	Stack 2			
Front of House	Level 1	1,815	2,832	2
Council Chambers	Level 1	1,172	1,829	-
Financial Services	Level 1	1,142	1,782	8
Administration	Level 1	1,896	2,958	14
Development Services	Level 1	1,124	1,753	7
Engineering	Level 1	639	997	5
Staff Support	Level 1	681	1,062	-
Building Support	Level 0	950	1,482	-
Finance Storage	Level 0	900	1,404	-
Administration Storage	Level 0	1,112	1,735	-
Retail	Level 1	500	780	-
<b>Subtotal City Hall</b>		<b>11,931</b>	<b>18,614</b>	<b>36</b>
<b>Library</b>				
Library- Public Use	Level 0	7,665	7,895	-
Library-Entry/Circulation	Level 0	705	726	-
Library- Processing	Level 0	1,803	1,857	3
<b>Subtotal Library</b>		<b>10,173</b>	<b>10,478</b>	<b>3</b>

Detail- Scenario Three

Building Stack		Facility Program- Stacked		
Components	FP	NASF	BGSF	Staff
<b>Location</b>	<b>2020</b>	<b>2020</b>		
<b>City Hall</b>	Stack 3			
Front of House	Level 0	1,815	2,832	2
Council Chambers	Level 0	1,172	1,829	-
Financial Services	Level 0	1,142	1,782	8
Administration	Level 0	1,896	2,958	14
Development Services	Level 0	1,124	1,753	7
Engineering	Level 0	639	997	5
Staff Support	Level 0	681	1,062	-
Building Support	Level 0	950	1,482	-
Finance Storage	Level 0	900	1,404	-
Administration Storage	Level 0	1,112	1,735	-
Retail	Level 1	500	780	-
<b>Subtotal City Hall</b>		<b>11,931</b>	<b>18,614</b>	<b>36</b>
<b>Library</b>				
Library- Public Use	Level 1	7,665	7,895	-
Library-Entry/Circulation	Level 1	705	726	-
Library- Processing	Level 1	1,803	1,857	3
<b>Subtotal Library</b>		<b>10,173</b>	<b>10,478</b>	<b>3</b>



PARAMETERS

**Parking and Outdoor Space**

The cost of structured parking solutions are significantly higher than for surface parking. The cost of land in the Ladysmith is low enough to warrant consideration of purchasing additional property to accommodate required parking. The following table outlines assumptions about parking and other outdoor space for City Hall.

Parking Assumptions- City Hall				
<b>By-law Parking Requirement by Establishment Type</b>				
GSM per Stall			FP- BGSF	
Assembly, Civic		30.00	17,834	
Commercial- Office, Retail		30.00	780	
			Calculated	
#Parking Spaces (By-law)		GSM per Stall	58 stalls	
Loading Stalls		3000 cgsM	1 stalls	
			Allocated	Sq Ft
Staffing- Peak Shift	Shell Type		36 staff	
Staff Parking	Surface Parking	64% of staff	0 stalls	-
Staff- Structured	Struct Pkg- PD		0 stalls	-
Visitor Parking	Surface Parking		6 stalls	2,340
Visitor- Structured	Struct Pkg- PD		0 stalls	-
Loading Stalls	Surface Parking		1 stalls	615
Pay in Lieu	Surface Parking	50% of stalls	29 stalls	11,310
Parking- Offsite- City Hall			23 stalls	
<b>Savings on Parking</b>				
<b>Other Outdoor Spaces-City Hall</b>				
	Location		Sq Ft	1,000
Outdoor Patio	Walks/Patios-at C	435	435	
Emergency Generator	Surface Parking	360	360	
Garbage & Recycle Outdoor	Surface Parking	205	205	
Additional Landscaping	General Landscaping		-	
<b>Roadways- City Hall</b>				
	Surface Parking	30' w	800	800
		25%		
			27 lin ft	



PARAMETERS

**Parking and Outdoor Space- continued**

Similar assumptions are outlined for the Library

<u>Parking Assumptions- Library</u>				
<b>By-law Parking Requirement by Establishment Type</b>				
GSM per Stall			FP- BGSF	
Assembly, Civic		30.00	10,478	
Other Commercial, Institutional		40.00	-	
			Calculated	
#Parking Spaces (By-law)			33 stalls	
Loading Stalls		3000 cgsm	1 stalls	
			Allocated	Sq Ft
Staffing- Peak Shift	Shell Type		3 staff	
Staff Parking	Surface Parking	100% of staff	0 stalls	-
Staff- Structured	Struct Pkg- PD		0 stalls	-
Visitor Parking	Surface Parking		13 stalls	5,070
Visitor- Structured	Struct Pkg- PD		0 stalls	-
Loading Stalls	Surface Parking		1 stalls	615
Pay in Lieu	Surface Parking	50% of stalls	17 stalls	6,630
<u>Parking- Offsite- Library</u>			3 stalls	
Savings on Parking				
<b>Other Outdoor Spaces- Library</b>				Sq Ft
Outdoor Patio	Walks/Patios-at C	-	-	-
Emergency Generator	Surface Parking	-	-	-
Garbage & Recycle Outdoor	Surface Parking	-	-	-
Additional Landscaping	General Landscap	-	-	-
<b>Roadways- Library</b>	Surface Parking	30' w	1,500	1,500
		25%		
			50 lin ft	





## PARAMETERS

## RELATIVE COSTS

In addition to building area and site parameters, the relative costs of partial and overall portions of the outlined project are outlined for consideration.

<b>Building Area Summary</b>	<b>Combined</b>	<b>City Hall</b>	<b>Library</b>
NASF	22,104	11,931	10,173
BGSF	29,092	18,614	10,478
Building Construction	\$ 8,631,665	\$ 5,398,034	\$ 3,233,631
Parking Construction	\$ 260,258	\$ 142,081	\$ 118,177
Site Construction	\$ 933,324	\$ 618,984	\$ 314,340
Other Construction	\$ 1,277,282	\$ 800,683	\$ 476,599
Subtotal Construction Costs	\$ 11,102,529	\$ 6,959,782	\$ 4,142,747
Project Cost in 2015		\$ 9,882,369	\$ 5,882,390
Escalation		\$ 642,354	\$ 382,355
Project Cost in 2019	\$ 16,789,468	\$ 10,524,723	\$ 6,264,745

NASF- Net Assignable Square Feet: excludes all circulation, walls and service space.

BGSF- Building Gross Square Feet: includes all area within outside surface of exterior walls.

Cost assumptions in the model have been reviewed by a Cost Consultant<sup>2</sup>. As minor changes have been made to the space list and assumptions about parking, the final figures in this document vary from those prepared by the Cost Consultant, but are sufficiently accurate for the purposes of strategic facility planning.

All assumptions in this document and the model should be reviewed and updated prior to subsequent stages of planning and design.



<sup>2</sup> Town of Ladysmith, New City Hall, Order of Magnitude Estimate; Hanscomb Limited; January 07, 2016

## PARAMETERS

**CONSTRUCTION TO PROJECT COST- CITY HALL**

In calculating a project cost, a number of assumptions have been made. The following table outlines assumptions for the City Hall portion of the project.

<u>Building Construction</u>				\$	5,398,034	
Average Shell Cost				\$	194.96	
Average Fit-out Cost				\$	95.04	
Average Shell+Fit-out				\$	290.00	
<u>Parking Summary</u>						
Struct Pkg- PD					0 spaces	
Sheltered					0 spaces	
Surface Parking					7 spaces	
<u>Parking Construction</u>				\$	142,081	
Struct Pkg- PD				\$	-	
Sheltered				\$	-	
Surface Parking				\$	142,081	
<u>Site Construction</u>				\$	618,984	
On Site Development		\$ 25.00	\$	465,350	per BGSF	
Demolition		\$ 12.00	\$	60,564	per BGSF	
Landscaping		\$ 5.00	\$	93,070	per BGSF	
<u>Building &amp; Site Construction</u>				\$	6,159,099	
<u>Other Construction</u>				\$	800,683	
G.C. Management Fee		3.0%	\$	184,773	% of Subtotal Const'n	
Div 1 General Conditions		10.0%	\$	615,910	% of Subtotal Const'n	
<b>Subtotal Construction Costs</b>				\$	<b>6,959,782</b>	
<u>Soft Costs</u>				\$	1,983,538	
Consultant Design Team		10.0%	\$	695,978	% of Const'n Total	
Disbursements		2.5%	\$	173,995	% of Const'n Total	
Design Construction Contingency		5.0%	\$	347,989	% of Const'n Total	
FF&E		5.0%	\$	347,989	% of Const'n Total	
Offsite Development		5.0%	\$	347,989	% of Const'n Total	
Permits & Licenses		1.0%	\$	69,598	% of Const'n Total	
Ladysmith DCC		\$ 7.95	\$	-	\$ per bgsf	
Regional District DCC		\$ 0.811	\$	-	\$ per bgsf	
<u>Other Costs</u>				\$	939,049	
Project Manager- Civic Building		2.0%	\$	178,866	% of Combined Total	
General Overhead Rate		5.0%	\$	447,166	% of Combined Total	
Taxes		3.5%	\$	313,016	% of Combined Total	
<b>Project Cost in 2015</b>				\$	<b>9,882,369</b>	



PARAMETERS

**CONSTRUCTION TO PROJECT COST- LIBRARY**

Similar assumptions are outlined for the Library portion of the project.

