

Request for Decision



To: Regular Meeting
From: **Corporate Services**
Date: October 10, 2023
Subject: Boundary Extension – Landowner Communications Points
Recommendation: **Tax Rate Limits:**
THAT Council instructs Staff to recommend to the Province to utilize an up to ___ year tax rate limit for the Residential 4 zoned properties in the proposed boundary extension area;
FURTHER THAT Council instructs Staff to recommend to the Province to utilize additional tax rate limits of ___ years for the single Residential farm house property, if possible.
AND FURTHER THAT Council instruct Staff to recommend to the Province to utilize additional tax rate limits of ___ years for the Business Class property, if possible.

Zoning/Water/Sewer:

THAT Council instructs staff to advise the affected Residential 4 landowners, that if the boundary extension is successful, at this time, no drastic changes to the current land use and water/sewer servicing requirements are anticipated;
AND THAT, if the boundary extension is successful, Staff is instructed to prepare necessary bylaws for Council review, following all legislative processes.

Purpose

For Council to provide direction regarding the potential future impacts to landowners in the proposed Boundary Extension area regarding Tax Rate Limits and potential future land use and water/sewer connectivity requirements.

Background

At the previous Regular Meeting on September 11, 2023, Council reviewed a memorandum regarding some financial and land use challenges regarding the potential boundary extension to support the proposed development of the Copper Sky subdivision. (The full memorandum is attached to this report).

Since the meeting, initial communications have gone out to First Nations, Emergency Services (RCMP, Fire, Ambulance, IHA), the Regional District of Kootenay Boundary (RDKB), the Grand Forks Irrigation District (GFID), Fortis BC, School District No. 51 (SD51), and affected landowners in the proposed extension area. Affected landowners were advised in their letters that a follow up letter with additional information would follow mid-October along with the intent to set up one-on-one meetings with each of them.

Some landowners have already reached out to Staff to inquire about the proposal, specifically about the potential tax impact, future land use, subdivision requirements, and water and sewer connectivity requirements. One impacted resident pointed out the hardship a potential tax

increase would cause as they are on a fixed income. All concerned landowners were provided with as much information as possible and were asked to review the City’s website and Council meeting agendas and videos as many of the details on these topics have been partially addressed and are currently available for the public. A separate sub-page on the City’s website provides additional information on the process, includes Frequently Asked Questions, links to key documents, and more (<https://www.grandforks.ca/2023-boundary-extension/>). Additionally, landowners were asked to provide concerns at their one-on-one meetings as those would be used to ensure that an accurate record of their feedback is recorded and considered as part of the submission to the Province.

Tax Rate Limits

After the last Regular Meeting, Staff further researched Section 29 of the Local Government Act (LGA) (see attached excerpt) to determine possible financial options for Council’s consideration and to ensure the process aligns with Provincial requirements and the limits of Council’s authority. Staff also reviewed potential taxation scenarios in more detail, relating to the Residential 4 properties.

Working with the City’s legal counsel, it was determined that Council can make a recommendation to the Province involving potential Tax Rate Limits, but ultimately the final authority rests with the Minister and Cabinet to set these rates included in the Letters Patent. (see S.29 LGA Excerpt). In the past, the Province has indicated that Council should consider the potential impacts to affected landowners along with mitigation strategies when developing a boundary extension proposal.

At this time, Council can instruct Staff to plan with certain Tax Rate Limit and include this strategy as part of the discussions with landowners and also include this in the proposal to the Province.

Staff have prepared four Tax Rate Limit scenarios for Council’s consideration, ranging from 5 year to 20 years per Assessment class, showing in the table below:

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Status Quo
	Over 5 years - Average annual increase	Over 10 years - Average annual increase	Over 15 years - Average annual increase	Over 20 years - Average annual increase	No exemption
Residential Class 1 – 18 Occurrences	\$181	\$91	\$60	\$45	\$906
Farm Class 9 – 1 Occurrence	N/A	N/A	N/A	N/A	\$17
Business Class 6 – 1 Occurrence	\$194	\$97	\$65	\$49	\$971
Annual Taxation Revenue increase	\$5,931	\$2,977	\$1,992	\$1,499	\$29,564

The above is a high-level summary of the various scenarios and additional details can be found in the attached tables.

