



REPORT TO COUNCIL

To: **Mayor and Councillors**

Subject: **Property Acquisition and Infrastructure Loan
Authorization Bylaw 2020, No. 3112 and
Process for Seeking Approval of the Electors**

File #: 0110.00

Doc #: 168986

From: Francis Cheung, P. Eng.
Chief Administrative Officer

Date: February 13, 2020

RECOMMENDATION:

1. THAT City Council give first, second and third readings to Property Acquisition and Infrastructure Upgrades Loan Authorization Bylaw 2020, No. 3112.
 2. THAT City Council direct the Corporate Officer to submit Property Acquisition and Infrastructure Upgrades Loan Authorization Bylaw 2020, No. 3112 to the Ministry of Community Services for review and approval by the Inspector of Municipalities.
 3. THAT following approval of the Property Acquisition and Infrastructure Upgrades Loan Authorization Bylaw 2020, No. 3112 by the Inspector of Municipalities, approval of the electors be sought through the Alternative Approval Process in relation to the loan authorization bylaw.
 4. THAT the Alternative Approval Process Elector Response Form be approved (Attachment 1).
 5. THAT the advertisement for the Alternative Approval Process be approved (Attachment 2).
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PURPOSE:

Subject to approval of the 2020-2024 Financial Plan, the purpose of this report is to seek approval from City Council to give first, second and third readings to Property

Acquisition and Infrastructure Upgrades Loan Authorization Bylaw 2020, No. 3112, and approval to the Alternative Approval Process Elector Response Form and advertisement for the Alternative Approval Process.

POLICY:

The *Community Charter* provides guidance on liability limits, process of undertaking a municipality borrowing, and process of seeking Elector approval.

COMMENTS/ANALYSIS:

Background

Langley City: Nexus of Community is the Council-approved vision the community that will leverage SkyTrain investment to Langley City in the next eight to ten years.

While SkyTrain is the catalyst, the vision is about much more than transit. It is about our city and the people that will grow around it before the train arrives, so that its stations are places of arrival, not departure. The vision builds on our existing community strengths of compact design, natural beauty and job-creating industries, and evolves in a bold and sustainable way, to strengthen our place as the strategic hub between the Fraser Valley and Metro Vancouver.

Langley City: Nexus of Community welcomes change and proposes bold moves that will allow Langley City to grow and develop in a way that provides new opportunities for our residents and businesses while maintaining our commitment to the environment, our values and what people love about our community today. The vision is one where Langley City is the place where young families thrive and kids grow up with the housing and services they need to stay healthy and challenged to be the best that they can be. Where seniors feel safe and included and young adults can stay and prosper. Where visitors come to experience what we have created. A place of vibrant spaces, invested partners and healthy citizens.

Langley City: Nexus of Community imagines a future Langley City with:

- A variety of new mixed-use developments that offer a diversity of housing, community services and business opportunities for residents – all in one place.
- A thriving downtown core that provides meeting places for our residents young and old.
- Daytime and evening activities, shops, restaurants and events drawing locals and visitors into the city centre.

- Walkable neighbourhoods, with an emphasis on greenspace and sustainable living, connected by efficient public transit.

Langley City: Nexus of Community established four cornerstones to provide focus and motivation for implementation:

COMMUNITY – Community is the place where everyone knows you. The place where you say hello to your neighbours and the clerk at the local store. Where you raise your children. Where you grow old surrounded by your support network of friends and family. Where residents and visitors alike feel safe, capable, valued, and up held. Community is what gives us strength, feeds our hearts and minds, and supports us to reach our potential.

CONNECTED – We are all looking for more from our cities. Young adults are seeking authenticity and uniqueness in their lifestyle and the desire to connect in a concrete and personal way. Employers are looking to locate in areas with transit-oriented developments because employees are demanding it. Connection requires easy access and pedestrian-scale, walkable areas across the city not just in the heart of downtown. Whether it is along the Nicomekl Flood Plain, or a residential street in Uplands we want to move between the different areas of our life with ease.

