

**DATE:** April 23, 2021**FILE:** 3900-02 Proposed Bylaws**TO:** Chair and Directors  
Comox Valley Regional District Board**FROM:** Russell Dyson  
Chief Administrative OfficerSupported by Russell Dyson  
Chief Administrative Officer*R. Dyson***RE: Economic Development Service – Bylaw Amendment**

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**Purpose**

To recommend an amendment to the service establishing bylaw for the Comox Valley Economic Development Service to remove the restriction on borrowing in order to enable the Comox Valley Regional District (CVRD) to potentially assume the outstanding mortgage for the Vancouver Island Visitor Centre.

**Recommendation from the Chief Administrative Officer:**

THAT Bylaw No. 654 being "Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016, Amendment No. 1" be introduced and read three times;

AND FURTHER THAT the Board authorize participating area approval for Electoral Areas A, B and C to be given by the electoral area directors consenting in writing to adoption of Bylaw No. 654 in accordance with Section 347 of the Local Government Act;

AND FINALLY THAT prior to submission of the bylaw to the Inspector of Municipalities for approval, written consent to the adoption of the bylaw be sought from the Directors for Electoral Areas A, B and C as well as council consent from the City of Courtenay and Town of Comox being the participants in the service.

**Executive Summary**

- On March 30, 2021 the CVRD Board of Directors endorsed a five-point plan in order to address a number of matters required to support the ongoing transition respecting the termination of the service contract with the Comox Valley Economic Development Society (CVEDS).
- The transition plan, enclosed as Appendix A to this report, includes the following key matters outlined in "Point 2":
  - That the CVEDS transfer to the CVRD the subcontract with Tourism Vancouver Island for tourism/destination marketing, title and outstanding mortgage for the Vancouver Island Visitor Centre (VIVC), and the role of secretariat for the Economic Recovery Task Force.
- At the time of writing this report the CVEDS is still considering the above requests and a response is expected shortly. In anticipation of the potential transfer of the VIVC title and pay off of the associated mortgage with CVEDS, staff have identified a need to ensure the CVRD has the legislative authority and financial capability should such transfer occur.
- Bylaw No. 345 being "Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016", provided as Appendix B to this report, is constitutional in nature and outlines what the service is, who will benefit, the maximum cost and how the costs will be

recovered. Section 9 of the bylaw restricts the service from accepting any debt, other than temporary current borrowing, for the purposes of the service. As current liability to cover current-year operating expenditures for cash flow is the only form of debt permitted, an amendment to remove this restriction is required should the CVRD (Comox Valley Economic Development Service, Function 550) seek to undertake a short-term loan to finance the outstanding mortgage on the VIVC and continue with similar payment terms.

- The amendment of service establishment bylaws have certain legislative requirements and sequencing, including approval by the Inspector of Municipalities and participating area approval before they may be adopted. In reviewing the general timeline for the service contract termination and the legislative requirements, it has been noted that an amendment to the bylaw should proceed in order for a potential transfer to occur. The proposed steps and timeline are noted below:

STEP	DESCRIPTION	TIMELINE
1.	Bylaw amendment readings 1-3 by CVRD Board	April 27
2.	Seek consent from service participants to adopt bylaw	April 28 – May 25
3.	Seek bylaw approval from the Inspector of Municipalities	May 25 – July 16
4.	Consideration by CVRD Board of adopting bylaw amendment	July 27
5.	Resolution by CVRD Board authorizing the debt through the Municipal Finance Authority for the VIVC and specifying the principal repayment terms (maximum 5 year term)	July 27
6.	Transfer of title and mortgage of the VIVC in accordance with the CVRD's five-point plan	August 1

- While the CVRD does not wish to presuppose the decision or actions of the CVEDS respecting the VIVC, as the timeline above indicates, it is prudent for the Board to establish the necessary legislative authority and financial means should the transfer occur.
- Draft Bylaw No. 654 being "Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016, Amendment No. 1" which deletes the restriction on borrowing is provided as Appendix C to this report.
- The specific details and decisions concerning the facility transfer and other related matters covered by the CVRD's 'five-point plan' are the subject of ongoing discussions and collaboration between the CVRD, CVEDS and the participating jurisdictions. Further information will be presented to the Board as it becomes available.