<u>Building Construction</u>				\$	3,233,631	
Average Shell Cost				\$	202.49	
Average Fit-out Cost				\$	106.12	
Average Shell+Fit-out				\$	308.61	
<u>Parking Summary</u>						
Struct Pkg- PD					0 spaces	
Sheltered					0 spaces	
Surface Parking					14 spaces	
<u>Parking Construction</u>				\$	118,177	
Struct Pkg- PD				\$	-	
Sheltered				\$	-	
Surface Parking				\$	118,177	
<u>Site Construction</u>				\$	314,340	
On Site Development		\$	25.00	\$	261,950	per BGsf
Demolition						
Landscaping		\$	5.00	\$	52,390	per BGsf
<u>Building &amp; Site Construction</u>				\$	3,666,148	
<u>Other Construction</u>				\$	476,599	
G.C. Management Fee			3.0%	\$	109,984	% of Subtotal Const'n
Div 1 General Conditions			10.0%	\$	366,615	% of Subtotal Const'n
<b>Subtotal Construction Costs</b>				\$	<b>4,142,747</b>	
<u>Soft Costs</u>				\$	1,180,683	
Consultant Design Team			10.0%	\$	414,275	% of Const'n Total
Disbursements			2.5%	\$	103,569	% of Const'n Total
Design Construction Contingency			5.0%	\$	207,137	% of Const'n Total
FF&E			5.0%	\$	207,137	% of Const'n Total
Offsite Development			5.0%	\$	207,137	% of Const'n Total
Permits & Licenses			1.0%	\$	41,427	% of Const'n Total
Ladysmith DCC		\$	7.95	\$	-	\$ per bgsf
Regional District DCC		\$	0.811	\$	-	\$ per bgsf
<u>Other Costs</u>				\$	558,960	
Project Manager- Civic Building			2.0%	\$	106,469	% of Combined Total
General Overhead Rate			5.0%	\$	266,171	% of Combined Total
Taxes			3.5%	\$	186,320	% of Combined Total
<b>Project Cost in 2015</b>				\$	<b>5,882,390</b>	



PARAMETERS

**ESCALATION**

It is important to acknowledge the impact of escalation on the costs of a project. This portion of the document outlines the assumptions and impacts for City Hall and the Library.

<b>Escalation Assumptions</b>		
From beginning	To beginning	% Escalation/Yr
Year 2015	Year 2016	0%
Year 2016	Year 2017	3%
Year 2017	Year 2018	3%
Year 2018	Year 2019	3%
Year 2019	Year 2020	3%
Year 2020	Year 2021	3%
Year 2021	Year 2022	3%
Year 2022	Year 2023	3%
Year 2023	Year 2024	3%
Year 2024	Year 2025	3%
Year 2025	Year 2026	3%

ESCALATION ASSUMPTIONS- CITY HALL

<b>Project Cost in 2015</b>		<b>\$ 9,882,369</b>
Duration of Construction	14 months	
Target Year for Construction		Year 2017
Escalation of Construction Costs		\$ 208,793
Escalation Other		
Construction Period		\$ 243,592
Portion of const period	50%	
Rate	0.50%/mo	
Soft Cost Multiplier	1.42	
<u>Escalation</u>		\$ 642,354
Escalation in Percent	7%	
<b>Project Cost in 2019</b>		<b>\$ 10,524,723</b>

ESCALATION ASSUMPTIONS- LIBRARY

<b>Project Cost in 2015</b>		<b>\$ 5,882,390</b>
Duration of Construction	14 months	
Target Year for Construction		Year 2017
Escalation of Construction Costs		\$ 124,282
Escalation Other		
Construction Period		\$ 144,996
Portion of const period	50%	
Rate	0.50%/mo	
Soft Cost Multiplier	1.42	
<u>Escalation</u>		\$ 382,355
Escalation in Percent	6%	
<b>Project Cost in 2019</b>		<b>\$ 6,264,745</b>



PARAMETERS

SPACE LIST

A detailed space list for all components is shown on the following pages.

SPACELIST	2014	2020	Unit	FP	Remarks
	HC	HC	#Unit	NASF	NASF
<b>Front of House</b>	2.00	2.29			1,815
<i>Workplace</i>					
CUSTOMER SERVICE COORDINATOR	1.00	1.00	1	70	70
CUSTOMER SERVICE REP	1.00	1.00	1	70	70
<i>Prorated HC &amp; Workplace</i>					
		0.29			21
<i>Ancillary</i>					
Public Area			1	600	600
Gathering Place			1	600	
Visitor Side of Reception			1	405	405
Entry Vestibule			10 lin ft	5	
Waiting, per person			6	15	
Floor Storage 48d			8 lin ft	8	Childrens' Play
Desk- Computer 48			1	18	Self-help Terminal
Floor Storage 24d			12 lin ft	4	Brochures/Pamphlets
Floor Storage 24d			8 lin ft	4	Displays/Memorabilia
Surge Space			15	7	Overflow queueing- 15 p
Transaction Counter			3	63	189
Meeting- 8p			2	160	320
Staff Side of Reception			1	140	140
Coats/Outerwear			4 lin ft	5	
Plotter/Scanner			1	38	
Counter 24d /lin ft			8 lin ft	5	Collating/peripherals
Shelving 4w x 1.5d			2	20	Storage/holding
<b>Council Chambers</b>	-	-			1,172
<i>Ancillary</i>					
Entry Vestibule			1	5	5
Surge Space			12	7	84
Washroom- Accessible			2	45	90
Council Chamber			1	835	835
Council Table			1	450	12 p
Desk 72			1	47	Recording Secretary
Council Viewing			1	265	20 p
Counter 24d /lin ft			15 lin ft	5	
Beverage Counter			1	40	40
Floor Storage 36d			13 lin ft	6	78
Copy/Print- Sm			1	40	40



PARAMETERS

- continued

SPACELIST	2014	2020		Unit	FP	Remarks
	HC	HC	#Unit	NASF	NASF	
<b>Administration</b>	13.00	13.88			1,896	
<i>Workplace</i>	HC	HC	#Unit	NASF	NASF	
CITY MANAGER	1.00	1.00	1	150	150	MALLI, RUTH E
ADMIN COORDINATOR (Corp Svcs)	1.00	1.00	1	100	100	BOUMA, SUSAN
DIRECTOR OF CORPORATE SERVICES	1.00	1.00	1	140	140	BOWDEN, SANDY
MANAGER OF ADMINISTRATIVE SERVICES	1.00	1.00	1	120	120	WINTER, JOANNA
ADMINISTRATIVE ASSISTANT - HR	1.00	1.00	1	70	70	OGDEN, JOAN
MANAGER OF HUMAN RESOURCES	1.00	1.00	1	140	140	COUSINS, KAREN
Mayor's Office	1.00	1.00	1	150	150	
Councillors' Office	6.00	6.00	2	100	200	Shared among 6 p
<i>Prorated HC &amp; Workplace</i>		0.88			106	
<i>Ancillary- Corporate Services</i>						
Shelving 4w x 1.5d			1	20	20	Mail Cubbies
Corporate Records			1	210	210	
Shelving- Records			10	10		Rationalize with bsmt storage
Cabinet 36			1	14		
Counter 24d /lin ft			4 lin ft	5		Staging area
Floor Storage 36d			10 lin ft	6		
Utility Cart			1	18		
Print/Copy/Mail			1	260	260	Main print/copy
Copy/Print- Med			1	80		Doc disposal/recycle under
Counter 24d /lin ft			8 lin ft	5		Mail
Shelving 4w x 1d			6	15		Paper & forms storage
Floor Storage 36d			8 lin ft	6		Staging/storage
Information Technology			1	230	230	Server Room
Desk 60			1	38		
File Cab- Lateral 42			2	14		
Server/Network Racks			3	27		
Primary HVAC			1	42		
Backup HVAC			1	24		
Fire Suppression Tank			1	18		

- continued

SPACELIST	2014	2020		Unit	FP	Remarks
	HC	HC	#Unit	NASF	NASF	



PARAMETERS

Financial Services		7.00	8.03			1,142	
Workplace		HC	HC	#Unit	NASF	NASF	
DIRECTOR OF FINANCIAL SERVICES		1.00	1.00	1	140	140	ANDERSON, ERIN
MANAGER OF ACCOUNTING SERVICES		1.00	1.00	1	120	120	FUKAKUSA, GERALD
REVENUE ACCOUNTANT		1.00	1.00	1	100	100	KIRKLAND, BETH
PAYROLL SPECIALIST		1.00	1.00	1	70	70	FRAME, DOREEN
FINANCIAL SERVICES COORDINATOR		1.00	1.00	1	100	100	COPP, CAMELIA
ACCOUNTING TECHNICIAN		1.00	1.00	1	100	100	MCLENNAN, KARI-ANNE
ACCOUNTS PAYABLE COORDINATOR		1.00	1.00	1	100	100	SCHNEIDER, JOANNE
<i>Prorated HC &amp; Workplace</i>			1.03			107	
Ancillary							
Document Centre				1	27	27	
Plotter/Scanner				1	38	38	
Counter 24d /lin ft				6 lin ft	5	30	Collating/peripherals
Cabinet 30				1	10	10	Payroll
Bookcase 32				1	10	10	Payroll
Vault				1	190	190	
	Shelving- Records			12	10		Rationalize with bsmt storage
	File Cab- Vertical Legal			2	9		
	Bookcase 36			2	12		
	Counter 24d /lin ft			6 lin ft	5		
Development Services		6.00	6.90			1,124	
Workplace		HC	HC	#Unit	NASF	NASF	
DIRECTOR OF DEVELOPMENT SERVICES		1.00	1.00	1	140	140	ADAMS, FELICITY
SR PLANNER/DEV. APPROVALS SUPER		1.00	1.00	1	100	100	BRINKMAN, LISA
SR BUILDING INSP/BYLAW COMPLIANCE		1.00	1.00	1	70	70	BOLLINGER, COLIN
PLANNER		1.00	1.00	1	70	70	DAVIES, ANGELA
ADMINISTRATIVE ASSISTANT - DEV SERVICES		1.00	1.00	1	70	70	WEBBER, DIANE J
BYLAW COMPLIANCE		1.00	1.00	-	70	-	HAYDEN, MARK
<i>Prorated HC &amp; Workplace</i>			0.90			81	
Ancillary- Development Svcs							
Document Centre				1	27	27	
Plotter/Scanner				1	38	38	
Cabinet 48				1	24	24	o/s FA office
Bookcase 32				2	10	20	i/s FA office
File Cab- Lateral 30				2	10	20	i/s FA office
File Cab- Lateral 42				1	14	14	Reception; fire resistant?
Ancillary- Bldg Inspection							
Building Reference				1	450	450	
	File Cab- Vertical Legal			1	9		Tom's office
	Counter 24d /lin ft			6 lin ft	5		Tom's office- reference manuals over
	Counter 24d /lin ft			5 lin ft	5		Tom's office- tools, storage under
	Plan Files			1	37		In Lunch room
	File Cab- Vertical Legal			15	9		Tom's 'Dungeon'
	File Cab- Lateral 42			1	14		Tom's 'Dungeon'
	Plan Files			2	37		Tom's 'Dungeon'
	Rolled Drawing Holder			2	7		Tom's 'Dungeon'
	Table- 72			1	43		Tom's 'Dungeon'
	File Box			10	7		Tom's 'Dungeon'



