



The Corporation of the District of Saanich

# Report

Sp C May 5/25

**To:** Mayor and Council

**From:** Angila Bains, Director of Legislative and Protective Services/Corporate Officer

**Date:** April 15, 2025

**Subject:** Saanich Operations Centre Redevelopment Project - Alternative Approval Process (AAP)

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## RECOMMENDATIONS

1. That an Alternative Approval Process be approved and conducted with respect to elector approval for "Saanich Operations Centre Redevelopment Project Loan Authorization Bylaw 2024, No. 10105"; and
  - a. That the deadline for receiving elector responses for Bylaw No. 10105 be 4:30 pm, Wednesday, June 25, 2025, following the 30-day statutory elector response period; and
  - b. That the total number of eligible electors, with respect to Bylaw No. 10105, be determined to be 87,353 with a 10 per cent threshold of 8,735; and
  - c. That, with respect to Bylaw No. 10105, the Elector Response Form be established and approved as presented.
2. That notice for the Alternative Approval Process be published in accordance with section 86(2) of the *Community Charter*.
3. That elector response forms for the Alternative Approval Process be accepted in any one of the following ways:
  - Delivered in person to Corporate Officer, District of Saanich Municipal Hall, 770 Vernon Ave, Victoria, BC, V8X 2W7 during regular office hours (Monday to Friday, 8:30 am to 4:30 pm, excluding statutory holidays), or after hours if deposited into the 24-hour secure drop box at the entrance of the Municipal Hall
  - By mail: Corporate Officer, the District of Saanich, 770 Vernon Ave, Victoria BC, V8X 2W7
  - By emailing a legible scanned copy: [aap@saanich.ca](mailto:aap@saanich.ca)

## PURPOSE

The purpose of this report is to obtain Council approval to proceed with an Alternative Approval Process (AAP) for long-term borrowing of up to \$150,000,000 under “Saanich Operations Centre Redevelopment Project Loan Authorization Bylaw 2024, No. 10105.” The AAP is a critical step to secure funding for the Saanich Operations Centre (SOC) redevelopment, following years of planning for this major capital initiative.

## DISCUSSION

### SOC Redevelopment

The SOC is located at 1040 McKenzie Avenue and is the primary facility for the District's parks and public works operations. More than 300 staff report to and work at the site during peak times. Key services supported by the SOC include the provision of safe and clean water, infrastructure for sewer and drainage, road and sidewalk maintenance, parks operations, solid waste curbside collection, and vehicle fleet maintenance.

The SOC's collection of buildings were constructed between the 1950s and 1970s, and are in need of replacement. In some cases permanent facilities were never built, with temporary trailers having been used onsite since the 1980s. Building issues within the 13.2 acre site include lack of building code compliant wall and floor assemblies, low seismic capacity (10% of the minimum building code criteria), building access safety concerns, lack of sprinklers for fire suppression, and general poor building condition. In 2018, the District's Strategic Facilities Master Plan identified the SOC as the municipality's highest-priority site for redevelopment, and did not recommend additional investment to renovate the aging facilities.

Planning for the SOC Redevelopment has been ongoing in recent years. A project timeline is as follows:

- **June, 2022:** Council approved the Business Case for the redevelopment, directing staff to continue planning for the project and to work with the private sector building community to consider opportunities for the site.
- **February, 2024:** The District acquired a three-acre property near the SOC at 4088, 4094 and 4098 Lochside Drive, reducing the scope of the project with the intention of relocating Parks Operations to this location, and to support other operations temporarily during the SOC Redevelopment. The new property includes fully functional offices, vehicle storage and a mechanic shop already onsite.
- **October, 2024:** Council received a detailed SOC project update including a projected net capital investment by the District of \$142,000,000 - \$150,000,000. Council also approved a procurement approach that would partner with the private sector in delivery of the SOC redevelopment and new housing.
- **October, 2024:** “Saanich Operations Centre Redevelopment Project Loan Authorization Bylaw, 2024, No. 10105” was introduced and read three times. The Bylaw would authorize borrowing of up to \$150,000,000 for the SOC Redevelopment.

