



To: Finance Committee **Date:** June 10, 2013
From: Jane Fernyhough **File:** 11-7000-00/Vol 01
 Director, Arts, Culture and Heritage Services
Re: **Creation of a Statutory Reserve Fund for Arts, Culture and Heritage Capital Purposes**

Staff Recommendations

1. That Arts, Culture and Heritage Capital Reserve Fund Establishment Bylaw No.9032 be introduced and given first, second and third readings; and,
2. That following adoption of Bylaw No. 9032, \$ 4,297,779 together with accrued interest, being the net proceeds realized from the land transactions in conjunction with the Oris Development (Kawaki) at 6160 London Road and 13100, 13120, 13140, 13160 and 13200 No. 2 Road, be deposited to the Arts, Culture and Heritage Capital Reserve Fund.

Jane Fernyhough
per

Jane Fernyhough
 Director, Arts, Culture and Heritage Services
 (604-276-4288)
 Att.1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance Division	<input checked="" type="checkbox"/>	<i>[Signature]</i>
Law	<input checked="" type="checkbox"/>	
REVIEWED BY DIRECTORS	INITIALS: <i>DW</i>	REVIEWED BY CAO (DEPUTY) <i>[Signature]</i> INITIALS: <i>DE</i>

Staff Report

Origin

At the City Council meeting of January 23, 2012, where Council approved an application by Oris Development (Kawaki) Corp. for an OCP amendment to London/Princess Sub Area Plan and rezoning at 6160 London Road and 13100, 13120, 13140, 13160 and 13200 No. 2 Road (the “Kawaki Rezoning”), the following resolution was made:

6) that the net funds from the land transactions be transferred to an account which would be specifically intended for Arts, Culture and Heritage capital purposes.

This report recommends establishment of a statutory reserve fund for future Arts, Culture and Heritage Capital projects, and the deposit of the net proceeds from the Kawaki Rezoning land transaction into this fund.

This supports Council term goal 9.2 *Arts and Culture: Plan for new cultural infrastructure including a new Richmond museum, performance venues and affordable creation spaces.*

Analysis

The Community Charter under section 188 (1) states: *A council may, by bylaw, establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund.*

Spending of money in Reserve Funds is subject to Council approval in accordance with City policies and the Community Charter. This bylaw will create a specific reserve to house and expend funds for Arts, Culture and Heritage capital projects. (**Attachment 1**)

Funds in the Arts, Culture and Heritage Capital Reserve Fund would be available for the following purposes, whether or not these projects are undertaken by the City:

- Capital costs associated with the development of Arts, Culture or Heritage facilities;
- Capital costs associated with the restoration of Heritage properties;
- Capital costs associated with the renovation or restoration of facilities or properties that are or will be used for Arts, Culture and Heritage activities.

The total proceeds of \$4,297,779 received from the Kawaki Rezoning, plus accrued interest, will be transferred to the Arts, Culture and Heritage Capital Reserve Fund once this new reserve fund is established.

This recommendation provides one time funding to this reserve. However, from time to time, Council may direct that further deposits be made to this reserve fund.


Any projects funded through this reserve will still go through the capital budget process. This fund provides an additional funding mechanism for Arts, Culture and Heritage projects which are typically underfunded in the capital budget process given they are competing for limited funds in the general capital program.

Financial Impact

None

Conclusion

The establishment of a statutory reserve fund for Arts, Culture and Heritage Capital Projects provides a reserve fund for future facilities, restoration of heritage facilities and restoration of buildings that are or will be used to house arts and culture activities. The proceeds from the land transactions realized from the Kawaki Rezoning will be deposited into this reserve fund.



Jane Fernyhough
Director, Arts, Culture and Heritage
(604-276-4288)



**Arts, Culture and Heritage Capital Reserve Fund
Establishment Bylaw No. 9032**

WHEREAS:

- A. Section 188(1) of the *Community Charter* authorizes Council to establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund;
- B. Council wishes to establish a reserve fund for the purposes of supporting capital costs related to arts, culture and heritage facilities, properties and activities,

The Council of the City of Richmond enacts as follows:

1. The Arts, Culture and Heritage Capital Reserve Fund is hereby established.
2. Any and all amounts in the Arts, Culture and Heritage Capital Reserve Fund, including any interest earned and accrued, may be used and expended solely for capital costs for any one or more of the following purposes (whether or not undertaken by the City):
 - (a) the development of arts, cultural or heritage facilities;
 - (b) the restoration of heritage properties;
 - (c) the renovation or restoration of facilities or properties that are or will be used for arts, cultural and heritage activities.
3. If any section, subsection, paragraph, clause or phrase of this bylaw is for any reason held to be invalid by the decision of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this bylaw.

4. This Bylaw is cited as “**Arts, Culture and Heritage Capital Reserve Fund Establishment Bylaw No. 9032**”.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept. <i>A</i>
APPROVED for legality by Solicitor <i>mf</i>

MAYOR

CORPORATE OFFICER