PARAMETERS

- continued

SPACELIST	2014	2020		Unit	FP	Remarks
	HC	HC	#Unit	NASF	NASF	
<b>Engineering</b>	3.00	4.57			639	
<i>Workplace</i>	HC	HC	#Unit	NASF	NASF	
DIRECTOR OF INFRASTRUCTURE	1.00	1.00	1	140	140	MANSON, JOHN
SENIOR ENGINEERING TECHNOLOGIST	1.00	1.00	1	100	100	SLATER, PHIL
ENGINEERING ASSISTANT	1.00	1.00	1	70	70	PINNINGTON, CHRIS
GIS/Asset Management Technician		1.00	1	70	70	New Position 1
<i>Prorated HC &amp; Workplace</i>		0.57			54	
<i>Ancillary</i>						
Engineering Reference			1	205	205	
File Cab- Vertical Legal			1	9		Phil's office
File Cab- Lateral Fire Resist			1	14		John's office
Rolled Drawing Holder			3	7		2 John, 1 Phil
Plotter/Scanner			2	38		1 plotter, 1 scanner
Plan Files Fire Resist			1	26		w/plotter
Bookcase 36			2	12		Equip 1- John, 1- Phil
Counter 36d /lin ft			6 lin ft	6		Reference manuals over
<b>Staff Support</b>	-	-			681	
<i>Workplace</i>	HC	HC	#Unit	NASF	NASF	
<i>Ancillary</i>						
Lker/Shwr Rm <6, ace'ble			1	196	196	End-of-Trip w/5 lockers
Staff Room			1	365	365	
Counter 24d /lin ft			18 lin ft	5		Counter w/sink, fridge, microwave
Table- 96			1	58		
Side Chair			10	12		
Sofa Seating			4	18		
Table- Side			2	13		
Outdoor Patio				435	-	Sheltered, orient to sun and outlook
Counter 24d /lin ft			12 lin ft	5		
Table- 72			2	43		
Side Chair			12	12		
Floor Storage 96d			12 lin ft	12		
Bicycle Storage- Staff			1	120	120	Secure, sheltered, near staff entry
Floor Storage 24d			30 lin ft	4		





PARAMETERS

- continued

SPACELIST	2014	2020		Unit	FP	Remarks
	HC	HC	#Unit	NASF	NASF	
<b>Building Support</b>	-	-			950	
<i>Workplace</i>	HC	HC	#Unit	NASF	NASF	
<i>Ancillary</i>						
Loading Dock			1	145	145	
Floor Storage 96d			10 lin ft	12	120	Staging area; fenced
Housekeeping Closet			3	30	90	Distributed
First Aid Room			1	100	100	
Communication Closet			2	95	190	Stacked vertically
Maintenance Storage			1	170	170	
Counter 36d /lin ft			8 lin ft	6		Work bench
Floor Storage 24d			12 lin ft	4		Bulk boxed
Floor Storage 36d			12 lin ft	6		Cleaning equipment
Garbage & Recycle			1	135	135	
Wall Mount			8 lin ft	2		Brooms/shovels
Counter 36d /lin ft			8 lin ft	6		Recycle Staging
Totes			8	4		
Floor Storage 36d			8 lin ft	6		
Garbage & Recycle- Outdoor				205	-	
120 litre cart			4	13		
4 yd Dumpster			2	76		
<b>Finance Storage</b>	-	-			900	
<i>Workplace</i>	HC	HC	#Unit	NASF	NASF	
<i>Ancillary</i>						
Finance- 7 Years' Storage			1	515	515	South end of Basement
Shelving 4w x 1.5d			18	20		
File Cab- Vertical Legal			2	9		
Floor Storage 36d			8 lin ft	6		
Counter 24d /lin ft			5 lin ft	5		Staging Area
Floor Storage 48d			8 lin ft	8		Staging Area
Finance- Older Records			1	385	385	Middle of Basement
Shelving 4w x 1.5d			10	20		
Shelving 4w x 2d			5	23		
Floor Storage 36d			12 lin ft	6		
<b>Administration Storage</b>	-	-			1,112	North end of Basement
<i>Workplace</i>	HC	HC	#Unit	NASF	NASF	
<i>Ancillary</i>						
File Cab- Vertical Legal			5	9	45	
Shelving 4w x 1.5d			5	20	100	90 file box capacity
Shelving 4w x 1.5d			40	20	800	720 file box capacity- Corp Svcs
Shelving 4w x 2d			2	23	46	
Floor Storage 24d			8 lin ft	4	32	
Counter 24d /lin ft			5 lin ft	5	25	Staging Area
Floor Storage 48d			8 lin ft	8	64	Staging Area
<b>Retail</b>	-	-			500	
<i>Ancillary</i>						
Net Rentable 1			1	500	500	



PARAMETERS

SPACELIST	2014	2020		Unit	FP	Remarks
	HC	HC	#Unit	NASF	NASF	
<b>Library-Entry/Circulation</b>	-	-			705	
<i>Ancillary</i>						
Entry Vestibule			1	180	180	
Floor Storage 96d			15 lin ft	12		
Circulation Desk			1	250	250	
Transaction Counter			3	63		
Bookcase 36			2	12		
Utility Cart			2	18		
Reference Desk			1	100	100	
Desk 72			1	47		
Bookcase 36			2	12		
File Cab- Lateral 42			2	14		
Literacy/OPAC/Self Check/Print Release			1	175	175	
Computer-VIRL			2	25		Literacy
Computer-VIRL			2	25		OPAC
Computer-VIRL			2	25		Self Check
Computer-VIRL			1	25		Print Release
<b>Library- Public Use</b>	-	-			7,665	
<i>Ancillary</i>						
Collection Area			1	3,770	3,770	
Shelving Library			290	13		
Childrens			1	1,250	1,250	
Shelving Library			96	13		
Teen			1	520	520	
Shelving Library			40	13		
Use & Study			1	970	970	
Seating-VIRL			12	30		Study Seating
Seating-VIRL			12	30		Lounge Seating
Computer-VIRL			10	25		Self Check
Meeting			1	960	960	
Meeting- 12p			2	255		Study Rooms
Multipurpose-VIRL			1	450		Multipurpose
Washroom-VIRL			2	40	80	
Washroom, Family-VIRL			1	100	100	
Balance of Space			1	15	15	
<b>Library- Back of House</b>	3.00	3.00			1,803	
<i>Workplace</i>						
Offices	3.00	3.00	3	100	300	
<i>Ancillary</i>						
Workroom			1	1,153	1,153	
Staff Breakroom			1	350	350	
Counter 24d /lin ft			14 lin ft	5		
Table- 72			1	43		
Side Chair			6	12		
Locker			6	11		
Table- Side			2	13		
Sofa Seating			4	18		



## STREAMLINING

Improvements to customer service processes are an integral part of the culture of Ladysmith civic staff. In parallel with the planning process for the redevelopment of City Hall, a 'Streamlining'<sup>3</sup> initiative was implemented. The application of 'lean systems' theory to customer service processes was used to demonstrate, on a 'pilot project' basis, the potential for improving staff effectiveness.

At a general level, information was generated in terms of:

- DEMAND-
- DESIGN FOR DEMAND- generating more effective ways to deliver customer service to satisfy *high volume, predictable* demands.
- IMPLEMENTATION- the ongoing process of *continuous improvement*.

This initiative was focused on beginning to establish a baseline understanding of 'Demand' for Ladysmith, as well as to identify several candidates for consideration in subsequent, more detailed work.

### BLIND SPOTS

An important element of this process was the identification and correction of *blind spots*. We are often 'blind' to the way we do things- they're simply how they've always been done, or an extension of what was already in place to satisfy another demand. As the term implies, we are often unable to *see* our own blind spots, so we can help others in this process by beginning to notice how they go about satisfying demand.

### CUSTOMERS

In beginning to understand demand in 'lean service' terms, it is important to identify the generators of demand, the 'customers'. Each part of the organization serves a variety of customers, each of whom generates demand.

A number of lists were generated in work sessions and included information about:

- *Who*- types of customers;
- How they might be *grouped*; and
- '*Key Groups/Customers*' in terms of those who generate high volumes of predictable demand.

The focus of the early part of the process was to expand staff understanding about several key demands that were identified, in order to select one or more *initiatives* for more detailed development.



<sup>3</sup> Streamline Customer Processes- Lean Systems; May 2012; Process Four...