The next steps for the SOC redevelopment are as follows:

- **May 21-June 25, 2025:** Alternative Approval Process to seek elector approval for Bylaw No. 10105 for long-term borrowing of up to \$150,000,000.
- **June – December, 2025:** Undertake a competitive procurement process to identify a development partner to deliver all aspects of the SOC redevelopment. Subsequently, design development would occur in 2026/27, followed by construction in the mid-2028.

It should be noted that the above timeline is dependent on Bylaw No. 10105 receiving elector approval through the AAP. If Bylaw No. 10105 is not approved, staff would need to bring forward additional options for Council consideration, which may include suspending the SOC redevelopment.

### **Alternative Approval Process – Bylaw No. 10105**

As noted above, Bylaw No. 10105 was introduced and read three times on October 28, 2024. The Bylaw would authorize long-term borrowing of up to \$150,000,000 for the redevelopment (construction) of the SOC. Bylaw No. 10105 received approval from the Provincial Inspector of Municipalities on December 19, 2024, enabling the District to move forward with an AAP. Elector approval is required for this bylaw under section 180 of the *Community Charter*.

AAPs are routinely used throughout BC to seek elector approval for borrowing towards capital initiatives. The process is set forth under the *Community Charter*, and includes a public notification period followed by an opportunity for qualified electors to register written opposition to a proposal. If more than 10 per cent of electors submit a valid Elector Response Form prior to the deadline established by Council, the loan authorization bylaw may not be adopted without further assent. Alternatively, if fewer than 10 per cent of electors are opposed, the bylaw will receive elector approval and may proceed for adoption.

Following the AAP process, the Corporate Officer will determine and certify, on the basis of the elector response forms received during the response period and before the deadline of 4:30 pm, Wednesday, June 25, 2025 whether elector approval has been obtained. If approved, Bylaw No. 10105 will be included on a subsequent agenda for adoption.

Municipalities may also obtain elector approval for an initiative by holding a referendum in accordance with the *Local Government Act*, to determine the will of a majority of voters in the community. Staff do not recommend a referendum at this time due to: the increased costs associated with holding a community wide vote (the costs are the same as holding a general election); the increased accessibility the AAP process provides (as residents are able to express their opinion and submit response forms over a 30-day period rather than a fixed voting event); and because the purpose of the borrowing in question is to fund critical and essential core municipal services (rather than establish new services or community amenities).

If Bylaw No. 10105 is not approved via AAP, a referendum may be presented as an option for Council consideration.

Statutory public notification of the AAP will be conducted via newspaper as well as on the District's main website, [www.saanich.ca](http://www.saanich.ca), where resources and background are also available. Extensive background on the SOC redevelopment is also available on [www.hellosaanich.ca](http://www.hellosaanich.ca), the District's public engagement website.

Staff will host a Public Information Meeting at the SOC on Saturday, May 24, 2025. The meeting will be open to the public, featuring presentations on the SOC and a Q&A period. The event occurs during National Public Works Week (May 18-24, 2025), annually recognizing public works and parks services. As in previous years, staff will provide SOC tours during select daytime hours.

### **Electors and Response Forms**

As part of the process, Council is required to make a fair determination of the total number of electors of the area to which the AAP applies. For Bylaw No. 10105, which applies to the entire municipality, staff have determined the number of electors to be 87,353 with a 10 per cent threshold of 8,735, using the Provincial Voters List, as provided by Elections BC. Borrowing costs for the bylaw would be paid by the entire municipality.

Council is also required to approve the Elector Response Form, as attached for consideration (Attachment 2), and to establish the deadline for receiving the Forms. Staff are recommending 4:30 pm, Wednesday, June 25, 2025 as the deadline for the AAP, which will provide time for public notices and the statutory response period.

For transparency, staff also recommend that Council formally approve the notification process under the *Community Charter*, and approve the methods by which Elector Response Forms may be accepted.

### **COUNCIL OPTIONS**

1. That Council approve the recommendations as outlined in the staff report.
2. That Council receive the report for information.
3. That Council provide alternative direction to staff.

