
CITY OF KELOWNA

MEMORANDUM

Date: June 18, 2007
File No.: 0760-30
To: City Manager
From: Director of Financial Services
Subject: MFA borrowing for the expansion of the Okanagan Gymnastics Centre
Report Prepared by: Jackie Dueck, Financial Accounting Manager

RECOMMENDATION:

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia, as part of their 2007 fall issue, \$800,000 as detailed in Loan Authorization Bylaw No. 9663 which authorized the 230m² expansion of the Okanagan Gymnastic Centre;

AND THAT the Regional District of Central Okanagan be requested to prepare a security issuing bylaw with a 20 year term.

BACKGROUND:

The Okanagan Gymnastics Centre was built just over five years ago by the City of Kelowna in partnership with the Okanagan Kokanee Gymnastics Club. Since opening, the membership has grown from 600 members to over 1,700. An expansion of 230m² is required at this time to accommodate the anticipated growth over the next eight to ten years. On October 20, 2006, loan authorization bylaw 9663 was introduced for an expansion construction loan of Eight Hundred Thousand Dollars (\$800,000). The bylaw received approval of the electors by the Alternative Approval Process on February 5, 2007. In December 2006 a lease amendment was drawn up between the City of Kelowna and the Okanagan Kokanee Gymnastics Club. The amendment extends the terms of the original lease and includes wording for the Gymnastics Club to repay the Eight Hundred Thousand Dollar (\$800,000) expansion construction loan that the City of Kelowna will secure. Construction is to be completed by December 2007.

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

Under the Community Charter, Section 182, *Municipal financing through regional district*, the authority for the Regional District to proceed with borrowing through the Municipal Finance Authority of British Columbia requires a Council resolution and the adoption of a municipal loan authorization bylaw by the Regional District (previously under the Local Government Act a security issue bylaw was required by the municipality).

Considerations that were not applicable to this report:

INTERNAL CIRCULATION TO:

LEGAL/STATUTORY AUTHORITY:
EXISTING POLICY:
FINANCIAL/BUDGETARY CONSIDERATIONS:
PERSONNEL IMPLICATIONS:
TECHNICAL REQUIREMENTS:
EXTERNAL AGENCY/PUBLIC COMMENTS:
ALTERNATE RECOMMENDATION:

Submitted by:

Paul Macklem
Director of Financial Services