### LEAN SYSTEMS THINKING

There are a number of concepts to consider, in analyzing customer processes from a *lean systems thinking* point of view, which emphasizes process flow and waste issues. They include:

- Work is what we do to satisfy demand
- Design for predictable, high volume demands
- Work involving multiple steps and processes can be described in terms of *value streams*
- Always look at work and demand from the *customer* point of view
  - What matters to them?
  - Design a system that helps customers extract value
- In identifying work processes or value streams to streamline, there are a number of things to look for, including:
  - Wait times
  - Multiple approvals
  - Duplication
  - Bottlenecks
  - Hand-offs
  - More information than required
  - Multiple locations
  - Rework

Many of the concepts, as well as much of the language, were drawn from ‘Systems Thinking in the Public Sector’<sup>4</sup>, as well as from the writings of Taichi Ohno<sup>5</sup>, who created the foundations for ‘lean systems’ design. For a more detailed understanding and description of underlying objectives, please refer to the literature.

### FINANCIAL SERVICES

A number of processes were identified for several departments in the organization, including:

- Corporate Services;
- Financial Services; and
- Parks, Recreation & Culture.

<sup>4</sup> Systems Thinking in the Public Sector, John Seddon; 2008; Triarchy Press, UK

<sup>5</sup> Toyota Production System; Taichi Ohno, 1988; Productivity Press, NY, NY



## FINANCIAL SERVICES- continued

Several processes in each department were detailed and examined at a relatively general level of detail. In consideration of the constraints of time and resources, processes for Financial Services were selected for a more detailed level of analysis to assess viability for implementation.

- Purchase Orders
- Inventory System
- A Primer for GL Codes

Two others, 'Tax Certificates' and 'Water Consumption Inquiry' were also being examined but then set aside at the time as relatively 'effective' in terms of complexity and resource requirements.

**PURCHASE ORDERS**

Current procedures required the same process be followed for all purchases, regardless of cost. This meant an item costing a few dollars was subject to the same scrutiny as one costing thousands. The procedure involved many separate steps and the involvement of several staff multiple times before completion. A cursory examination of the process clearly illustrated the end cost of inexpensive items becomes exorbitant when staff time is considered. There were also significant time delays, which invite staff to circumvent protocols in seeking to expedite project work.

## GENERAL DESCRIPTION

This initiative was intended to streamline the purchasing process. The proposed changes are described in terms of:

- Eliminate significant documentation and processing costs by setting thresholds below which
  - Purchase orders will *not* be required; and
  - Invoices will *not* be required.
- Develop policies and protocols to govern purchases that fall below these two thresholds.
- Standardize pre-approval thresholds by position type.
- Reduce the number of cycles and people required to complete documentation.
  - Departmental *administrative* staff will create Vadim entries and coordinate information
  - Documentation including quotes and details to be retained in originating Department
  - Upon receipt of invoice, Finance will forward a scanned copy to the Department
  - Department administrative staff will review and confirm invoice details, including receipt of item
  - Approval of invoice emailed by Department Manager
  - Finance to 'attach' emailed approval to Vadim entry
  - Invoice amount entered into upcoming batch and processed for payment



### INVENTORY SYSTEM

The existing inventory system is unwieldy and consumes significant time and resources in order to maintain an acceptable standard of accuracy. As a result the current system is not only time consuming and frustrating to all, but significantly increases per item cost to Ladysmith.

- The current system operates as follows:
  - Staff order inventory items
  - Items get put into shed
  - Invoice comes to AP and gets scanned to PW Admin
  - Items are entered as 'received' into Vadim
  - When workers need items, they take from inventory
  - They are *supposed* to mark down whatever they take on their timesheets, regardless of item cost
  - Timesheets get scanned into PW Admin
  - At this point, items are to be entered as 'sold' into Vadim
  - If all items that are taken are accounted for and all items that are received are entered immediately, inventory *should* always balance
  - Inventory *does not* balance and significant effort is required each year to correct information gaps
- Challenges
  - No one 'owns' inventory; no accountability
  - Too many hands can take from inventory; no internal control
  - When items need to be counted, PW has to call on whoever they can to count, usually resulting in miscounting and counters not knowing items
  - Not all items kept in one place; some inside, some outside
  - Some duplicates in list
  - Lack of manpower to maintain system tightly and efficiently
  - Lack of knowledge in how system must run and importance of its accuracy

## STREAMLINING

## GENERAL DESCRIPTION

This initiative was intended to streamline the inventory control system and make it easier for people to get the items they need. Proposed characteristics include:

- One or two people permitted to give out items
- Person that manages it should care about its accuracy more than Finance
- Invoices and timesheet information to be entered upon receipt
- Need to set a threshold and define
  - Items below threshold defined as ‘*stock*’
  - Items above threshold defined as ‘*inventory*’
- All *inventory* tracked from ‘received’ through ‘sold’ status
- Only carry emergency items
- *Inventory* list needs to be cleaned up, such as:
  - Duplicates purged
  - Inactive items deleted
  - Items under threshold deleted and expensed from current lists
  - Descriptions need to be modified to be true and accurate
  - *Inventory* items need to be labeled with item# and description
- Smaller items need to be in
- Inventory needs to be counted and balanced quarterly

**A PRIMER FOR GL CODES**

Staff can often be uncertain about which GL codes should be used. Telephone calls, email enquiries, and direct consultation are all ways for staff to attempt to identify the correct code. Responding to queries, as well as reviewing and correcting codes is time consuming and redundant. Delays in completing transactions are frustrating to end-users.

## GENERAL DESCRIPTION

This initiative was intended to improve the ability of internal customers of Financial Services to extract the information they need. Code descriptions will be ‘translated’ into lay terms and made available electronically.



IMPLEMENTATION

After soliciting review and comments through a discussion paper, initiatives were developed in greater detail. They were be described in terms of ‘value stream mapping’.

The past few years have seen the implementation of a number of initiatives.

Attachment A





# MEMORANDUM

Date: May 8, 2020  
To: Guillermo Ferrero, Ladysmith Chief Administration Officer  
cc:  
From: J.P. Raulot-Lapointe – Land Economics Senior Consultant  
Justin Barer – Land Economics Lead  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis

## 1.0 INTRODUCTION

This brief report provides a review of the financial implications of building a new Town Hall for the Town of Ladysmith, reviewing multiple concept scenarios at three locations.

The current Town Hall no longer fits the needs of the community, and Town Hall employees are now working out of multiple locations in off-site leased office space as the existing Town Hall building is too small.

However, building a new Town Hall is expensive, and Ladysmith is considering a range of options including adding commercial space, and / or rental residential, to a new build in a bid to offset costs (both capital and operating). This has been done successfully in other jurisdictions, including on Vancouver Island. The Town is also considering opportunities to sell current municipal assets – including the existing Town Hall – to raise equity for development of a new structure.

Each of the development options is defined and the financial implications reviewed. The scenarios considered in this analysis are as follows:

- Buller Street Site:
  - Developing a new Town Hall on the Buller Street site (i.e. a stand-alone Town Hall, without ancillary civic, commercial or residential space)
  - Developing a new Town Hall on the Buller Street site, with equity from the sale of the existing Town Hall site used for this development
  - Developing a new Town Hall with integrated Library on the Buller Street site, incorporating equity from selling the old Town Hall site
  - Including a small retail component with the development of a new Town Hall and Library on the Buller Street site, plus incorporating equity from selling the old Town Hall site
  - Including rental residential, with the development of a new Town Hall, Library, and retail space on the Buller Street site, incorporating equity from selling the old Town Hall site

## MEMORANDUM

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 2 of 14

- Works Yard or Machine Shop:
  - Developing a new Town Hall at either the Town Works Yard or within the Machine Shop structure in the Waterfront Area Plan (WAP) area, incorporating the equity from selling the old Town Hall site *and* the Buller Street site to fund the works
  - Including a new library with the development of a new Town Hall on either the Works Yard or within the Machine shop, incorporating the equity from selling the old Town Hall site and the Buller Street site
  - Including retail space within the development of a new Town Hall and Library on either the Works Yard or within the Machine shop, incorporating the equity from selling the old Town Hall site and the Buller Street site

*When the first draft of this report was completed in early March 2020, the COVID-19 pandemic was only on the periphery of our collective radar in British Columbia. Since then, it has become apparent that the pandemic is significantly affecting, and will continue to, affect the economy of British Columbia, both this year and likely for the coming 2+ years at least. It will significantly impact a number of sectors, including tourism, retail and real estate sales. Impacts on these sectors will likely influence some of the assumptions presented in this document which were used to inform financial analyses, but at this point the degree of impact is unknown.*

*Commentary regarding the potential impacts and implications of COVID-19 are presented in these callout boxes at points throughout the document.*

## 2.0 TOWN HALL DEVELOPMENT ASSUMPTIONS

### 2.1. BASE ASSUMPTIONS

Some of the basic parameters for developing a new Town Hall in Ladysmith come from the “City Hall Optimization Project” study prepared by *Process Four* in 2016. That report assumed that the new Town Hall would be developed on the Town-owned lands at the intersection of First Avenue and Buller Street (i.e. the Buller Street site). That site is comprised of four adjacent lots with a total site area of approximately 28,800 square feet.

To control costs, it was assumed that all parking would be surface parking, and therefore much of the staff parking would have to be located off-site. The costs for this off-site parking was not included in the overall cost estimate.

Some key assumptions that come from this study, adopted in this analysis, are: (1) Town Hall size requirements, and (2) on-site parking assumptions:

- New Town Hall will be approximately 20,000 square feet in all scenarios
- If a new library is included in the development, it is assumed to occupy 10,000 square feet
  - The Vancouver Island Regional Library would add \$3.5 million of equity to the development if it was part of the project.

**MEMORANDUM**

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 3 of 14



- Onsite parking would be limited to the minimum number of stalls required for visitors. All staff parking is assumed to be located off-site to reduce development costs.
  - In the financial analyses, 7 on-site parking stalls are assumed for Town Hall, with another 26 parking stalls for staff to be located off-site
  - For the library, 14 parking stalls are assumed for visitors to be located on-site. All library staff parking would be located off-site.

