Appendix B - Municipal Finance Authority of BC
Select Projects Expanded Detail

Environmental & Social Objectives		Borrowing Purpose and Project Description				UN SDG Mapping	
Primary	Secondary					Primary	Secondary
Affordable Basic Infrastructure Access to Essential Services	Socioeconomic Advancement & Empowerment	**Healthcare & Social Services**	$	21,768,162	11.46%	UN SDG 9 - Build Resilient Infrastructure UN SDG 11 - Sustainable Cities & Communities	03 - Good Health & Wellbeing
		Replacement of Mills Memorial Hospital			5.27%		
		Kootenay Boundary Regional Hospital pharmacy and ambulatory care			5.17%		
		Nanaimo Regional General Hospital ICU, Thermal Energy Plant, CT Scanner			1.02%		
		Public Safety Facilities & Services	$	17,045,009	8.97%		
		Maplewood fire and rescue centre			8.97%		
	Sustainable Water & Wastewater	**Storm & Wastewater Treatment & Management**	$	9,909,889	5.22%		06 - Clean Water & Sanitation
		Tofino wastewater treatment plant			5.22%		
	Socioeconomic Advancement & Empowerment	**Public Parks, Civic Buildings & Land**	$	69,250,303	36.45%		10 - Reduced Inequalities
		Langley Township strategic land purchases			20.02%		
		Vernon active living centre			16.43%		
		Transportation & Mobility	$	10,419,203	5.48%		
		Fraser Highway infrastructure upgrades			5.48%		
		Total	$	128,392,564	67.58%		

NOTE TO INVESTORS

The following short case studies are provided to investors so that they may better understand the nature of the MFA's business and the civic infrastructure projects our bonds finance across urban, rural, and remote areas of British Columbia. As these projects constitute significant investments by local governments, and their corresponding borrowing generally requires approval from their taxpayers, the information provided below has been collected from our members' websites.

As this bond issue consisted of a large number of smaller loans, additional details are provided below for any project where the financing accounts for more than 5% of this issue, representing total coverage of 67%. A smaller loan to the Nanaimo Regional Hospital District (NRHD) is included in this appendix because the overall borrowing by this hospital district is substantial, leading to MFA's first detailed profile of the Healthcare and Social Services borrowing purpose category highlighted by a case study on the Nanaimo Regional General Hospital's (NRGH's) new thermal energy plant, high acuity and intensive care units. This borrowing purpose profile and case study, published in September 2024, are available here.

Please note that this bond may be re-opened in future, and these project loans may be refinanced in future bonds. In these instances, we intend to cross-reference those bond offers with this appendix archived online with the original offering circular. MFA's Sustainable Bond Framework details our approach to labelling our bonds and allocating the various borrowing purposes to environmental and social objectives and the UN SDGs. Please visit the Sustainability section of MFA's website: https://mfa.bc.ca/investors/sustainability.

PROJECT DETAILS

Tofino wastewater treatment plant

The project, which began construction in September 2022, valued at $77.5 million, is the largest infrastructure project the District of Tofino has ever undertaken. The provincial and federal governments contributed $52.5M (68%) of the infrastructure cost, with the remainder coming from this remote coastal community with a small residential tax base of 2,500 people. This bond issue represents the first long-term loan financed by the MFA, with a total borrowing of $16M authorized for this project. For a town of 2500 people, the significant scale of this wastewater treatment plant is necessitated by the nearly 1M tourists visiting annually. Given this, a portion of the hotel tax will service the debt related to this project, amounting to $400K/yr or approximately half the debt servicing costs.

Environmental Impact - Tofino is located in Tla-o-qui-aht Territory in the heart of the Clayoquot Sound UNESCO Biosphere Reserve, known worldwide for its natural beauty and rich marine ecosystems.

