

Report to Council



Date: March 30, 2026
To: Council
From: City Manager
Subject: Liability Under Agreement for Purchase of Strategic Lands
Department: Corporate Services

Recommendation:

THAT Council receives, for information, the report from Financial Services, dated March 30, 2026 with respect to establishing a Liability Under Agreement for the acquisition of 289 Queensway and 1440 – 1460 Pandosy Street;

AND THAT Council authorizes borrowing of \$24,650,000 under Community Charter Section 175, Liabilities Under Agreement, to fund the purchase of the two strategic properties previously approved by Council, with annual interest payments and one lump sum principal payment within five years upon the sale of the properties;

AND THAT the 2026 Financial Plan be amended to include annual interest payments funded through asset revenues.

Purpose:

To enter into a Liability Under Agreement with the Municipal Finance Authority to fund the acquisition of 289 Queensway and 1440 – 1460 Pandosy Street.

Background:

In October 2025, two properties in the Queensway/Pandosy area were purchased to support the development of a world-class hotel. The purchase was approved to be funded through borrowing funds from the Municipal Finance Authority (MFA) with repayment through asset revenues resulting in no impact on taxation. Upon further discussion with MFA staff, an alternate borrowing option is being recommended.

Discussion:

Section 175 (Liabilities under agreement) of the Community Charter establishes the circumstances under which a municipality in British Columbia may borrow funds without obtaining provincial or elector

approval. This program allows for flexibility to borrow and repay on short notice, allowing for interest only payments through the borrowing term with a lump sum principal payment at the end. The maximum allowable term for short-term borrowing under this section is five years.

Given that these properties were acquired with the intention of being sold within the next five years, they are well-suited for financing through this short-term borrowing application. This borrowing requires a Council resolution authorizing the debt and specifying principal repayment terms.

Previous Council Resolution

Resolution	Date
THAT Council receives for information the Report from Financial Services dated September 8, 2025, regarding additional borrowing through the Municipal Finance Authority for up to 10% of the City's revenue calculation of the borrowing servicing limit. AND THAT Council direct staff to prepare loan authorization Bylaws for the additional borrowing.	September 8, 2025

Internal Circulation:

Office of City Clerk

Considerations applicable to this report:

Existing Policy:

Council Policy 377 Debt Policy

Considerations not applicable to this report:

- Legal/Statutory Authority
- Legal/Statutory Procedural Requirements
- Financial/Budgetary Considerations
- Consultation and Engagement
- Communications Comments

Submitted by: J. Lawson, Treasury Supervisor

Approved for inclusion: J. Sass, General Manager, Corporate Services