Prepared by:

***J. Martens***

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Jake Martens  
General Manager of Corporate  
Services

#### **Government Partners and Stakeholder Distribution (Upon Agenda Publication)**

K'ómoks First Nation	✓
Comox Valley Economic Development Society	✓

Attachments: Appendix A – Staff report dated March 24, 2021 “Transition – The CVEDS Contract and the Service Review”  
Appendix B –Bylaw No. 345 being “Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016”  
Appendix C - Bylaw No. 654 being “Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016, Amendment No. 1”

**DATE:** March 24, 2021**FILE:** 6750-20/CV**TO:** Chair and Directors  
Regional District Board**FROM:** Russell Dyson  
Chief Administrative OfficerSupported by Russell Dyson  
Chief Administrative Officer***R. Dyson*****RE: Transition – The CVEDS Contract and the Service Review****Purpose**

To present a plan for the Comox Valley Regional District (CVRD) Board of Directors and the Members of the Comox Valley Economic Development Society (CVEDS) in order to address a number of urgent matters required to support the 2021 transition with the termination of the CVEDS contract and the economic development service review.

The principles behind the plan are:

- Collaboration among members and directors of CVEDS
- Transparency between CVEDS and the CVRD
- A smooth transition
- Allowing the participants to complete the service review without lost opportunity or assets
- Supporting the community

A graphic representation of the plan is attached as Appendix A.

This report is being presented to address a number matters concerning the service and its assets that require immediate action to avoid imminent financial and legal risk. Dealing with these issues will allow the ongoing service review to proceed in a proactive and prudent manner.

**Recommendations from the Chief Administrative Officer:**

THAT the Comox Valley Regional District Board adopt the following five-point plan to direct the termination of the Comox Valley Regional District (CVRD)/ Comox Valley Economic Development Society (CVEDS) contract, scheduled to expire on August 26, 2021:

**Point 1:** Recommend to CVEDS (Members, Directors and Staff) to act transparently, share information (internally and externally) and operate in community's interest towards CVRD/CVEDS contract termination including:

- Honour for the expertise, history and knowledge contained in the current CVEDS Executive (Directors Staff);
- Respect for CVEDS executive decision-making authority;
- If necessary, a CVEDS request to the CVRD to support the Society Members

**Point 2:** Request to CVEDS that it transfer to the CVRD the:

- subcontract with Tourism Vancouver Island for tourism/destination marketing (effective April 15, 2021);

- title and outstanding mortgage for the Visitor Centre (effective August 2021);
- role of secretariat for the Economic Recovery Task Force

**Point 3:** CVRD assumes Tourism Vancouver Island contract until December 31, 2021 based on a Tourism Vancouver Island plan that is approved by CVRD to continue the tourism, Visitor Centre operations, and destination marketing promotion (ie MRDT, seafood fest, website/social media/marketing presence, other matters), enabling in part the CVRD to support a smooth transition of the MRDT program with CVEDS and the City of Courtenay

**Point 4:** CVRD assumes payment of the Visitor Centre debts and liabilities and determines future through the service review

**Point 5:** CVRD assumes support for Economic Recovery Task Force and this continues until no later than December 31, 2021.

### Issues

- **Service Review** – The Service Review is critical for defining the future of function 550. This five point plan is meant as an interim measure. As the CVRD Board resolved to cancel the CVRD/CVEDS contract in February, this report addresses specific matters related to the contract expiry and provides time for the Service Review to continue resolving matters related to tourism, destination marketing and economic development. Through discussion at the CVRD Board and the service review process, the participants are signaling a much different service level but clear direction is not yet apparent. Participants need time to consult with their councils and local interests, while some of the above matters need action now.
- **CVEDS (Society) Members** – CVEDS members, while appointed to the Society by the local governments, are responsible to the Society. The members' Society role should be informed on decisions by the Society. A CVEDS Members and Directors meeting is scheduled for March 26, 2021.
- **CVEDS Directors and Staff** – With notice provided CVEDS focus is on management of the termination. The time and resources of its directors and staff are primarily fulfilling this complex and consuming process.
- **Tourism Vancouver Island Contract** – Tourism Vancouver Island (TVI) is currently providing a level of service within the valley for tourist information and support for destination marketing. There is no known option for an immediate alternative and there needs to be some stability in the service through 2021. This service could evaporate with little or no notice. The community will be facing an unprecedented tourist season through 2021 and stability and support will be necessary through recovery of the pandemic. A timely transfer of the TVI contract to the CVRD provides stability for all stakeholders through 2021.
- **Vancouver Island Visitor Centre** – The future of the Vancouver Island Visitor Centre (VC) is unknown. Options for its future need to be assessed based on past commitments, current obligations and any intentions for continued service provision. The asset needs to be managed and protected in the interest of the participants to enable a rationale decision for its future. CVEDS advised the members that the grant funders of the facility, being Island Coastal Economic Trust (ICET) and Western Economic Diversification (WED) could require payback of funds if the VC was sold and not utilized for its intended use as a public asset. Staff have investigated the related funding for the construction of the visitors centre as published on the ICET website, with a total budget of \$3,836,774 with \$745,000 from ICET and \$2,584,020 from

