

News Release

Vancouver Island Regional Library to buy building housing Nanaimo Harbourfront Branch

NANAIMO January 9, 2013 – Members of the Board of Trustees for Vancouver Island Regional Library (VIRL) voted at their last Board meeting to ask the Regional District of Nanaimo to source borrowing using the alternative approval process in an amount not to exceed \$9.5 million in order to facilitate the purchase (and minor renovation) of the Nanaimo Harbourfront Branch in downtown Nanaimo.

When the Harbourfront Branch opened in Nanaimo in 1997, VIRL was asked by the City of Nanaimo to lease the property which was done on a 25 year term. The owners of the building recently decided to sell the property which has given VIRL the opportunity to buy it.

“To minimize borrowing costs to the taxpayer our Board is borrowing through the Municipal Finance Authority,” says Ronna-Rae Leonard, Board Chair. “Because we cannot request a loan through the Municipal Finance Authority directly, we are asking the Regional District of Nanaimo to arrange the borrowing on our behalf. Vancouver Island Regional Library will repay the debt.”

When the money is borrowed, repayment will come from Vancouver Island Regional Library. Because Vancouver Island Regional Library has 28 municipal and 10 regional district partners everyone shares in the cost.

Purchase of the Nanaimo Harbourfront Branch makes good economic sense as debt servicing costs will be the same as or lower than current expenditures for the leasing of the building; part of the building will continue to be leased to the private sector, resulting in revenue for VIRL; market appreciation will accrue to VIRL; and the regional library system will build equity annually in an average amount of \$380,000. All taxpayers in the VIRL service area will benefit because the building will be owned by Vancouver Island Regional Library.

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