Staff also want to highlight that a single residential property will incur a significant increase over a 5-year period regardless of the above scenarios. The residential occurrence included in the above analysis involves a farm status property. As a rural property, the farmhouse is considered 100% tax exempt. This exemption does not exist within municipalities. Consequently, the \$511k farmhouse on this property becomes taxable over a 5-year period in 20% increments. This would represent a total tax increase of 46.7% or \$1,177 in year 5, or an annual increase of roughly \$235 over this 5-year period.

Tax Rate Limit Summary and Recommendation:

Council has the authority to provide direction to Staff to work with a specific Tax Rate Limit scenario as part of the discussions and proposal that addresses the financial challenges that affected landowners would experience based on the proposed boundary extension. As such, the following resolutions are recommended once Council determines a desirable scenario for “Residential 4”-zoned properties. Although Council can make a recommendation, nothing in Section 29 of the LGA appears to grant Council any direct authority to set tax rate limits or influence a decision by the Province. Unfortunately, no prediction can be made on the Province’s willingness to utilize Council’s suggestion.

THAT Council instructs Staff to recommend to the Province to utilize an up to ___ year tax rate limit for the Residential 4 zoned properties in the proposed boundary extension area;

FURTHER THAT Council instruct Staff to recommend to the Province to utilize additional tax rate limits of ___ years for the single Residential farm house property, if possible.

AND FURTHER THAT Council instruct Staff to recommend to the Province to utilize additional tax rate limits of ___ years for the Business Class property, if possible.

Zoning/Water/Sewer Impacts

At the last meeting, Staff advised Council about concerns from the affected residential landowners regarding zoning and water and sewer servicing requirements.

As a quick recap:

- All the affected residential properties in the RDKB area are currently zoned “Residential 4” in the RDKB zoning bylaw.
- The Residential 4 zone is very similar to the City’s R4 (Rural Residential) zone.
- The City’s R4 and R4A zones do not require water and sewer connections and do allow wells and septic tanks.

Since the meeting, Staff continued to research this challenge to ensure that Council can indeed provide some level of comfort regarding initial land uses and bylaw requirements at this stage.

What Bylaws actually apply during a boundary extension?

Section 34 of the LGA (see excerpt) says that any existing Regional District bylaws in effect before the boundary extension will continue in force as if they were bylaws of the City, until amended or repealed by Council. So, if there are existing regional district zoning or subdivision bylaws for the area, those will remain in effect until Council adopts new bylaws for the area or amends existing municipal zoning or subdivision bylaws to apply to the former regional district

area. Those bylaw changes would of course be subject to the usual procedures, for example a public hearing on a zoning bylaw.

In our case, the RDKB has a Zoning Bylaw that includes some subdivision provisions as per LGA S.479; however, does not have provisions that speak to works and services under LGA S. 506. This means that the City's works and services standards would likely apply to the current electoral area if brought into the municipality; however, the RDKB's Zoning Bylaw would apply until Council amends the City Zoning (and possibly the OCP) Bylaw to include that area.

What effect would this have on the current affected properties regarding zoning/water/sewer requirements?

At this stage there would be no effect on the properties if the boundary extension process is successful. However, if the landowner would like to subdivide or develop their Residential 4 properties, the City's Subdivision, Development, and Servicing Bylaw No. 1970 (SDS) would apply.

The rules in the SDS Bylaw have no immediate effect because they only matter when a person wants to subdivide or develop land, but until the properties are rezoned from "Residential 4" under the legal RDKB zoning to "R4" (or another zone) under the City's zoning, the City's SDS bylaw might appear to require works and services to a more urban standard, that the City may not actually consider appropriate for the area.

What would be Councils options if the boundary extension is successful?

The quickest solution would be to amend the City's SDS Bylaw to clarify that "Residential 4" is the same as "R4". This can be accomplished within two meetings as no public hearing is required.

The other option would be to rezone those properties from Residential 4 to R4 as soon as possible following the extension. This would require at least 3 meetings and a public hearing.

What could Council do today to comfort the affected landowners?

The short answer on this question is that Council can't make any binding promises regarding future legislative decisions Council might make, but it's acceptable for Council to let the affected landowners know what Council's current intentions are (which are always subject to change).

As such, Council could pass the following resolution to indicate to the landowners that Council's intent would be to not drastically alter the zoning and water/sewer connectivity requirements if the boundary extension is successful.

