

NO: **R069**

COUNCIL DATE: **APRIL 28, 2014**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **April 28, 2014**

FROM: **President & CEO, SCDC
City Solicitor**

FILE: **2480-01**

SUBJECT: **Changes in Directors, Secretaries, Officers and Authorized Signing Officers -
SCDC**

RECOMMENDATION

The Board of Directors of Surrey City Development Corporation ("SCDC") and the Legal Services Division recommend that Council:

1. as shareholder of SCDC, approve the changes required to the Management positions for SCDC, its subsidiary companies and associated partnerships, as per the attached Appendix "I"; and
2. as shareholder of SCDC, approve the changes required to the authorized signing officers with respect to SCDC, its subsidiary companies and associated partnerships, with regard to financial institutions (bank accounts - RBC / Coast Capital / VISA, etc.), legal documents, documents (Purchase and Sale Agreements/ Promissory Notes, Shares, etc.), contracts (construction, professional services, etc.) and other binding documents, all as described in this report.

BACKGROUND

In accordance with an SCDC Board of Directors recommendation made on February 28th, 2014, and the Shareholder's Agreement between the City of Surrey and SCDC (the "Shareholder's Agreement"), the purpose of this report is to obtain Council's approval (acting as sole shareholder of SCDC) for the following actions:

- changing Director and Officer positions with respect to SCDC, its subsidiary companies and partnerships; and
- changing authorized signing officers for all necessary corporate documents.

These changes are being made in order to reflect Aubrey Kelly's appointment as President/Chief Executive Officer of SCDC (following the resignation of the previous incumbent, Jim Cox) and the assumption of many of Mr. Kelly's and Mr. Cox's former responsibilities by SCDC's Chief Financial Officer ("CFO"), Emily Taylor. If approval is granted by Council, the CFO (along with two new Management positions) will become authorized signing officers of SCDC.

DISCUSSION

Under section 3.6 of the Shareholder's Agreement, certain actions are only to be undertaken with the prior written consent of the Shareholder. These actions include: "appointment of the officers of the Corporation" (section 3.6(c)) and "approv[ing] any changes in the authorized signing officers in respect of legal documents or any bank or other financial institution" (section 3.6(n)).

Appointment of Directors and Officers:

Previously, Jim Cox and Aubrey Kelly occupied a number of Director and Officer positions, as listed in Appendix "I". Due to recent changes in the Management of SCDC, as described above, these positions now need either to be filled or have their responsibilities reassigned. The table showing the recommended changes is attached as Appendix "I".

Authorized Signing Officers:

Previously, in accordance with SCDC Policy #4 (Signing Authority, effective December 1st, 2010) the following three positions were authorized signing officers for SCDC:

- President/CEO;
- Vice President of Development; and
- Manager, Corporate Affairs and Administration.

Due to Management changes, these authorized signing officers now need to be modified. The changes will apply specifically in relation to bank accounts (RBC, Coast Capital, VISA), legal documents (Purchase and Sale Agreements, Promissory Notes, Shares, etc.), contracts (construction, professional services, etc.) and other binding documents.

The proposed changes consist of the following:

- replacement of Jim Cox as President/CEO by Aubrey Kelly;
- inclusion of SCDC's CFO, Emily Taylor, and two additional Management positions (specifically: VP, Development & Investment; and Director of Development) as authorized signing officers of SCDC; and
- a change in job title from "Manager, Corporate Affairs and Administration" to "Manager, Corporate Governance".

A revised Signing Authority Policy is expected to be presented to the Governance and Human Resources/Compensation Committee within the next few months, after which a report detailing specific changes will be presented to SCDC's Board for its approval.

CONCLUSION

Based on the above, it is recommended that Council:

- as shareholder of SCDC, approve the changes required to the Management positions for SCDC, its subsidiary companies and associated partnerships, as per the attached Appendix "I"; and
- as shareholder of SCDC, approve the changes required to the authorized signing officers with respect to SCDC, its subsidiary companies and associated partnerships, with regard to financial institutions (bank accounts – RBC, Coast Capital, VISA, etc.), legal documents, documents (Purchase and Sale Agreements, Promissory Notes, Shares, etc.), contracts (construction, professional services, etc.) and other binding documents, all as described in this report.



AUBREY KELLY
President & CEO, SCDC



CRAIG MacFARLANE
City Solicitor

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Appendix "I" – Required Changes to Management Positions

Appendix "I"

	Previously	Proposed
Surrey City Development Corporation		
President and CEO	Jim Cox	Aubrey Kelly
Surrey City Investment Corporation		
President and Director	Jim Cox	Aubrey Kelly
Director	Aubrey Kelly	Emily Taylor
Secretary	Craig MacFarlane	Craig MacFarlane
Surrey Centre Tower Holdings – Office 1/2/3/4/5, Hotel 1, Parking 1, Retail 1, Residential 1		
Director	Jim Cox	Aubrey Kelly
Surrey Centre Office Limited Partnership	Aubrey Kelly	No change
Surrey Centre Hotel Limited Partnership	Aubrey Kelly	No change
Surrey Centre Residential Limited Partnership	Aubrey Kelly	No change
Surrey City Investment (Industrial) Corporation		
Director	Jim Cox	Aubrey Kelly
Director	Aubrey Kelly	Emily Taylor
The Grove (GP) Inc.		
Director	Jim Cox	Aubrey Kelly
The Grove Limited Partnership		
No officers or management committee		
The Croydon Drive Development LLP		
Secretary	Jim Cox	Aubrey Kelly
Vice President	Aubrey Kelly	Aubrey Kelly
Member of Management Committee	Jim Cox	Emily Taylor
Member of Management Committee	Aubrey Kelly	Aubrey Kelly
0918387 BC Ltd.		
Secretary	Jim Cox	Aubrey Kelly
Director	Jim Cox	Emily Taylor
Vice President	Aubrey Kelly	Aubrey Kelly
Director	Aubrey Kelly	Aubrey Kelly