



# BOARD REPORT

**TO:**

**Chair and Directors**

**File No:** 1840 02

**SUBJECT:**

**Feasibility Study Funding for CP Rail Corridor Project**

**DESCRIPTION:**

Report from Jodi Pierce, Manager, Financial Services dated October 10, 2017. Requesting additional feasibility study funds be allocated to complete due diligence for proposed purchase of CP Rail Trail.

**RECOMMENDATION  
#1:**

THAT: the Board approve an additional \$20,000 from the Regional Feasibility Study Fund to cover due diligence costs related to the potential acquisition of the CP Rail Corridor.

## SHORT SUMMARY:

In July, 2017, the Columbia Shuswap Regional District (CSR) and the Regional District of North Okanagan (RDNO) both successfully concluded an Alternative Approval Process (AAP) providing them with the necessary public assent to borrow for the purchase of sections of the CP Rail Corridor property. Over the past few months, both Regional Districts have started working through the due diligence process. In order to complete this process, additional feasibility study funds totalling \$20,000 are required.

**VOTING:**

Unweighted  
Corporate

☐

LGA Part 14  
(Unweighted)

☐

Weighted  
Corporate

☒

Stakeholder  
(Weighted)

☐

## BACKGROUND:

In August 2016, the Board approved access to Regional Feasibility Study Funds in the amount of \$25,000 to cover costs related to the potential acquisition of the CP Rail Corridor and to cover all other costs related to the feasibility of establishing a sub-regional service for the purchase of the CP Rail Trail. As part of this process, an AAP was conducted and elector assent was obtained in July 2017. Subsequent to that, due diligence procedures have commenced to identify potential risks and other issues that may impact the decision to purchase the CP Rail Trail. An additional \$20,000 is required to complete this process by the December 15, 2017 closing date for the purchase.

## FINANCIAL:

Legal, consultant and other costs projected at \$20,000 must be incurred in order to complete due diligence for the purchase of the Rail Trail. If, as a result of the due diligence process, a Service Area is established to purchase the Rail Trail, these costs (as well as the initial \$25,000 Feasibility Study Funding approved in August 2016) will be recovered through the service area in its first year of operation. If the purchase does not go through, the entire \$45,000 will be expensed to the Regional Feasibility Study Fund. The current balance of the Regional Feasibility Study Fund is \$125,000.

## IMPLEMENTATION:

Immediate, as the due diligence procedures are ongoing and the purchase needs to be finalized by December 15, 2017.

**DESIRED OUTCOMES:**

To provide the required funding to complete the due diligence procedures and ultimately purchase the CP Rail Trail should the outcome of this process prove satisfactory.

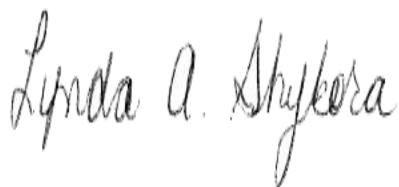
**BOARD'S OPTIONS:**

1. *Endorse the Recommendation.*
2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

**Report Approval Details**

Document Title:	2017_10_19_Board_FIN_Rail Trail Feasibility Funds.docx
Attachments:	
Final Approval Date:	Oct 10, 2017

This report and all of its attachments were approved and signed as outlined below:



**Lynda Shykora - Oct 10, 2017 - 11:13 AM**



**Charles Hamilton - Oct 10, 2017 - 2:58 PM**