WED, other minor donations and CVEDS funding of \$453,504. In preliminary discussions with ICET and WED they have indicated significant concern if the VC does not remain as a public asset for community benefit, and any such action would require elevation to their boards and higher level representatives to determine the impact of such a decision. However, the transfer of the VC to CVRD or one of the member local governments to continue on as a visitor centre and/or for public use was not seen as a concern.

- **Economic Recovery Task Force** – The ERTF requires follow up and outreach to the sectors. This requires support that is not currently being provided through the formal service review initiated in late 2020, and subsequently the CVEDS contract termination notice provided in late February. The term position with the CVRD which recently closed, is expected to focus on the ERTF and reaching out to related stakeholders in the community for community recovery.

As illustrated in Appendix A, a sample requisition for the economic development service (function 550) is provided. Significant fiscal savings can be realized for the participants through this plan.

**Note the 2022 budget in Appendix A assumes tourism, destination marketing and Visitor Centre expenses only.** No additional funds are noted for any unexpected CVEDS liabilities, nor for other expenditures under this service in 2022. Further,

- The service review will determine future of tourism (including MRDT) and Visitor Centre (Courtenay has direct interest in that Courtenay-based hoteliers contribute to MRDT, and therefore City of Courtenay's intent with respect to future of MRDT, tourism, destination marketing and Visitor Centre is critical to activities in 2022). Note that CVRD and Courtenay staff have been collaborating on MRDT and reaching out to Destination BC and the Minister of Finance on the outcome of termination. As CVEDS is the designated recipient of Courtenay's MRDT, the MRDT will cease once CVEDS is wound up. And a new application will need to be submitted with 51 per cent of hotels and 51 per cent of rooms supporting the new application. This process takes nine months and therefore there is expected to be a lapse of MRDT, however setting a new path in tourism services and setting a new path with the hoteliers may be a benefit in discussions with Tourism Vancouver Island; and
- Rural areas economic development determined through the service review, but it could be realized through planning, parks and community grant services and municipalities economic development through own means – effective January 1, 2022.

The CVRD will soon have staff to provide the necessary support for matters including the task force, Visitor Centre, tourism and CVEDS contract expiry. The resource is to be funded by the service for one year or as required post service review.