All on-site parking stalls are outdoor surface parking stalls, as underground stalls are cost prohibitive.

**2.2. ADDITIONAL ASSUMPTIONS**

**2.2.1. Construction Costs (Hard Costs)**

The construction costs used in these analyses are sourced from the 2020 *Altus Construction Cost Guide*. The cost guide estimates that Municipal Office buildings would range between \$295 and \$415 per square foot, for a development in Vancouver. For this analysis we begin with the highest cost of \$415 per square foot (deemed a ‘worst case’ scenario) but have made a downward adjustment of 15% to account for generally lower construction costs on the mid-island compared to Vancouver.

Construction costs for the library are estimated to be between \$320 and \$475 per square foot, with the lower range applicable where a library is located within a shared building. As we anticipate that inclusion of a library as part of a future Town Hall would see that library function incorporated within the Town Hall structure, a cost of \$320 per square foot for the library was assumed in this analysis.

The following table highlights the different construction costs used for various development components considered. It should be noted that only hard costs are included below, and the areas are approximate to those used in the financial analyses.

*Table 1: Construction Cost Assumptions*

<b>Construction Cost Comparison</b>			
	<b>Cost per sq. ft.</b>	<b>Area (Sq. Ft.)</b>	<b>Total Hard Cost</b>
<b>Town Hall</b>	\$350	20,000	\$7,000,000
<b>Library</b>	\$320	10,000	\$3,200,000
<b>Retail</b>	\$200	3,500	\$700,000
<b>Residential</b>	\$211	40,000	\$8,440,000

*Note: Only hard costs included. Does not include soft costs*

Surface parking construction costs were assumed to be \$7,000 per stall.

## MEMORANDUM

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 4 of 14



### 2.2.2. Borrowing Costs

All scenarios include debt financing to pay for the development of Town Hall, and other components (library, etc.). The borrowing assumptions used include:

- Borrowing interest rate of 2.26%<sup>1</sup>
- Amortization period of 35 years

Beyond the goal of building a new Town Hall, the Town of Ladysmith has \$2.2 million of debt servicing as of 2018, and other priorities that should be kept in mind which will also require borrowing.

Additional borrowing may also be required to provide sewer, water and other infrastructure for the Waterfront Area Plan.

## 3.0 VARIABLES INFLUENCING DEVELOPMENT SCENARIOS

There are a few variables that have been considered in establishing the different scenarios for development:

### ***Inclusion of a New Library***

Including a new library in any scenario will add approximately 10,000 square feet to the development, as well as the requirement for 14 parking stalls.

Including a new library would also bring \$3.5 million in equity to the development.

### ***Inclusion of Commercial Space***

If commercial space is included, it is assumed that this component would be retained by the Town (i.e. not sold as a strata parcel), and leased at \$20 per square foot.<sup>2</sup> While different sites are considered for Town Hall development, commercial lease rates are held constant across scenarios. This assumes that a location adjacent to / embedded within a Town Hall (and potentially a library), would be attractive for a coffee shop, a small restaurant, or other personal / professional service providers. It is assumed that commercial space would add approximately 3,500 square feet to the development.

### ***Inclusion of Residential space for Rent***

It was assumed that any residential space added to a Town Hall development would be comprised of units for rent (versus condominium units for sale). It was considered that strata residential units above Town Hall could create a number of conflicts between the Town of Ladysmith and the strata unit owners, so strata units were not included as a potential scenario.

While rental units would not provide an immediate financial benefit to the project (i.e. they do not generate an up-front infusion of equity), rental residential units would generate annual cashflow, supporting mortgage payments. Alternately, these units could be sold to an

<sup>1</sup> Municipal Finance Authority, long term lending rate

<sup>2</sup> Note that an alternate scenario, not tested in this analysis, would see the Town sell strata parcels within the new development.

**MEMORANDUM**

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 5 of 14



investor / operator, who would own and operate the units long-term. This is likely not the ideal scenario, as the Town would not retain control over a component of the project.

**Sale of Existing Town Hall site**

The existing Town Hall site could be sold to help provide equity to pay for the development of a new Town Hall. Residual valuations for this site were prepared assuming it were re-zoned prior to sale to allow for a 4-storey residential development, with no requirements for affordable housing units, and assuming that all units were sold as condos at market rates. Current zoning is C-2. By re-zoning prior to sale, the Town would be able to capture more value.

An FSR of 3.0 was assumed for the site under new zoning, which entails a total buildable area of approximately 30,000 square feet. This size of building could house 22 apartment units averaging close to 1,200 square feet in size. It was assumed the units would sell for \$415 per square foot. The construction cost estimate used has a significant impact on land value. The estimate used (\$211 per square foot), assumes some structured parking, which reduces land value. The residual value of the site, given these assumptions, is close to \$335,000. The land is currently assessed at \$235,000. If we were to assume 100% surface parking, the residual land value would climb to over \$1 million.

*Unit sale prices are based on research conducted in the early part of 2020, and do not account for potential market implications from COVID-19. The pace of real estate sales has been negatively affected by the pandemic. Significant job losses and other economic headwinds are likely to lead to lower unit prices in the near-term, which would in turn reduce the price that a prospective developer would be willing to pay for a development site.*

## MEMORANDUM

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 6 of 14

### **Sale of Town-owned Buller Street site**

The Town-owned Buller Street site could be sold to provide equity for the development of a new Town Hall. The residual valuation of the Buller site assumes zoning for a 4-storey residential development, with no requirements for affordable housing units.

An FSR of 3.0 was assumed for the site, which results in a total buildable area of approximately 86,000 square feet. This size of building could house 63 apartment units averaging close to 1,200 square feet. It was assumed the units would sell for \$415 per square foot. The construction cost estimate used has a significant impact on land value.

The estimate used, \$211 per square foot, assumes some structured parking, which reduces land value. The residual value of the Buller site, given these assumptions, was close to \$1.2 million. The assessed value of the land, not including improvements, of the Buller site is \$706,000.

*As with the Town Hall site, unit sale prices are based on research conducted pre-COVID-19. Uncertainty around unit price demand and absorption would likely lead to lower land prices for a prospective buyer today.*

### **Developing on the Town-owned Works Yard or in the Machine Shop Building**

The other options are to (a) develop atop the Works Yard building, or (b) build Town Hall within the Machine Shop Building in the Waterfront Plan Area. Developing on either site may introduce the following complexities:

- Speaking with developers, it was suggested that adding a single floor to an existing building (as contemplated at the Works Yard) is not commonly done. It was suggested that most developers would typically choose to demolish the existing building and start from scratch.
- Also, estimating the costs of developing Town Hall within the Machine Shop building was difficult without having an experienced developer or cost consultant visit the building with engineers. Developers that were interviewed suggested that developing within similar heritage building shells often created construction costs that were similar to a new build.

Both scenarios were considered with similar parking assumptions, where only a minimum of parking stalls were included on-site and in the cost assumptions. The original parking assumption does leave the question of where the balance of staff would park. It is possible that either the Works Yard or Machine Shop scenarios may be better able to address the question of where staff will park, through provision of surface parking on nearby lands.

## MEMORANDUM

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 7 of 14



### 4.0 TOWN HALL DEVELOPMENT SCENARIOS – DEVELOPING ON BULLER SITE

Different combinations of the variables discussed in section 3.0 produced a variety of scenarios that are summarized below. For each financial scenario, the key variable to note is the size of the annual debt payment that would need to be serviced.

#### 4.1. DEVELOPING TOWN HALL ON BULLER SITE – NO ANCILLARY USES

##### **No Equity (100% Financing)**

The first scenario considers the development of only Town Hall on the Buller site. This scenario assumes a building of approximately 20,000 square feet, housing only Town Hall functions.

Key findings:

- Construction costs: \$8.6 million (assuming \$350 per square foot construction costs and including financing costs)
  - This includes 7 surface parking stalls as per the Process Four report.
- Equity: assumes \$0 in equity available
- Annual Payment: approximately **\$350,000**

##### **Selling Current Town Hall site (Equity Transfer)**

This scenario assumes that the current Town Hall site is sold, at highest-and-best-use, with equity used to help pay for the development of a new Town Hall on Buller site. All costs assumptions are the same as above.

Under this scenario, the annual mortgage payments would be reduced to approximately **\$330,000**.<sup>3</sup>

*COVID-19 uncertainty will almost certainly reduce the price that the current Town Hall site would sell for, thus reducing equity and increasing debt. The Town would likely be in a better position to postpone sale of this asset until such time as economic growth returns and there is stability in the market.*

#### 4.2. DEVELOPING TOWN HALL WITH LIBRARY ON BULLER SITE

The second scenario looks at including the library within the new Town Hall development on Buller Street. Including the library adds 10,000 square feet of built space (at a lower per square foot cost) as well as \$3.5 million in equity contribution.

This scenario also assumes that the current Town Hall site would be sold to help fund the project, with assumptions as previously outlined.

Key findings:

<sup>3</sup> Note that if development costs for a new condominium building at the Buller Street site are reduced (e.g. through provision of all parking at-grade), the residual land value would be considerably higher, with a resultant additional infusion of equity (and thus lower mortgage payment) for the new Town Hall.



## MEMORANDUM

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 8 of 14



- Construction costs: \$12.5 million assuming \$350 per square foot construction costs for Town Hall and \$320 per square foot for the Library component of the building. This includes financing costs.
  - This cost estimate includes 7 surface parking stalls for Town Hall and an additional 14 surface parking stalls for the Library, as per the Process Four report.
- If it was assumed that \$3.75 million in equity was invested in the development, including \$335,000 from the sale of the Town Hall site, and \$3.5 million from the Library, the \$12.5 million in capital costs would require an annual mortgage payment of approximately **\$350,000**.