EXPERIENCES – People need a reason to come to our city. It is not enough to give them the means – we must also provide them with culture, entertainment, recreation and places to meet. Developing lifestyle is as important to a city's health as developing infrastructure. Langley City experimented with destination entertainment, food, activities and retail and showed that it is possible. The key is to create things that are truly unique and appeal to locals and tourists alike and build on the work we have already done.

INTEGRATION – Integration is the comfort of knowing that your city possesses the employment and services to provide for all residents according to their needs. It is a place where you live, work and play, and a place where everything you need is close by. We strive for a city that is self-sustaining, efficient, and welcoming. A place where city government partners with business and industry to build places where people want to be, where it's easy to do business and where community funds offer benefits to all.

Investment Proposal

With anticipated commitment from three levels of government to fund the extension of SkyTrain to Langley City by 2028, our local government has a once-in-a-generation, time-limited opportunity to be an instrument of significant change – to put

measures in place now so that we are a place of arrival, not departure, when the first trains leave our stations. We need to act now.

The City has been fiscally responsible and prudent throughout the municipality's 65 year history, enjoying a debt-free status for many years by utilizing a 'pay as you go' practice. Consequently, we have had to prioritize and/or limit the scope and type of capital investments over the years due to the financial constraints that result from this practice. While it has served the community well to date, a new approach is needed to shape how the city grows over the next 10 to 20 years.

The City needs to play a key and pivotal role in directing the type of redevelopment of properties along the transit corridor. The City will be in a position to influence, direct and transform the type of redevelopments that will fit the form and character of our community. The City can drive the redevelopment either by being our own developer or partnering with developers to ensure that the redevelopment achieves the goals of the City's new Official Community Plan, Zoning Bylaw and Nicomekl River District Neighbourhood Plan, including:

- Affordable Living & Diverse Housing for all Generations
- A Walkable City for Health & Wellness
- A Responsive Economy for Future Jobs
- Environmental Solutions for the Climate Emergency

The City needs to make significant investments to create an environment and provide incentives that will attract investors to establish themselves here. Other initiatives under *Langley City: Nexus of Community* that require financial investment include the proposed Performing Arts and Cultural Centre, expansion of our parks and trails, and improvements to our recreation facilities and other capital infrastructure assets.

To make these important long-term community-building investments within the timeframe available, Langley City intends to invest up to \$50 million over the next five years to acquire strategic properties, improve parks and trails, upgrade downtown Langley infrastructure, and expand and enhance City and recreation facilities to implement the Nexus vision and become a more transit-oriented community. Investing now allows us to lead and shape growth, creating new community assets that generate long-term revenue streams to be shared by Langley residents and businesses in the form of new amenities, facilities and efficient and cost-effective delivery of services. These investments would be used to fund \$31 million in strategic land acquisitions, \$3 million in parks and trail improvements, \$6 million in downtown Langley infrastructure upgrades and \$10 million in City and recreational facility expansions and enhancements over a five year period beginning in 2020.

Subject to elector approval, the proposed loan authorization bylaw would allow the City to improve and enhance quality of life, attract new investment, support redevelopment that fits the form and character of our community, and strengthen our role as the nexus between Metro Vancouver and Fraser Valley. The City plans on borrowing \$10 million per year over a five year period and the loans will be repaid over 15 years through modest property tax increases (less than 3% per year in the first five years). Langley City is using the Alternative Approval Process under the Community Charter to seek elector approval of the proposed loan authorization bylaw. The long term investment plan will only proceed with elector support, and the City will continue to apply prudent, fiscally responsible management practices.

Alternative Approval Process

In accordance with the Community Charter, cities must seek approval from local electors prior to passing a loan authorization bylaw. Elector approval may be sought either by Assent Voting (Referendum) or by an Alternative Approval Process. Staff are recommending using the Alternative Approval Process as it is less costly and requires fewer resources than Assent Voting while at the same time allows electors to submit responses over a period lasting at least 30 days.