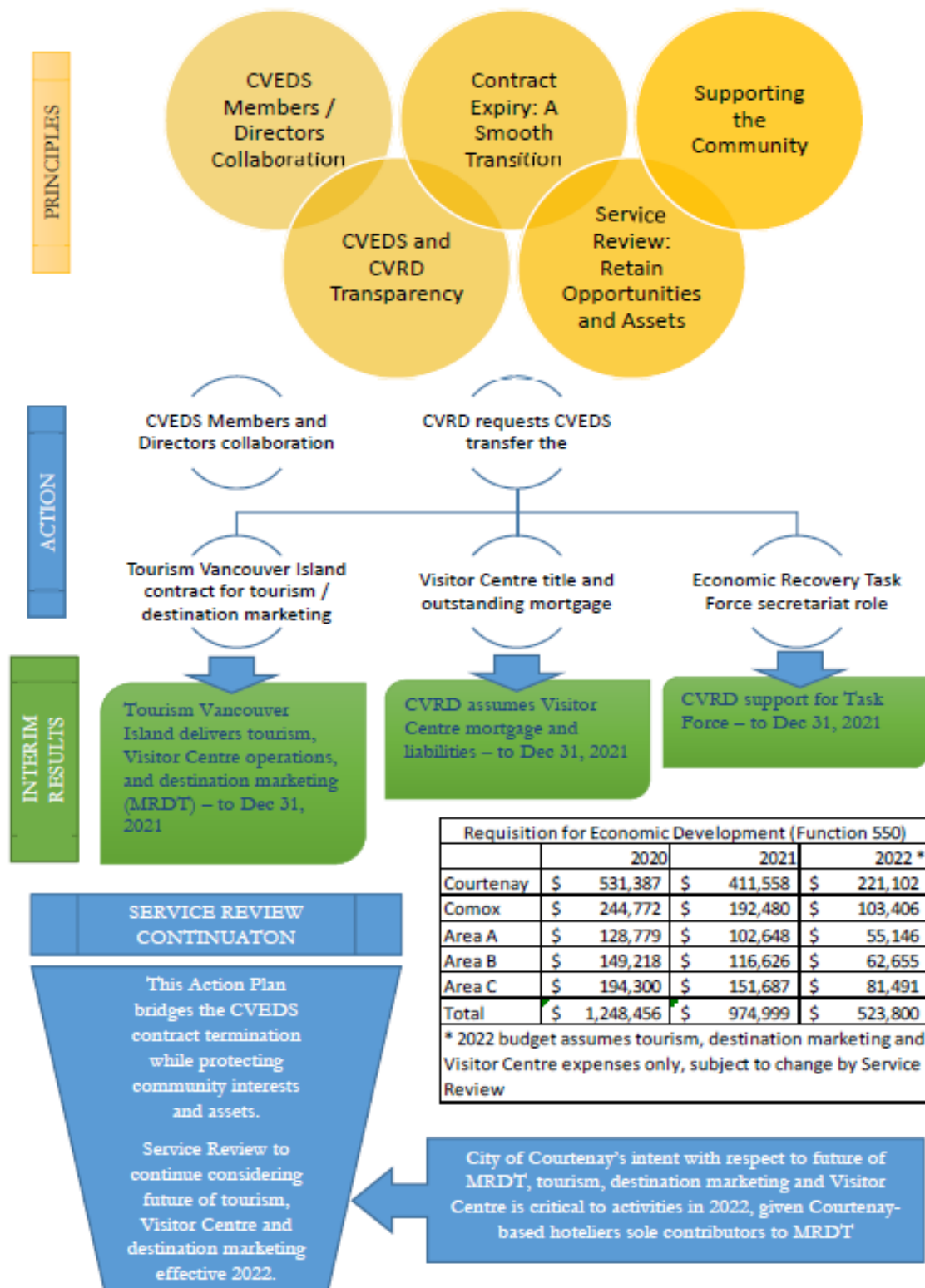
Prepared by:

*J. Warren*

James Warren  
Deputy Chief Administrative Officer

Attachment: Appendix A – graphic of CVRD/CVEDS transition and community supports plan

## APPENDIX A





## Economic Development Service Conversion Bylaw

The following is a consolidated copy of the Comox Valley Economic Development Service Conversion Bylaw and includes the following bylaws:

Bylaw No.	Bylaw Name	Adopted	Purpose
345	Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016	October 25, 2016	To convert and establish the Comox Valley economic development service for the purpose of providing for the economic development commission to encourage the responsible expansion of the Comox Valley economic base as well as enhance wealth and employment opportunities

**This bylaw may not be complete due to pending updates or revisions and therefore is provided for reference purposes only. Titles and whereas clauses may be different than in original bylaws to make this consolidated version more clear and identify historical changes and conditions. THIS BYLAW SHOULD NOT BE USED FOR ANY LEGAL PURPOSES. Please contact the corporate legislative officer at the Comox Valley Regional District to view the complete bylaw when required.**



## **COMOX VALLEY REGIONAL DISTRICT**

### **BYLAW NO. 345**

**A bylaw to convert and establish the Comox Valley economic development service to encourage and provide for the responsible expansion of the Comox Valley economic base as well as enhance wealth and employment opportunities**