### **FINANCIAL IMPLICATIONS**

Costs related to holding this Alternative Approval Process are estimated at \$15,000. This includes all public notifications, as well as staff resources for a public information meeting as recommended by staff.

At current borrowing rates the total annual debt servicing costs for the whole \$150,000,000 would be \$9,500,000. The borrowing will occur over several years and mirror the construction timeline. Council has already approved the debt servicing funding strategy in early 2024 which provided for 0.65% annual property tax increases for years 2024 to 2027, then 1.0% increase for years 2028 to 2031 and then back down to 0.65% thereafter. The debt servicing funding strategy encompassed other capital projects including a future Police building. Of the above annual increases to property taxes for debt servicing, 3.4% over a span of four years, is related to the SOC project or 0.85% on average per year. Utility Funds also share in the SOC redevelopment costs. Water Utility will require an increase of \$3.60 per year over 4 years to the average homeowner, Sewer Utility will require an increase of \$4.00 per year over 4 years to the average homeowner and SWS Utility will need an increase of \$1.70 per year over 4 years to the average homeowner.

The borrowing is consistent with Council's Debt Management Policy which provides for a maximum debt-servicing level of 14% of property taxes levied for the previous year for the general operating fund. The Policy operates as a key governance constraint on managing the appropriate levels of long-term debt. The debt servicing limit is stricter than the level set by the *Community Charter*, which limits debt servicing to 25% of the total municipal revenues collected in the previous year. Currently the District's debt servicing is at 5.33% of the total municipal revenues which is just above the 5.00% consent free zone allowed for in the *Charter*. Should the SOC borrowing be included, the District's debt servicing cost will increase to around 8.8% of the total municipal revenues collected.

## **STRATEGIC PLAN IMPLICATIONS**

The recommendations directly support the following Council Strategic Plan 2023-2027 objectives:

- 6.1** We balance efficiency, transparency, and engagement.
- 6.2** We base financial decisions on predictability, consistency, prudence, and long-term sustainability.

## **CONCLUSION**

The District has prioritized the Saanich Operations Centre Redevelopment, with a maximum borrowing investment of up to \$150,000,000. The next steps include long-term borrowing for the initiative. To adopt the associated Loan Authorization Bylaw, staff recommend holding an AAP, in accordance with the *Community Charter*. Staff have included recommendations to initiate the AAP and to undertake public notification.

Reviewed by: Harley Machielse, Director of Engineering

Reviewed by: Paul Arslan, Director of Finance

Approved by: Angila Bains, Director of Legislative and Protective Services/Corporate Officer

### **Attachments:**

- 1. Saanich Operations Centre Redevelopment Project Loan Authorization Bylaw, 2024, No. 10105
- 2. Elector Response Form

## **ADMINISTRATOR'S COMMENTS:**

I endorse the recommendation from the Director of Legislative and Protective Services/Corporate Officer.

Brent Reems, Chief Administrative Officer

**THE CORPORATION OF THE DISTRICT OF SAANICH**  
**BYLAW NO. 10105**  
**TO AUTHORIZE BORROWING FOR**  
**SAANICH OPERATIONS CENTRE REDEVELOPMENT PROJECT**

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WHEREAS it is deemed desirable and expedient to redevelop (construct) Saanich Operations Centre in the Municipality of Saanich;

AND WHEREAS the estimated cost including expenses incidental thereto is the sum of \$150,000,000 which is the amount of debt intended to be created by this bylaw;

NOW THEREFORE, the Municipal Council of The Corporation of the District of Saanich 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, the redevelopment of (construction) Saanich Operations Centre, 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, to borrow upon the credit of the Municipality, a sum not exceeding \$150,000,000.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 30 years.
3. This bylaw may be cited as the **"SAANICH OPERATIONS CENTRE REDEVELOPMENT PROJECT LOAN AUTHORIZATION BYLAW, 2024, No. 10105"**.

Read a first time this 28<sup>th</sup> day of October, 2024.

Read a second time 28<sup>th</sup> day of October, 2024.

Read a third time 28<sup>th</sup> day of October, 2024.

