

**UNION BAY IMPROVEMENT DISTRICT  
PROPOSAL TO PURCHASE  
UNION BAY ELEMENTARY SCHOOL**

- 4 CLASSROOMS, AN OFFICE AND A GYMNASIUM
- UPPER FLOOR 6,376 SQ. FT.
- LOWER FLOOR 6,484 SQ. FT.
- TOTAL 12,860 SQ. FT.
- OFFER OF **\$675,000** WAS ACCEPTED SUBJECT TO LANDOWNERS APPROVAL
- ADDITIONAL COSTS OF APPROX. \$25,000
  - LEGAL FEES
  - TRANSFER FEES
  - APPRAISAL
  - MISC
- TOTAL COST OF \$700,000.
- 2007 PROPERTY ASSESSMENT
- \$ 1,338,000.00
- \$700,000. IS APPROX. HALF OF THE ASSESSMENT VALUE

**WHY DO WE HAVE TO BUY SCHOOL INSTEAD OF GETTING IT FREE?**

- SCHOOL DISTRICT OWNS SCHOOL AND HAS DEED.
- SCHOOL DISTRICT POLICY IS TO SELL FOR FAIR MARKET VALUE.

**WHERE WOULD WE GET THE \$ 700,000. NEEDED?**

- WE WOULD TAKE \$200,000. FROM THE REPLACEMENT AND RESERVE FUND
- BORROW \$500,000.
- THREE QUOTES WERE OBTAINED FROM FINANCIAL INSTITUTIONS , UNION BAY CREDIT UNION, CIBC AND BANK OF MONTREAL

- UNION BAY CREDIT UNION 5%
- CIBC 6% VARIABLE, 5.43 LOCKED
- BANK OF MONTREAL 6% ON PRIME

## **HOW MUCH WILL THAT COST ME?**

- TWO OPTIONS:
  - BORROW \$500,000 AND PAY THAT AMOUNT
  - BORROW \$500,000, SELL PROPERTY ON McLeod ROAD AND PAY OFF APPROX.. \$200,000
  - THUS REDUCING THE OVERALL PAYMENT TO THE LANDOWNERS TO \$300,000.
- JUNE 2007 APPRAISAL ON McLeod ROAD PROPERTY WAS \$210,000.

## **WHY NOT A REFERENDUM?**

- TAKES MORE TIME
- COSTS ABOUT \$10,000.

## **ALTERNATE APPROVAL PROCESS**

- QUICKER
- COSTS ABOUT \$4,000.
- TWO PUBLIC MEETINGS

- 2007 UBID TAX BASE \$307,804,127
- NUMBER OF FOLIOS 820
- AVERAGE FOLIO \$373,370
- 2007 RURAL TAX RATE PER \$1,000 \$0.93
- 2007 AVERAGE COST PER AVERAGE FOLIO \$350.

## **SCENARIO #1 \$500,000. MORTGAGE**

- ADDITIONAL COST – 25 YR. MORTGAGE @5% PER ANNUM \$35,000. YR.
- NUMBER OF FOLIOS 820
- PROPOSED TAX RATE PER \$1,000 \$1.05
- AVERAGE COST PER AVERAGE FOLIO \$392.
- INCREASE BASED ON AVERAGE FOLIO \$42.

## **SCENARIO #2 \$300,000 MORTGAGE**

- ADDITIONAL COST – 25 YR. MORTGAGE @5% PER ANNUM \$30,000.
- NUMBER OF FOLIOS 820
- PROPOSED TAX RATE PER \$1,000. \$1.02
- AVERAGE COST PER AVERAGE FOLIO \$381.
- INCREASE BASED ON AVERAGE FOLIO \$31.

## **RECOMMENDATIONS**

- PURCHASE SCHOOL
- BORROW \$500,000.
- KEEP PROPERTY ON McLeod ROAD

## **DO WE NEED TO PURCHASE SCHOOL?**

- SIMPLE ANSWER IS NO.

## **WHAT WILL A NO ANSWER MEAN FOR THE FUTURE?**

- WE WILL NEED TO FIRST DECIDE IF WE WANT TO HAVE A FIRE DEPARTMENT IN UNION BAY.

## **WHY WOULD WE NEED TO DECIDE THAT?**

- PRESENT BUILDING DOESN'T MEET STANDARDS
- FIRE TRUCKS ARE OUTDATED AND NEED TO BE REPLACED
- NEW TRUCKS REQUIRE 14 FOOT DOORS, WE HAVE 10 FOOT
- LENGTH OF NEW TRUCKS EXCEED LENGTH OF HALL
  - HAVE TO PUT FIRE FIGHTERS INSIDE

## **HOWEVER, WE COULD STILL SAY NO.**

- IF WE SAY NO, THEN WE NEED TO KNOW WHAT IT WILL COST US FOR FIRE PROTECTION.

- WE WOULD THEN PURCHASE FIRE SERVICES.
- COST DEPENDS UPON NUMBER OF FOLIOS.
- ROYSTON AND MERVILLE PURCHASE FIRE SERVICES
- MERVILLE PAYS .55 PER \$1,000. OF ASSESSED VALUE
- ROYSTON PAYS .92 FOR THOSE HOUSES COVERED BY CUMBERLAND, AND
- .64 FOR THOSE COVERED BY COURTENAY

### **INSURANCE COSTS.**

- IF THERE IS NO FIRE HALL WITHIN 10 KM OF YOUR HOUSE THEN YOU WOULD PAY THE HIGH RATE.

### **EXAMPLE:**

- INSURANCE ON A \$250,000. HOME IS APPROX. \$668. PER YEAR.
- THAT WOULD GO UP TO \$2,871. PER YEAR.
- COULD EVERYONE AFFORD TO HAVE FIRE INSURANCE ON THEIR HOME?

### **WHAT COULD WE DO WITH THE SCHOOL?**

- TEAR IT DOWN?
- DR'S OFFICE AND PHARMACY?
- SENIORS RESIDENCE?
- RENT SOME OF IT OUT?
- OTHERS?
- WE DON'T KNOW!

### **WE WOULD RECEIVE INPUT INTO ANY DECISIONS MADE.**

- PUBLIC MEETINGS/FORUMS?
- WRITTEN SUBMISSIONS?
- SUGGESTION BOX
- OTHERS?