### 4.3. DEVELOPING TOWN HALL WITH LIBRARY AND RETAIL ON BULLER SITE

This scenario looks at adding a small retail component to the development of a new Town Hall with the Library. A Town Hall and Library project would attract many visitors, so the retail space in the project would likely be sought after. In this scenario 3,500 square feet for retail space was added. It is assumed that retail space could command a lease rate of \$20 per square foot. Further, it is assumed the Town would retain ownership of the retail space and the revenue would be direct towards debt payment.

This scenario also assumes that the current Town Hall site would be sold to help fund the project, under terms previously outlined.

Key findings:

- Construction costs: \$13.7 million assuming \$350 per square foot construction costs for Town Hall and \$320 per square foot for the Library component of the building and \$250 per square foot for the retail space. This includes financing costs.
  - This cost estimate includes 7 surface parking stalls for Town Hall and 14 surface parking stalls for the Library, as per the Process Four report. An additional 10 parking stalls were added to accommodate clients of the retail businesses.
- If it was assumed that \$3.75 million in equity was invested in the development, including \$335,000 from the sale of the Town Hall site, and \$3.5 million from the Library, the \$13.7 million in capital costs would require an annual mortgage payment of approximately **\$400,000**.
- The retail space would generate an average annual revenue of \$70,000 over the 35-year life of the mortgage, which would reduce the average mortgage payment to **\$330,000** per year.



## MEMORANDUM

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 9 of 14



### 4.4. DEVELOPING TOWN HALL WITH LIBRARY, RETAIL AND RENTAL RESIDENTIAL ON BULLER SITE

This scenario looks at building a four-storey building on the Buller site, with the top two storeys comprising rental residential units. An FSR of 3.0 was assumed, which would allow for 40 residential units averaging 1,000 square feet per unit. The average 1,000 square foot unit was assumed to rent for \$1,500 per month, or a \$1.50 per square foot. Similar rates were found for newer units in Ladysmith online.

Similar to the retail space, it is assumed the Town would retain ownership of the residential space and the revenue would be used to help pay the mortgage.

This scenario also assumes that the current Town Hall site would be sold to help fund the project.

Key findings:

- **Construction costs:** \$29.5 million assuming similar construction costs as the previous scenario, as well as, \$211 per square foot for the residential space. This includes financing costs and the assumption of structured / semi-underground parking stalls on the sloping site.
  - This cost estimate includes 7 parking stalls for Town Hall, 14 parking stalls for the Library, 10 for retail space, and 50 stalls for the residential tenants. Reducing the parking ratio for the residential spaces will cut costs and likely simplify the development design.
- \$3.8 million in equity is assumed, including \$335,000 from the sale of the Town Hall site, and \$3.5 million from the Library, the \$29.5 million in capital costs would require an annual mortgage payment of approximately **\$1 million**.
- The retail space would generate an average annual revenue of \$70,000 over the 35-year life of the mortgage, while the residential units would generate an average annual revenue of approximately \$800,000. These sources of revenue would reduce the average mortgage payment to **\$200,000** per year.

Adding both retail and residential to the development brings the annual mortgage payment to the lowest rate compared to all other scenarios considered, but this larger development also includes the highest capital costs and the most risk.

## MEMORANDUM

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 10 of 14



### 5.0 DEVELOPING ON WORKS YARD / IN MACHINE SHOP

The options of developing on the Works Yard site or within the existing Machine Shop building are both intriguing options, mostly because both options permit the sale of the Buller site to allow for that equity to be invested in the development.

*Note again that we do not recommend pursuing sale of the Buller Street site at this time, given COVID-19 related market uncertainty and the likely discount that would be commanded by any prospective buyer.*

There is also the potential that developing on the Works Yard or within the Machine Shop will reduce construction costs; however, both these scenarios present important unknowns. For this reason, developing on both sites assume the construction costs associated with a new build.

Regarding the Works Yard, developers interviewed suggested it is unusual to build additional storeys on an existing one storey building. There would be significant unknowns regarding the structure of the existing building that developers would typically prefer to demolish the existing building and start fresh.

Regarding the Machine Shop, renovating a historic building can present a number of challenges, including rebuilding the foundation and refurbishing the shell of the building. Refurbishing the 'Salt Building' in Vancouver's Olympic Village was a very expensive project, in part because of the costs of rebuilding the foundation. For these reasons, and the unknown quality of the existing building, it was recommended by developers to assume the costs of refurbishing the Machine Shop would be similar to a new build.

Given the above, the Works Yard and Machine Shop scenarios were assumed to have similar construction costs.

Three scenarios for the Works Yard / Machine Shop were considered, including developing only a new Town Hall, a Town Hall with a Library, as well as incorporating retail space in the development. Residential was considered inappropriate for both locations.

#### 5.1. TOWN HALL ONLY ON WORKS YARD / MACHINE SHOP

This scenario considers only a new Town Hall constructed at either the Works Yard or Machine Shop. The construction costs are assumed to be \$8.6 million, including financing costs, the same as scenario 4.1.

The equity assumed in this scenario includes the proceeds from sale of the existing Town Hall site and the Buller site. Taken together, the sale of these properties would raise an estimated \$1.5 million based on residual valuations. Note again that this figure could be increased if construction costs are reduced through elimination of structured parking.

*Also note however, that COVID-19 market uncertainty could significantly reduce the valuation of these parcels in the near-term.*

## MEMORANDUM

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 11 of 14



Assuming that \$1.5 million in equity were invested in the development, the \$8.6 million in capital costs would require an annual mortgage payment of approximately **\$290,000**.

### 5.2. DEVELOPING TOWN HALL WITH LIBRARY ON THE WORKS YARD / MACHINE SHOP

This scenario looks at including the library with the new Town Hall development on either the Works Yard or within the Machine Shop. Including the library adds 10,000 square feet of built space (at a lower per square foot cost) as well as \$3.5 million in equity.

This scenario also assumes that the current Town Hall site and the Buller site would be sold to help fund the project, bringing the total equity available to \$5 million.

Key findings:

- Construction costs: \$12.5 million including financing costs.
  - This cost estimate includes 7 surface parking stalls for Town Hall and an additional 14 surface parking stalls for the Library, as per the Process Four report.
- If \$5 million in equity were invested in the development, the \$12.5 million in capital costs would require an annual mortgage payment of approximately **\$300,000**.

### 5.3. DEVELOPING TOWN HALL WITH LIBRARY AND RETAIL ON WORKS YARD / MACHINE SHOP

This scenario looks at adding a small retail component to the development of a new Town Hall and the Library either on the Works Yard or within the Machine Shop. This scenario also involves selling both the existing Town Hall site as well as the Buller site.

Key findings:

- Construction costs for this scenario would equal \$13.7 million including financing costs.
  - This cost estimate includes 7 surface parking stalls for Town Hall and 14 surface parking stalls for the Library, as per the Process Four report. An additional 10 parking stalls were added to accommodate clients of the retail businesses.
- If \$5 million in equity were invested in the development, the \$13.7 million in capital costs would require an annual mortgage payment of approximately \$350,000.
- The retail space would generate an average annual revenue of \$70,000 over the 35-year life of the mortgage, which would reduce the average mortgage payment to approximately **\$280,000** per year.

**MEMORANDUM**

Date: May 8, 2020  
 File: 1616.0020.01  
 Subject: New Town Hall Development – Scenario Financial Analysis  
 Page: 12 of 14



**6.0 SCENARIO COMPARISON**

The primary basis for comparing the various scenarios is the required annual mortgage payment. This payment varies based on total capital costs, assumed equity availability, revenue opportunities (e.g. rental residential, commercial), and overall project size.

Table 2 below provides comparative statistics for development, under varying scenarios, at the Buller Street Site.

*Table 2: Buller Street Site - Comparative Figures for Town Hall Development Scenarios*

<b>Scenario - Develop on Buller Site</b>	Equity Inputs	Construction Cost	Annual Mortgage Payment	Average Annual Revenue (over 35 years)	Effective Annual Mortgage Payment
Town Hall *	\$0	\$8,440,000	-\$350,000	\$0	-\$350,000
Town Hall **	\$340,000	\$8,440,000	-\$330,000	\$0	-\$330,000
Town Hall + Library ***	\$3,840,000	\$12,320,000	-\$350,000	\$0	-\$350,000
Town Hall, Library, Retail	\$3,840,000	\$13,480,000	-\$400,000	\$70,000	-\$330,000
Town Hall, Library, Retail, Residential	\$3,840,000	\$28,330,000	-\$1,010,000	\$810,000	-\$200,000
* No equity					
** Using equity from selling existing Town Hall Site					
*** Using equity from selling existing Town Hall Site & Library investment					

Looking at the scenarios presented above, the project that includes both retail and residential has the opportunity to bring the annual mortgage costs down the most, but as mentioned previously, this scenario also involves the most risk.

*Note again that equity inputs would likely be reduced if sale of the current Town Hall site is pursued amidst COVID-19 market uncertainty. This would bring the debt requirement up in all scenarios.*

Table 3 presents costs and mortgage payments required for each development scenario on either the Works Yard or within the Machine Shop.

Given the extra equity that is assumed from sale of the Buller site, the effective annual mortgage payment is expected to be lower if developing on the Works Yard or within the Machine Shop.

*Achievable sale prices of either or both of the Town Hall and Buller sites will likely be hampered by COVID-19 market uncertainty in the near-term.*

**MEMORANDUM**

Date: May 8, 2020  
 File: 1616.0020.01  
 Subject: New Town Hall Development – Scenario Financial Analysis  
 Page: 13 of 14



Table 3: Machine Shop or Works Yard – Comparative Figures for Town Hall Development Scenarios

<b>Scenario - Develop in Machine Shop or Works Yard</b>	Equity Inputs	Construction Cost	Annual Mortgage Payment	Average Annual Revenue (over 35 years)	Effective Annual Mortgage Payment
Town Hall *	\$1,510,000	\$8,440,000	-\$290,000	\$0	-\$290,000
Town Hall + Library **	\$5,010,000	\$12,320,000	-\$300,000	\$0	-\$300,000
Town Hall, Library, Retail	\$5,010,000	\$13,480,000	-\$350,000	\$70,000	-\$280,000
* Using equity from selling existing Town Hall site & Buller site					
** Using equity from selling existing Town Hall Site & Buller Site, and Library investment					

However, the ultimate construction costs involved with either of these scenarios remain an unknown. It is possible that developing within the Machine Shop could be less expensive than a new build, in which case the annual mortgage payments would be lower.