Received the approval of the Inspector of Municipalities on the 19<sup>th</sup> day of December, 2024.

Adopted by Council, signed by the Mayor and Corporate Officer and sealed with the Seal of the Corporation on the day of , 2025.

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Corporate Officer

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Mayor



## DISTRICT OF SAANICH

### ELECTOR RESPONSE FORM

#### Alternative Approval Process for “Saanich Operations Centre Redevelopment Project Loan Authorization Bylaw, 2024, No. 10105”

By completing this elector response form, I **OPPOSE** Council's intention to adopt “Saanich Operations Centre Redevelopment Project Loan Authorization Bylaw, 2024, No. 10105” which authorizes the borrowing of up to \$150,000,000 to be repaid over a period not exceeding 30 years to finance the costs of the redevelopment (construction) of Saanich Operations Centre, 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, unless a vote is held.

I certify that:

- I am a person entitled to be registered as an Elector (pursuant to the *Local Government Act*) within the District of Saanich;
- I have not previously signed an Elector Response Form with respect to this Bylaw; and
- I am **OPPOSED** to the adoption of “Saanich Operations Centre Redevelopment Project Loan Authorization Bylaw, 2024, No. 10105”, unless a vote is held.

#### ONE PERSON PER FORM

<b>Full Name of Elector:</b> (please print)	
<b>Full Residential Address of Elector:</b> Street address including Postal Code (please print)	
<b>Signature of Elector:</b>	
<b>Date:</b>	

- Choose one:** ☐ I am a resident elector (see reverse for elector eligibility requirements)  
☐ I am a non-resident property elector who lives in another community and owns property in the District of Saanich at:

\_\_\_\_\_  
(Street Address including Postal Code)  
(see reverse for elector eligibility requirements)

Completed Elector Response Forms **MUST** be returned to the District of Saanich Municipal Hall **no later than 4:30 p.m., Wednesday, June 25, 2025.**

Elector Response Forms may only be returned in one of the following ways:

- **Delivered in person at the District of Saanich Municipal Hall**, 770 Vernon Ave, Victoria BC, V8X 2W7, Attn: Corporate Officer, during regular office hours (Monday to Friday, 8:30 a.m. to 4:30 p.m. excluding statutory holidays), or after hours if deposited into the 24-hour secure drop box at the entrance of the Municipal Hall
- **By mail:** District of Saanich, 770 Vernon Ave, Victoria BC, V8X 2W7, Attn: Corporate Officer
- **By emailing a legible copy** to: [aap@saanich.ca](mailto:aap@saanich.ca), as per the Alternative Approval Process Policy

*Approval of the electors by Alternative Approval Process is obtained if less than 8,735 elector responses are received by the stated deadline.*

## **INFORMATION REGARDING QUALIFICATIONS FOR ELECTORS**

### **RESIDENT ELECTORS MUST BE:**

- age 18 or older; and
- a Canadian citizen; and
- a resident of British Columbia for at least 6 months immediately before signing this elector response form; and
- a Saanich resident; and
- not disqualified by any enactment from voting in an election or otherwise disqualified by law.

### **NON-RESIDENT PROPERTY ELECTORS MUST BE:**

- age 18 or older; and
- a Canadian citizen; and
- a resident of British Columbia for at least 6 months immediately before signing this elector response form; and
- a registered owner of real property within the District of Saanich for at least 30 days immediately before signing this elector response form; and the only persons who are registered owners of the real property, either as joint tenants or tenants in common, are individuals who are not holding the property in trust for a corporation or another trust; and
- not entitled to register as a resident elector within the District of Saanich; and
- not disqualified by any enactment from voting in an election or otherwise disqualified by law; and
- if there is more than one registered owner of the property (either as joint tenants or tenants in common), only one of those individuals may, with the written consent of the majority of the owners, register as a non-resident property elector; and
- a person may only register as a non-resident property elector in relation to one parcel of real property in a jurisdiction.

**NOTE:**        **No corporation is entitled to be registered as an elector or have a representative registered as an elector, and no corporation is entitled to vote.**