**WHEREAS** the board of the Comox Valley Regional District (CVRD) may, by bylaw, under section 341(3) of the *Local Government Act* (RSBC, 2015, c.1) convert a service provided by the regional district in accordance with section 341(5) of the *Local Government Act* (RSBC, 2015, c.1) and by the same bylaw amend the power to the extent that it could if the power were in fact exercised under the authority of an establishing bylaw under the *Local Government Act* (RSBC, 2015, c.1) provided that the bylaw meets the requirements of section 339 and is adopted in accordance with section 349 of the *Local Government Act* (RSBC, 2015, c.1);

**AND WHEREAS** the board wishes to convert the Comox Valley economic development service established under letters patent dated June 30, 1976 to a regional district service;

**AND WHEREAS** the board wishes to integrate elements of the service review conducted in 2013 and 2014 to address the service purpose, clarity and roles;

**AND WHEREAS** the board wishes to implement the outcome of the service withdrawal dated March 2016 where the Village of Cumberland has withdrawn from the service and the Village of Cumberland is to pay to the service \$40,000 each year in 2016, 2017, 2018 and 2019 for a total of \$160,000;

**AND WHEREAS** pursuant to section 342 of the *Local Government Act* (RSBC, 2015, c.1), the approval of the Inspector of Municipalities has been obtained;

**AND WHEREAS** pursuant to section 346 of the *Local Government Act* (RSBC, 2015, c.1), the councils of the City of Courtenay, the Town of Comox and the Village of Cumberland have given consent on behalf of the electors within the municipal participating areas to adoption of this bylaw;

**AND WHEREAS** pursuant to section 347 of the *Local Government Act* (RSBC, 2015, c.1), the directors of Electoral Areas A, B and C have given consent in writing on behalf of the electors within the electoral participating areas to adoption of this bylaw;

**NOW THEREFORE** the board of the Comox Valley Regional District in open meeting assembled enacts as follows:

#### **Service**

1. (1) The service converted and established by this bylaw is the Comox Valley economic development service.
- (2) The service shall be known as the Comox Valley economic development service (the ‘service’).

### **Definition of economic development**

2. A short definition provided by the International Economic Development Council suggests that “the main goal of economic development is improving the economic wellbeing of a community through efforts that entail job creation, job retention, tax base enhancements and quality of life.”

### **Purpose**

3. The service is to encourage the responsible expansion of the Comox Valley economic base as well as enhance wealth and employment opportunities through:
  - (a) Promoting, marketing and facilitating economic development in the Comox Valley;
  - (b) Developing and implementing economic development strategies for the Comox Valley;
  - (c) Developing and/or assisting in the development of properties and facilities which create or expand economic, investment or employment activity in the Comox Valley;
  - (d) Developing and maintaining timely information on economic activity and economically-relevant statistics in the Comox Valley;
  - (e) Partnering with business and other organizations within the Comox Valley;
  - (f) Supporting specific sector based economic activities, studies and other economic development activities specifically approved by the CVRD board.

### **Boundaries**

4. The boundaries of this service shall be the boundaries of Baynes Sound (Electoral Area A (excluding Denman and Hornby Islands)), Lazo North (Electoral Area B), Puntledge/Black Creek (Electoral Area C) and inclusive of the City of Courtenay and the Town of Comox.

### **Participating local governments ‘Members’**

5. The participants of this service are Baynes Sound (Electoral Area A, excluding Denman and Hornby Islands), Lazo North (Electoral Area B), Puntledge/Black Creek (Electoral Area C), the City of Courtenay and the Town of Comox.

### **Cost recovery**

6. As provided in section 378 of the *Local Government Act* (RSBC, 2015, c.1), the annual cost for this service shall be recovered by one or more of the following:
  - (a) property value taxes;
  - (b) fees and charges imposed under section 397 of the *Local Government Act* (RSBC, 2015, c.1);
  - (c) revenues raised by other means authorized by the *Local Government Act* (RSBC, 2015, c.1) or another Act; and
  - (d) revenues received by way of agreement, enterprises, gift, grant or otherwise.

### **Village of Cumberland withdrawal payments**

7. (1) As a condition of withdrawing from the Comox Valley economic development service in March 2016, the Village of Cumberland agrees to pay to the service \$40,000 each year in 2016, 2017, 2018 and 2019 for a total payment of \$160,000.

- (2) This section 7 (Village of Cumberland withdrawal payments) is removed from this bylaw on January 1, 2020 and the following subsections are renumbered accordingly.