Under the Alternative Approval Process, adoption of the loan authorization bylaw may proceed if fewer than 10% of eligible electors in the city submit forms opposing the bylaw.

Following are the basic steps for the City to complete the borrowing for these matters:

- Complete three readings of the Loan Authorization Bylaw.
- Submit bylaw and Liability Servicing Limit Certificate to the Ministry of Community Services for review and approval by the Inspector of Municipalities.
- Following approval from Inspector of Municipalities, seek elector approval of the bylaw through the Alternative Approval Process. Two public notices in subsequent weeks are required.
- If an elector is in favour of the proposed loan authorization bylaw, they don't have to do anything.
- If an elector opposes the proposed loan authorization bylaw they may sign an Elector Response Form and submit it to the City.
- Elector Response Forms will be available to the public at City Hall and on the City's web site on the date of publication of the first public notice. Eligible electors who are opposed to the loan authorization bylaw will have 30 days

after the publication of the second notice to submit their original signed forms to the Corporate Officer.

- Following the 30 day deadline, the Corporate Officer will certify the results.
- Adoption of the loan authorization bylaw will proceed if it does not receive opposition of 10% or more of the electorate. If opposition of 10% or more of the electorate is received, Council must either proceed to seeking elector approval of the loan authorization bylaw by Assent Voting (Referendum) or abandon the bylaw.
- Based on the Provincial provisional number of registered City of Langley resident voters as of November 25, 2019 (19,390), and the number of non-resident property electors on the 2018 City of Langley non-resident property elector voting list (1,379), the total number of electors is 20,769. Accordingly, the 10% threshold of electors is 2076.
- If elector approval of the bylaw is received, and subsequent to the thirty day quashing period for the bylaw as required by S. 760 of the Local Government Act, the City may make application for the Certificate of Approval by the Ministry, which upon receipt the City may borrow funds.

The Alternative Approval Process requires Council to approve the question and format of the form that the public will be asked to consider and Council is asked to approve the advertisement for the Alternative Approval Process. The question will follow the example below:

I am OPPOSED to the City of Langley proceeding with borrowing \$50 million as set out in the City of Langley Property Acquisition and Infrastructure Upgrades Loan Authorization Bylaw 2020, No. 3112, unless it is approved by Assent Voting.

BUDGET IMPLICATIONS:

The proposed loan authorization bylaw would allow the City to borrow up to \$50 million in the following areas:

Strategic Land Acquisitions	\$31 million
Parks and Trails Improvements	\$3 million
Downtown Langley Infrastructure Upgrades	\$6 million
City/Recreation Facilities Expansion/Enhancement	\$10 million
Total	\$50 million

The City plans on borrowing \$10 million per year over a five year period. The anticipated debt servicing cost will result in the following tax percentage based on 2019 assessment:

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2020: 2.84%

2021: 2.68%

2022: 2.54%

2023: 2.42%

2024: 2.30%

ALTERNATIVES:

1. **That the City proceeds with Assent Voting (Referendum) on the loan authorization bylaw** to seek eligible elector consent to borrow up to \$50 million to make strategic land acquisitions, parks and trails Improvements, infrastructure upgrades on Fraser Highway and Douglas Crescent in the downtown, and City/Recreation Facilities Expansion/Enhancements. This would entail significant additional expense for the same purpose (not recommended).
2. **That the City does not proceed with the loan authorization bylaw.** This would avoid the expense of seeking consent but would also limit the City's role in shaping development near the future SkyTrain station and would defer other community investments to realize our vision (not recommended).

Respectfully Submitted,



Francis Cheung, P. Eng.
Chief Administrative Officer

Attachments:

1. Alternative Approval Process Elector Response Form
2. Advertisement for the Alternative Approval Process