Social Impact - By treating sewage and improving water quality, the marine environment around Tofino and Clayoquot Sound will be significantly protected and kept cleaner for future generations to enjoy the rich cultural, recreational, and economic opportunities that rely on Tofino's sensitive ecosystem to thrive. Consultation and inclusion of local First Nations ensures that both Indigenous and non-indigenous residents and businesses benefit from these substantial technological upgrades and that some of the more negative long-term impacts of tourism in the region are mitigated.

More information on this project is available on the District of Tofino's website.

Nanaimo Regional General Hospital ICU, Thermal Energy Plant, CT Scanner

We have prepared a detailed case study on the comprehensive expansion and upgrades to the Nanaimo Regional General Hospital (NRGH) that have recently been completed. This case study, published in September 2024, details these and other projects totalling $90M. As of December 31, 2023, the MFA had long-term loans outstanding to the hospital district related to the NRGH of $19.5M.

These projects at the NRGH were used as an example to highlight the social and environmental impact of hospitals and health care and the impact that climate change is having on human health, the delivery of care, and the resilience requirements of critical hospital infrastructure.

See the 2024 NRGH case study here.

Replacement of Mills Memorial Hospital

This bond issue is financing a new loan for a $633M project, replacing a 60-year-old hospital in Terrace serving northern BC. Under a deal reached with the Province, the contribution through regional property taxes levied by the hospital district has been capped at $113.7M, with the Province contributing the remaining ~$520M. The North West Regional Hospital District (NWRHD) is responsible for 18% of the total project cost ($113.7M) and, to date, has borrowed more than $100M from the MFA to replace the Mills Memorial Hospital. NWRHD is geographically the largest of the Province's 23 Regional Hospital Districts; they serve a population of 80,000 residents from 26 municipalities and electoral areas, plus the Nisga'a Nation. Opening in November 2024 (construction began May '21) and more than double the size of the existing facility (approximately 356,500 square feet), the new hospital will be a centre for trauma services, orthopedic surgeries, pathology, radiology, and pharmacy services.

Environmental Impact - The new hospital is an energy and water-efficient LEED Gold Building. By offering more specialized equipment and services closer to northern residents, their health and well-being are enhanced, and the environmental impact and financial cost of traveling south for tests and services are also reduced.

Social Impact - To provide care closest to home, the new facility boasts the following game-changing equipment and services for the community it serves - CT scanner, SPEC-CT machine, MRI, new mammogram equipment and two new x-ray rooms, three new ultrasound machines (2x increase), one new portable x-ray machine (2x increase).

Further details are available from the project website.

Kootenay Boundary Regional Hospital pharmacy and ambulatory care

KBRH provides 24-hour emergency and trauma services for people in Trail, Canada. This project enhances laboratory services, acute and obstetrical care, psychiatry and chemotherapy, among other healthcare services. An investment of $38.8M will improve BC interior residents' healthcare access. This project is funded through the customary 60/40 split - $23.3M from the Provincial government and $15.5M from the West Kootenay Boundary Regional Hospital District. This is the hospital district's first loan request for this project.

Specific improvements to this healthcare facility and services being facilitated through MFA financing include:

- emergency department redevelopment - opened in September 2020.
- new ambulatory care wing - opened September 2021
- new pharmacy - opened July 2022.
- renovated and expanded oncology department - opened summer 2022
- modernized physiotherapy department and cast clinic - opened summer 2022

The social and environmental impact of hospitals and health care, including the effects of climate change on human health, infrastructure and healthcare delivery,

is detailed in MFA's sector profile: Financing Healthcare and Social Services.

Maplewood fire and rescue centre

The new Maplewood Fire and Rescue Centre in North Vancouver began construction in February 2022 and is expected to be operational before the end of 2024. This represents the first borrowing request for this project under a loan bylaw authorizing up to $47,800,000 of borrowing.

Environmental Impact - The building is constructed with heavy timber and locally sourced stone, embracing LEED®, passive house, and passive solar design principles to meet specific energy objectives. It is also designated as a Net Zero Carbon building, benefiting from solar panels to power its lighting systems. A 28kw solar photovoltaic array on the roof provides an added level of resilience for this post-disaster, all-hydro-electric-based building.

