



October 31, 2019

UEL Community Advisory Council  
Kaity Arsoniadis-Stein, President

Dear Ms. Arsoniadis-Stein

Re: UEL Community Centre letter June 23, 2019

Further to our discussion at the July 15, 2019 Community Advisory Council (CAC) meeting, where I advised that PERC/RC Strategies (the consultant) was completing the work of developing a model and recommendations for the operation, management and governance of the new facility and that I would be bringing the consultant's report to the CAC in the fall. The consultant's report was provided to the CAC prior to the meeting of October 21, 2019. I am now pleased to be able to provide a more detailed response to your letter of June 23, 2019 that made recommendations regarding the new community centre.

On the matter of the offer by the developer, Musqueam Capital Corporation, contained in an early proposal (May 2015 – prior to zoning approval) to fund and operate the community centre for a period of four years please note that offer was not included in the final proposal put before the community and was not included in the subsequent zoning approval. It is also important to note that the early proposal was a combined operation and interim funding offer, and without a definition of the level of service provision; the CAC at the time was quite clear that it did not support the developer operating the community centre. There are no provisions in the zoning approval to require the developer to operate or fund the community centre. In short, that offer is no longer available.

The CAC's request that the UEL Administration return to the developer to seek alternative funding solutions is being taken very seriously. If such a solution could be reached, it would need to be voluntary on the part of the developer and it may require approval within government. Such a solution is being actively and carefully pursued.

With respect to the request that the operation of the community centre be capitalized, this is not an option. Capital funding is only for capital costs; creation of a reserve or capitalization is used to fund large capital projects and would be an appropriate tool if the UEL were building and fitting out a new asset (e.g. the community centre). It is not a tool used within government to fund annual operational costs. In this case the community centre is being built and fitted out by the developer at their expense.

Regarding postponing the construction of the community centre, the developer is required to complete construction and turn over the facility under terms established during the zoning approval. This measure was put in place to ensure that the UEL community, including the new residents of Ielərn, received the amenity benefit promised by the developer in a timely fashion. Those provisions were included in the documents provided to the CAC and community prior to zoning approval.

The new community centre is a significant community-building and financial asset for both the existing and new residents of the UEL. At the same time, the Ielərn development, which will add many new residents to the UEL community, also brings new property tax revenue which is expected

to ultimately surpass the cost of operating the new facility. That said, the Ministry understands the CAC's concern that the operation of the new facility could impact existing residents' property taxes during the build out of Ielə̀m and before sufficient membership fees, rental and other income is realized.

With that in mind, the UEL Administration will continue to work toward finding alternative sources of income to fund the interim gap in the community centre operation. Depending on the nature of those sources, they may require development of additional legal instruments, exercise of statutory authority and undertaking careful and sensitive negotiations. That may take some time and will certainly require discretion, as such matters cannot be discussed in public while they are in process. I will keep the CAC apprised of the work when possible and will certainly advise of any successful conclusion and, as required in the bylaws, of any proposed bylaw changes that would enable such solution(s) in a transparent and timely fashion.

That said, to be clear, regardless of the solution(s) identified to fund the gap prior to build-out, a portion of the operational cost for the community centre will need to come from property taxes realized by the Ielə̀m development. As noted in the consultant's report this is consistent with practices in local governments across the province.

The community centre is three years in the future and there still is much work to be done in preparation. The UEL Administration is now considering the consultant's recommendations and undertaking the work outlined above and will continue preparation for the new facility. I look forward to the CAC continuing, as it has to date, to provide constructive input and advice on this significant amenity for the benefit of all UEL residents, now and in the future.

Regards,



Jonn Braman  
Manager, University Endowment Lands