- An analysis of the foundation and the structure of the Machine Shop could provide more certainty of the potential costs involved with refurbishing the building.

## 7.0 DISCUSSION

There are several outstanding questions and considerations that should be taken into account when considering the next steps for the Town Hall development project: What level of risk is the Town of Ladysmith willing to accept with this development?

- Would Ladysmith consider selling the retail or residential components of a new Town Hall mixed-use project as strata parcels?
- Are there means to increase the residual valuation of the Buller Street and current Town Hall site through either decreased construction costs, increased revenues, or both?
- What are the construction costs involved with redeveloping the Machine Shop or potentially adding on to the existing Works Yard building?
- Would the Vancouver Island Regional Library pay rent to help reduce mortgage costs?
- What amount of borrowing is Ladysmith willing or able to accept, particularly given other capital commitments and needs which will require borrowing?

The Town of Ladysmith has several significant projects ongoing, including a priority intent for remediation, servicing, and subsequent lease or sale of development parcels in the Waterfront Area Plan. It also intends to invest in renovation of the Machine Shop. Given these commitments and priorities, there is a rationale to invest in this effort by locating a new Town Hall within the Machine Shop.

## MEMORANDUM

Date: May 8, 2020  
File: 1616.0020.01  
Subject: New Town Hall Development – Scenario Financial Analysis  
Page: 14 of 14

- Significant investments in the Machine Shop will be required before the structural upgrades to the building are complete. It is understood that project costs have increased \$450,000 beyond the budgeted \$1.752 million. It is also understood there have been questions regarding the future uses within the Machine Shop building once renovations are complete. By placing a new Town Hall in the building (along with other users), the Town would be leveraging its investments in this asset.
- Locating City Hall in the Machine Shop would also be a direct investment in catalysing waterfront investment and development. Waterfront development is a clear priority for the Town, and one that will require important decisions around infrastructure investment strategies. If Town Hall (and other uses) were located in a refurbished Machine Shop, this would send a strong message to the market around the Town's priorities and commitment to achieving waterfront development.
- Locating Town Hall in the Machine Shop would bring significant traffic to the waterfront lands and highlight the attractiveness of one of the Town's most important assets. A new Town Hall in the Machine Shop would be expected to bolster the land values of the waterfront lands.

*The realities of COVID-19 and its impact on real estate, retail, and tourism should be a consideration regarding the strategy taken to develop a new City Hall in Ladysmith.*

*Given the uncertainties in the real estate sector, it is likely not prudent to sell developable land in the near-term, particularly in scenarios where the developer would be considering a commercial component. The scenarios considered in the financial modelling include potential equity from sale of the Buller Street and / or existing City Hall site. Sale of these parcels should be postponed until there is a return of market stability.*

The analyses presented here are premised on important assumptions, including parking stalls required, construction costs, rental rates, and levels of equity that all have significant impacts on the final cost of the project. Urban Systems will be happy to review all the assumptions used with the Town of Ladysmith to refine our estimates at a future date, as required.

### URBAN SYSTEMS LTD.



J.P. Raulot-Lapointe, MBA  
Senior Consultant – Land Economics



Justin M. Barer, M.Pl., MCIP, RPP  
Lead – Land Economics





**STAFF REPORT TO COUNCIL**

**Report Prepared By:** Sue Bouma, Manager of Corporate Services  
**Reviewed By:** Allison McCarrick, Chief Administrative Officer  
**Meeting Date:** May 14, 2024  
**File No:** 4200-20  
**Re:** **Alternative Approval Process Confirmation – City Hall**

**RECOMMENDATION:**

That Council:

1. Confirm its direction to staff to carry out an Alternative Approval Process to obtain elector approval to build a new City Hall including Institutional/Commercial space below a housing development on Town-owned lands at 1<sup>st</sup> Avenue and Buller Street;
2. Establish the deadline for receiving elector responses as 4:00 p.m. on June 25, 2024 (33 days);
3. Establish that the elector response form will be the single elector response form.
4. Approve the total number of electors of the Town of Ladysmith to which the approval process applies is 741; and
5. Direct staff to report the results of the Alternative Approval Process to Council.

**EXECUTIVE SUMMARY:**

As per the *Community Charter* requirements, staff are seeking Council’s approval of the AAP process outlined above regarding the proposed project to build a new City Hall beneath a housing development on 1<sup>st</sup> Avenue and Buller Street.

**PREVIOUS COUNCIL DIRECTION:**

Resolution	Resolution Details
CS 2024-005	That Council direct staff to prepare a borrowing bylaw in the amount of \$13,500,000 for the Buller Street revitalization project located on Town owned lands at 1st Avenue and Buller Street and proceed with the Alternative Approval Process to obtain elector assent.

**INTRODUCTION/BACKGROUND:**

At its meeting held January 9, 2024, Council approved proceeding with an Alternative Approval Process (AAP) to build a new City Hall and institutional space (previous Council report included as Attachment A). The project would require borrowing an estimated \$13,500,000 from the Municipal Finance Authority (MFA). This type of borrowing requires the approval of electors, and the borrowing bylaw related to the project needs to receive





statutory approval from the Inspector of Municipalities before the process can move forward. “Town of Ladysmith City Hall Loan Authorization Bylaw 2024, No. 2166” received first three readings at the January 23, 2024 Council meeting and received statutory approval from the Inspector of Municipalities on February 26, 2024 so staff are now seeking direction to begin the AAP process.

In an AAP, people who do not support the matter at hand must sign and submit an “elector response form” indicating their opposition. As outlined in the *Community Charter*, if less than 10% of elector response forms are received, the project is considered to have received the approval of the public.

Staff have now prepared the necessary materials to proceed with the AAP and the required resolutions for Council consideration. Section 86(3) of the *Community Charter* requires that prior to proceeding with an AAP, Council must:

- establish a deadline for receiving elector responses;
- determine whether the response will be “single elector” or “multiple elector”; and
- make a fair determination of the total number of electors.

Section 86(3) of the *Community Charter* requires Council to:

<b>Establish a deadline for receiving elector responses.</b>	A minimum of 30 days is required and the timeline proposed by staff is a total of 33 days for electors to respond. Starts May 24, 2024 and ends June 25, 2024 (see timeline below).
<b>Determine the format of the response form: “single elector” or “multiple elector”.</b>	<p>Either form is acceptable under the Charter, however the “single elector” form is the most commonly used and the one recommended by staff (Attachment B). This simply means that each person who wishes to respond will fill out their own form. This protects the privacy of individual electors.</p> <p>The “multiple elector” response form is similar in appearance to a petition where electors would sign their name one above the other on the same form. This limits the privacy of those signing.</p>
<b>Determine the total number of electors.</b>	Staff obtained a copy of the most recent Provincial Voters List for that determination and the required report is contained in Attachment C.

The Corporate Officer is responsible for administration of an AAP. The steps and timeline are proposed as follows, and in accordance with the *Community Charter*.

<b>May 14, 2024</b>	Report to Council requesting authorization to proceed; voter numbers; whether or not to use individual or petition-style response forms; and the recommended length of the process.
<b>Starting in March 2024 and updated as necessary</b>	Information provided to voters regarding the AAP – website, at City Hall.
<b>May 16 &amp; 23, 2024</b>	Statutory notices placed in the Ladysmith Chronicle and on the Town’s website.
<b>By May 16, 2024</b>	Elector response forms available at City Hall and on the Town’s website.
<b>May 24, 2024</b>	Completed elector response forms may be received at City Hall.
<b>June 25, 2024</b>	End of elector response period (33 days – minimum 30 days required) and authentication thereafter.
<b>July 2, 2024</b>	Report to Council with the results.

As noted above, if less than 10% of elector response forms are received, the Town will proceed with building a new City Hall below the housing development on the Town-owned properties at 1<sup>st</sup> Avenue and Buller Street. If the results of the AAP indicate that the Town’s electors do not approve of building a City Hall and institutional space, staff will await further direction from Council.

**ALTERNATIVES:**

Council can choose to:

1. Establish a different deadline for receiving elector responses.
2. Use the “multiple elector” form for responses to the AAP.

**FINANCIAL IMPLICATIONS:**

If the AAP is successful, the Town would apply for financing through the MFA Financing Program. The amount to be borrowed is estimated to be \$13.5 million. The estimated yearly payment is \$860,520, and the term of the loan will be up to 30 years.

**LEGAL IMPLICATIONS:**

The AAP must be conducted in accordance with Provincial legislation.

