



## ADMINISTRATION REPORT – IN CAMERA

<b>Agenda Date:</b>	March 13, 2018
<b>Date:</b>	March 8, 2018
<b>Memo to:</b>	Mayor and Council
<b>From:</b>	CAO, Adam Davey
<b>Subject:</b>	VCFCo. Restructure - Process
<b>Strategic alignment:</b>	Nil

### **Purpose/Issue:**

The purpose of this report is to provide Council the proposed step-by-step process of implementing the VCFCo. restructure. *Please note: A separate report for the 10 April Meeting of Council will outline the final details following Council's review / questions and the public consultation process, in addition to any further area(s) requiring clarification.*

### **Background:**

Following several months of meetings and revision to the VCFCo. restructure, Council may now wish to consider the implementation process.

Attached to this report, please find:

1. VCFCo. letter requesting Council provide approval of the DRAFT Limited Partnership (LP) Agreement and Articles of Incorporation of NEWCO – Valemount Economic Development Corp. ("Articles");
2. Lidstone & Co. Memorandum;
3. New Business Diagram (visual aide);
4. LP Agreement; and
5. Articles.

Below is the proposed timeline (from present) with some considerations for each step:

<b>Step</b>	<b>Action</b>	<b>Date / Detail / Consideration</b>
1.	Council provides initial DRAFT approval.	13 March IC Meeting. Report Out 14 March. Place ads in local newspapers for public consultation process (Town Hall presentation, Q&A).
2.	Conduct 'Open House,' (public consult)	Planned for Thursday, 5 April, 7:00 pm, location, VIC. VCFCo. Board & Manager, VoV Council & CAO to support Lidstone & Co. / KPMG

		presentation. Feedback from public may be considered.
3.	Council provides final approval – submit to the Inspector of Municipalities.	27 March Council Meeting. Submit 28 March.
4.	Inspector reviews, provides Amendments, if required. Council / Board approve Amendments. Inspector has final approval authority (not VoV).	Expected 30 – 60 days. Minor Amendments expected.
4a.	<i>Concurrent process – LP Agreement between VoV and VCFCo. (does not require Inspector approval. Second LP.</i>	<i>Council, as the shareholder, may approve new LP (Lidstone &amp; Co. to draft). No requirement for new Articles (potential Amendments only)</i>
5.	Inspector authorizes approval. VoV / VCFCo. Board implements.	Expected completion in mid-late June (dependent upon the Inspector).

Below is a very brief and high-level recap of the “5 W’s” of the restructure:

1. **Who?** The VoV, as the sole shareholder, upon the request of the VCFCo. Board. Lidstone & Co., with KPMG are the subject matter experts, with the support of Staff.
2. **When?** This process began in late 2016. It has been on-going since via multiple meetings, revision and draft / report writing. The implementation process is likely to occur between March 13 and mid-late June, 2018.
3. **Where?** Mostly within VoV boundaries and the Cedarside Industrial Park.
4. **What?** This restructure will see two separate LPs: the first between VoV and VCFCo.; and the second between VoV and Valemount Economic Development Corporation (NEWCO). *See the attached diagram for visual representation.*
5. **Why?** Three main reasons: Limit liability to VoV (reduce risk to the greatest possible extent); reduce the tax burden to VCFCo.; and increase economic development opportunities to better serve the community.
6. **How?** See chart above. This was a multi-staged process taking some 18 months from concept to implementation.

*This report covers the timeline and process to implementation. Following the public consultation process, an additional Admin Report will be brought to the 10 April Council Meeting to clarify any further details.*

#### **Budget, Policy, Staffing:**

Considerable legal and accounting expenses covered by VCFCo. Significant senior staff time between the present and expected process completion in June.

#### **Legal Considerations:**

Nil – LP Agreement and Articles drafted by Lidstone & Co.

**Options/Recommendation:**

That Council:

1. ACCEPT this report;
2. Give initial approval of the DRAFT LP Agreement and Articles of Incorporation of NEWCO and direct staff to organize an 'Open House' as part of the public consultation process; and
3. Report Out this file for public information.

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CAO Signature