Social Impact - The new 45,000 sq. ft. facility will enhance fire protective and emergency services for the North Vancouver District and improve response times. This facility is a post-disaster hub fortified with backup systems and protocols designed to provide continual emergency services to the North Vancouver community. It exceeds Federal and BC standards regarding seismic preparedness, post-disaster response, energy efficiency, and greenhouse gas (GHG) performance. As a result, the facility strengthens response capabilities and streamlines operational efficiency.

Further details are available from the project website.

Langley Township strategic land purchases

The Provincial government is building the Surrey-Langley SkyTrain at a project cost of $6B. Per Rob Fleming, Minister of Transportation and Infrastructure, "The populations of Surrey, Langley and other communities across Metro Vancouver are growing quickly, and we are committed to building infrastructure to meet these needs. This project will transform how people get around, helping create a more affordable, livable and greener future for people in the region."

In preparation for the arrival of SkyTrain in 2028, to be constructed along the Fraser Highway, the Township's 2024-2028 Capital Program includes an envelope for land purchase, which requires external debt financing through the MFA. This bond issue represents the first draw by the Township on authorized borrowing of $75M for strategic land acquisition (real property, easements, rights-of-way, licenses, rights or authorities). Through this borrowing, the Township can lead the substantial redevelopment resulting from the arrival of the new Skytrain line in a way that maximizes benefit to their residents and businesses. Future development cost charges and general taxation revenues will be used to service debt to the MFA. Negotiations for the land acquisitions are still in progress, and therefore, staff can not identify the specific properties to be purchased with this funding. That information will become public after the property acquisition. An independent appraisal will support prices for the land acquisition.

Vernon Active Living Centre

In October 2022, Vernon residents voted 61% in favour of borrowing up to $121M to develop the Vernon Active Living Centre (ALC), a two-story recreation and aquatic centre. In April 2024, the City Council approved the finalized design, budget and construction schedule of the new ALC, which is now underway. The centre is expected to open in the fall of 2026 with a total project cost not exceeding $135.9M. This is the first long-term loan drawn by the City of Vernon for this important community wellness and recreation project.

Environmental Impact - The City of Vernon's Climate Action Plan requires this facility to be Net Zero Emissions Ready, and specifically, that the design a) achieve an 85% reduction in GHGs compared to baseline code building and b) provide for a transition plan to net zero operations in future. The active living centre has achieved a 52% reduction in energy consumption and an 89% GHG reduction over a baseline aquatic centre built to 2020 National Energy Code of Canada for Buildings (NECB). Aquatic centres are typically the most energy-intensive civic facilities and account for a substantial percentage of a municipality's carbon footprint from operations.

Social Impact - The new facility will be accessible, inclusive, fun, family-friendly, and orientated toward participants of all ages and abilities.

Further details are available from the project website.

Fraser Highway infrastructure upgrades

The City of Langley needs to upgrade the aging underground infrastructure (water, sewer and storm drains) in the Fraser Highway corridor. A one-way section of the Fraser Highway between 204 Street and 206 Street downtown anchors the heart of Langley City's historic core. The underground upgrades in this section are being taken as an opportunity to revitalize the walkways and roadworks and address other feedback the City has received over the years. The experience of pedestrians and businesses will be improved through increased sidewalk widths, which enable outdoor patios and 80 new trees to be planted along both sides of the roadway; streetlights will be converted to high efficiency and longer lasting LED technology; electrical poles removed; and transmission lines placed underground.

This is a one-year project beginning in the Fall of 2024. The project is estimated to cost $18M.

Environmental Impact - More efficient and resilient water, sewer, and streetlight systems; more effective and higher capacity storm drain system; and increased tree canopy reducing urban heat island effect.

Social Impact - Improved public realm and economic development opportunitiesFurther project details, including renderings of the revitalized historic plaza, are available in this presentation document prepared by the City of Langley.