**CITIZEN/PUBLIC RELATIONS IMPLICATIONS:**

AAPs are an opportunity for citizens to indicate whether or not they approve of the proposed borrowing. Statutory notices will be placed in the Ladysmith Chronicle newspaper and on the Town website on two consecutive weeks. The website will also include background information about the proposed borrowing so that the public has all information available to them.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

Corporate Services will conduct the AAP and Financial Services will manage the borrowing process.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

- |  |   |
|--|---|
| <input type="checkbox"/> Core Infrastructure                               | <input type="checkbox"/> Economy        |
| <input checked="" type="checkbox"/> Official Community Plan Implementation | <input type="checkbox"/> Leadership     |
| <input type="checkbox"/> Waterfront Area Plan                              | <input type="checkbox"/> Not Applicable |

*I approve the report and recommendations.*

Allison McCarrick, Chief Administrative Officer

**ATTACHMENTS:**

- A. January 9, 2024 Staff Report \_Buller Street Revitalization Project
- B. Elector Response Form
- C. Sample of Notice #1
- D. Sample of Notice #2
- E. Report - Total Number of Electors



**INFORMATION REPORT TO COUNCIL**

**Report Prepared By:** Sue Bouma, Corporate Officer  
**Meeting Date:** May 14, 2024  
**File No:** 4200-20  
**Re:** ATTACH E Determination of Estimated Eligible Electors - AAP CITY HALL.docx

**PURPOSE:**

The purpose of this report is to show the basis for determining the total number of eligible electors in relation to the Alternative Approval Process (AAP) for the borrowing of up to \$13.5 million to finance the building of a new City Hall and Institutional/Commercial Space.

**EXECUTIVE SUMMARY:**

Section 86 of the *Community Charter* requires Council to make a fair determination of the total number of electors of the area to which the approval process applies (in this case, the Town of Ladysmith as defined by its municipal boundaries). In addition, Council must make available to the public on request, a report on the approach used for making the determination.

The number of people eligible to be a resident elector or a non-resident elector is determined based on those individuals who, when signing an elector response form:

- Are 18 years of age;
- Are a Canadian citizen;
- Have lived in British Columbia for at least the last six months;
- Have lived or owned property in the Town of Ladysmith for at least the last 30 days;
- Live or own property in the area defined for the AAP; and
- Are not disqualified by law from voting in local elections.

For the purposes of this AAP, the estimated number of eligible electors within the Town of Ladysmith is based on the following information:

Number of eligible voters on the Provincial voters list for the Town of Ladysmith on January 23, 2024.	7401
Plus the number of registered non-resident property electors (maintained by the Town)	4
Estimated total number of eligible electors in the area defined for the AAP (whole municipality)	7405
<b>10% of the total number of eligible electors is estimated to be:</b>	<b>741</b>





## NOTICE TO ELECTORS OF THE TOWN OF LADYSMITH OF AN ALTERNATIVE APPROVAL PROCESS

**This notice is the first of two notices** to advise electors in the Town of Ladysmith that Council intends to borrow funds through the Municipal Finance Authority of British Columbia for the construction of a new City Hall including Institutional/Commercial space. The amount to be borrowed is up to \$13.5 million. The estimated yearly payment is \$860,520 and the term of the loan will be up to 30 years.

The proposed new City Hall would form the foundational floor of a not-for-profit housing development offering workforce housing for middle income earners. The approximate 90 rental units to be built on the Town-owned properties at 1<sup>st</sup> Avenue and Buller Street will be a mix of unit configurations based on the Town's Housing Needs Assessment Report. The housing development would be funded by the non-profit developer and the Province of BC.

A **Public Information Package** about the New City Hall borrowing is available at City Hall reception, 410 Esplanade, Ladysmith, BC and on the Town's website at [www.ladysmith.ca](http://www.ladysmith.ca).

### ALTERNATIVE APPROVAL PROCESS

In accordance with sections 84 and 86 of the *Community Charter*, Council must seek the approval of the electors through an Alternative Approval Process. The area to which this Alternative Approval Process applies is the Town of Ladysmith as defined by its municipal boundaries.

Council will commit to borrowing the money and apply for funding of up to \$13.5 million unless by 4:00 p.m. on Tuesday, June 25, 2024, at least 10 percent of the electors in the whole municipality sign an Elector Response Form opposing the borrowing. The number of elector responses required to prevent the Town of Ladysmith from proceeding is 741. A report outlining the basis on which this determination was made is included in the Public Information Package.

**Elector Response Forms are available during regular business hours (8:30am to 4:00pm) at Ladysmith City Hall, 410 Esplanade, Ladysmith, BC.** The form can also be downloaded from the Town of Ladysmith website: [www.ladysmith.ca](http://www.ladysmith.ca).

**Beginning on Friday, May 24, 2024 signed forms can be submitted in person at City Hall or through the mail.**

Elector Response Forms must be in the form established by the Town of Ladysmith Council and only eligible electors in the Town of Ladysmith may sign Elector Response Forms.

**There are two types of electors – resident and non-resident.**

Resident Elector	Non-Resident Elector
<ul style="list-style-type: none"> <li>✓ Canadian citizen;</li> <li>✓ 18 years of age or older;</li> <li>✓ Resident of British Columbia for at least the last six months;</li> <li>✓ Reside in the Town of Ladysmith; and</li> <li>✓ Not disqualified by law from voting in local elections.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Canadian citizen;</li> <li>✓ 18 years of age or older;</li> <li>✓ Resident of British Columbia for at least the last six months;</li> <li>✓ Have owned and held registered title to a property in the Town of Ladysmith for at least the last 30 days, (and have been designated as the elector in that property); and</li> <li>✓ Not disqualified by law from voting in local elections.</li> </ul>

**Property owned in whole or in part by a corporation does not qualify under the non-resident elector provisions.**

**Deadline:** Signed Elector Response Forms must be received by the Corporate Officer at City Hall, 410 Esplanade, Ladysmith, BC **before 4:00 p.m. on Tuesday, June 25, 2024.** Office hours are 8:30am to 4:00pm Monday through Friday, excluding statutory holidays.

This is the first of two publications of this notice. Dated this 16<sup>th</sup> day of May, 2024.

Sue Bouma  
Corporate Officer  
Town of Ladysmith  
PO Box 220, 410 Esplanade, Ladysmith, BC V9G 1A2  
250.245.6400 // [www.ladysmith.ca](http://www.ladysmith.ca)





**Town of Ladysmith Alternative Approval Process  
Borrowing to Build a New City Hall Beneath a Housing Development**

By completing this Elector Response Form, I **oppose** the Town of Ladysmith Council’s intention to borrow up to \$13.5 million dollars to be repaid over a period up to 30 years in order to finance the construction of a new City Hall including Institutional/Commercial space beneath a Housing Development on Town-owned lands at 1<sup>st</sup> Avenue and Buller Street.

Completed Elector Response Forms must be returned to the Town of Ladysmith **by 4:00 p.m., Tuesday, June 25, 2024**. Office hours are 8:30 a.m. to 4:00 p.m. Monday through Friday excluding statutory holidays.

By signing the Elector Response Form you are certifying that:

Resident Elector	Non-Resident Elector
<ul style="list-style-type: none"> <li>✓ I am a Canadian citizen;</li> <li>✓ I am 18 years of age or older;</li> <li>✓ I have been a resident of British Columbia for at least the last six months;</li> <li>✓ I reside in the Town of Ladysmith;</li> <li>✓ I am not disqualified by law from voting in local elections; and</li> <li>✓ I am entitled to sign this elector response form for the proposed bylaw.</li> </ul>	<ul style="list-style-type: none"> <li>✓ I am a Canadian citizen;</li> <li>✓ I am 18 years of age or older;</li> <li>✓ I have been a resident of British Columbia for at least the last six months;</li> <li>✓ I have owned and held registered title to a property in the Town of Ladysmith for at least the last 30 days, (and have been designated as the elector in that property);</li> <li>✓ I am not disqualified by law from voting in local elections;</li> <li>✓ I may not sign an Elector Response Form more than once in relation to this matter</li> </ul>
<b>Elector’s Full Name (print):</b>	
<b>Residential Address (AND mailing address if different from residential address):</b>	
<b>Choose One:</b>	
<input checked="" type="checkbox"/> I am a resident elector <input type="checkbox"/> I am a non-resident elector who lives in another community and owns property in the Town of Ladysmith located at: _____	
<b>Signature of Elector:</b>	

**How to submit the completed form:**

- In person: City Hall, 410 Esplanade, Ladysmith, BC V9G 1A2
- By mail: PO Box 220, Ladysmith, BC V9G 1A2

See the reverse side of this form for further information regarding the alternative approval process



## Borrowing to Build a New City Hall Beneath a Housing Development Information Sheet

Council intends to borrow funds through the Municipal Finance Authority of British Columbia to finance the construction of a new City Hall and Institutional/Commercial space beneath a housing development on Town-owned lands at 1<sup>st</sup> Avenue and Buller Street. The amount to be borrowed is up to \$13.5 million. The estimated yearly payment is \$860,520 and the term of the loan will be up to 30 years.

A Public Information Package on this proposed project is available at City Hall reception, 410 Esplanade, Ladysmith, BC and on the Town's website at [www.ladysmith.ca](http://www.ladysmith.ca).

**Only electors of the Town of Ladysmith are eligible to sign the Elector Response Forms. There are two types of electors - *resident* and *non-resident*, as outlined on the front page.**

### INSTRUCTIONS

- If you are opposed to the borrowing of a total of thirteen million, five hundred thousand dollars (\$13,500,000) for the construction of a new City Hall including Institutional/Commercial space beneath a Housing Development on Town owned lands at 1<sup>st</sup> Avenue and Buller Street, and you qualify as an elector of the Town of Ladysmith, you may sign an alternative approval process elector response form.
- If you are **not opposed** to borrowing thirteen million, five hundred thousand dollars (\$13,500,000) for the construction of a new City Hall as outlined above, you do not need to do anything.
- To submit an elector response form you must qualify as a resident elector or a non-resident property elector within the Town of Ladysmith.
- Only one elector per elector response form is permitted.
- **All alternative approval elector response forms must be received by 4:00 p.m. on Tuesday, June 25, 2024.** Office hours are 8:30 a.m. to 4:00 p.m. Monday through Friday, excluding statutory holidays.

For further information please see: [www.ladysmith.ca/aap](http://www.ladysmith.ca/aap)

Section 86(6) of the *Community Charter* requires all electors to submit their response on the form established by the Town of Ladysmith or an accurate copy of that form. If this form is altered in any way, it must be rejected by the Town.