### **Maximum requisition**

8. In accordance with section 339(1)(e) of the *Local Government Act* (RSBC, 2015, c.1), the maximum amount that may be requisitioned annually for the cost of the service is \$0.278 per \$1,000 applied to the net taxable value of land and improvements for regional hospital district purposes.

### **Borrowing**

9. No debt, other than temporary current borrowing shall be incurred for the purposes of the service.

### **Service delivery**

10. (1) The service may be provided by an agency or agencies under contract to the CVRD pursuant to section 263 of the *Local Government Act* (RSBC, 2015, c.1).  
(2) If at any time the CVRD must reconsider its service delivery model and define a commission or other body to deliver economic development services, that commission or other body shall adopt a terms of reference that is not dissimilar to the terms of reference in schedule ‘A’ of this bylaw.

### **Service review**

11. All aspects of the Comox Valley economic development service function shall be reviewed at least every four years, with the first review occurring in 2020.

### **Citation**

This Bylaw No. 345 may be cited as “Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016”.

## **Schedule ‘A’**

### **Terms of Reference – Comox Valley Economic Development Governance Structure**

#### **Directors:**

##### **VOTING:**

- Four (4) as appointed by City of Courtenay council
- Two (2) as appointed by Town of Comox council
- One (1) as appointed by Area A director
- One (1) as appointed by Area B director
- One (1) as appointed by Area C director
- One (1) as appointed by the K’omoks First Nation
- One (1) as appointed by Comox Valley Chamber of Commerce
- One (1) as appointed by another local organization

A quorum would consist of a majority of the voting directors plus one, or seven directors.

##### **NON-VOTING:**

- Commission immediate past-president

#### **Members:**

- City of Courtenay
- Town of Comox
- Comox Valley Regional District representing electoral areas:
  - Baynes Sound (Area A excluding Denman and Hornby Island)
  - Lazo North (Area B)
  - Puntledge/Black Creek (Area C)

**Member’s roles and responsibilities:** the participating local governments are named as members in the constitution bylaw with the responsibility of appointing directors to the board and the sole discretion to amend/change constitution/bylaws.

Appointments to consider knowledge, skills and experience include: demonstrated interest in society; governance; leadership; strategic planning; finance and accounting; legal; political processes; business management; community knowledge and stakeholder relations; connections with senior government stakeholders; communication and public relations/media; economic development; and logistics and transportation.

A commission formed pursuant to the BC *Society Act* (RSBC, 1996, c. 433) is a separate legal entity. A commission formed to provide the Comox Valley Regional District members with economic development services shall include in the bylaws language to protect the interests of the members and shall require the members’ approval to amend the governance model.

**COMOX VALLEY REGIONAL DISTRICT**

**BYLAW NO. 654**

**A bylaw to amend the service establishment bylaw for the Comox Valley Economic Development Service to remove the restriction on borrowing**

**WHEREAS** under section 332 of the *Local Government Act (RSBC, 2015, C. 1)* a regional district may operate any service the Board considers necessary or desirable for all or part of the regional district;

**AND WHEREAS** the Board of the Comox Valley Regional District adopted Bylaw No. 345 being “Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016” on October 25, 2016” to convert and enhance the Comox Valley Economic Development Service;

**AND WHEREAS** the board wishes to amend the service establishing bylaw to remove the restriction on borrowing for the purposes of the service;

**AND WHEREAS** the participating areas approval has been obtained in accordance with section 349 of the *Local Government Act (RSBC, 2015, C. 1)*;

**AND WHEREAS** the approval of the Inspector of Municipalities has also been obtained under section 349 of the *Local Government Act (RSBC, 2015, C. 1)*; and

**NOW THEREFORE** the Board of the Comox Valley Regional District in open meeting assembled enacts as follows:

**Amendment**

1. Bylaw No. 345 being “Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016” is hereby amended by deleting Section 9 “Borrowing” which reads as follows:

**“Borrowing**

9. No debt, other than temporary current borrowing shall be incurred for the purposes of the service.”

and renumbering the subsequent sections accordingly.

**Citation**

2. This Bylaw No. 654 may be cited as “Comox Valley Economic Development Service Conversion Bylaw No. 345, 2016, Amendment No. 1”.

