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CITY OF KELOWNA

MEMORANDUM

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**Date:** January 16, 2008  
**File No.:** 0760-30  
**To:** City Manager  
**From:** Financial Accounting Manager  
**Subject:** MFA Borrowing for Airport Capital Projects

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**RECOMMENDATION:**

THAT Council approves borrowing from the Municipal Finance Authority of British Columbia, as part of their 2008 spring issue, \$45,800,000 as authorized through Loan Authorization Bylaw No. 9867 which authorized the construction of the Airport Capital Projects.

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

**BACKGROUND:**

By 2015, it is estimated that passenger activity at the Kelowna International Airport will increase to 1.6 million passengers.

City of Kelowna has deemed it desirable and expedient to construct additional vehicle parking, improving the ground access to the site, expanding the Air Terminal Building, constructing a new car rental terminal, adding new aircraft loading bridges and other airside improvements, and extending the runway on the properties owned or leased by the City of Kelowna located at the Kelowna International Airport.

On October 1, 2007, Bylaw No. 9867 was read a first, second and third time by Municipal Council. On October 12, 2007 approval of the Inspector of Municipalities was received. On December 12, 2007 Approval of the Electors by Alternative Approval Process was received. Bylaw 9867 was adopted by the Municipal Council of the City of Kelowna on December 17, 2007.

Construction completion is targeted for 2010.

Borrowing in the amount of \$45,800,000 is required to cover these projects and AIF revenues will repay all costs of borrowing. The intent is to only borrow as the projects are initiated, in each of the three years of the project.

**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:



J. Dueck, Financial Accounting Manager

Approved for Inclusion:



Paul Macklem, CMA, Director of Financial Services