**THAT Council instructs staff to advise the affected Residential 4 landowners, that if the boundary extension is successful, at this time, no drastic changes to the current land use and water/sewer servicing requirements are anticipated;
AND THAT, if the boundary extension is successful, Staff is instructed to prepare necessary bylaws for Council review, following all legislative processes.**

Benefits or Impacts

General

Council has the opportunity to provide some comfort to affected landowners regarding potential tax implications (pending Provincial approval as part of the Letters Patent) as well as potential zoning/water/sewer intentions as part of the boundary extension.

Finances

Potential increase in annual taxation revenue of \$29,564 for the City. By establishing Tax Rate Limits, the annual increase in revenue from taxation would be phased in over time depending on the potential final decision made by the Province.

Strategic Impact

Council's Strategic Plan for 2023 included the following priority and assign actions and results.

Priority: Create Opportunities for Additional Housing Development in Grand Forks

Goal 1.: Apply to the Provincial Government to Expand the City of Grand Forks Municipal Boundary

Actions to get us there:

- Secure a consultant to guide the City through the boundary expansion application process – **in progress**
- Create a schedule which clearly outlines a timeline and benchmarks for public engagement opportunities, communication, external agency referrals, technical data, stakeholder feedback, and any other major steps within the application process – **completed in August 2023**
- Provide Council with regular updates through the Committee of the Whole – **in progress**
- Council to determine electoral approval process (Alternate Approval Process or Referendum) – **not started**

The Results We Want to See:

A complete and compliant boundary expansion application ready for submission to the Provincial Government within 10 months – **on track**

Risk Assessment

Compliance: Local Government Act, City Zoning Bylaw No. 2039, Subdivision and Servicing Bylaw No. 1970, RDKB Zoning Bylaw

Risk Impact: Low-Medium. Possible financial impacts on potential future Grand Forks residents in the affected area. Messaging to the Province should show how the City is prepared to address concerns from the landowners regarding the boundary extension.

Internal Control Process: Staff are working with external resources to ensure that the messaging to affected landowners is distributed.

Next Steps / Communication

Next Steps will be to connect with affected landowners to schedule one-on-one interviews (highlighted in yellow)

Activity	Public Engagement	Tentative Date
Kick off Meetings		August 2023 - complete
Develop Communications and Engagement Plan		August 2023 – complete – will continue to evolve
Develop Communications Materials		August / September 2023 complete – will continue to evolve
Landowner Resident Information Package – Initial contact		September 2023 - complete
Engagement with Local Governments / Indigenous Communities / etc. as per provincial requirements in Step 1 – First Nations engagement is minimum 60 days	Yes (specific)	September / October / November 2023 – in progress
Landowner Resident Information Package – Full package		October 2023 – depends on Council decision
Landowner Interviews (for affected property owners)	Yes (specific)	October / November 2023
What we heard Summary		November / December 2023
Combine all information and Submit to the Province (Step 2 of Provincial Guide)		December 2023
Ministry Review (Step 3) – unknown time frame, I'm reaching out to the Province for feedback on that timeline		TBD
In Person Open House – after submission to the Province	Yes	December 2023
Communications Material Update		November / December 2023
Virtual Information Session	Yes	TBD – possibly January / February 2024
Prepare Information Packages for electoral Approval		TBD – possibly January / February 2024
Electoral Approval Process (timeline depending on Ministry Review) (Step 4)	Yes	TBD – possibly February / March 2024
Prepare Package for final Provincial Approval		TBD – possibly March / April 2024
Submission to the Province (Step 5)		TBD – possibly April 2024

Attachments

- Memorandum from September 11, 2023, Regular Meeting
 - Financial Details regarding Tax Limits for Property Classes and Impacts
 - S. 29 and S. 34 Local Government Act excerpts
 - Previous reports
-

Recommendation

Tax Rate Limits:

THAT Council instructs Staff to recommend to the Province to utilize an up to ___ year tax rate limit for the Residential 4 zoned properties in the proposed boundary extension area;

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Zoning/Water/Sewer:

THAT Council instructs staff to advise the affected Residential 4 landowners, that if the boundary extension is successful, at this time, no drastic changes to the current land use and water/sewer servicing requirements are anticipated;

AND THAT, if the boundary extension is successful, Staff is instructed to prepare necessary bylaws for Council review, following all legislative processes.

Options

1. Council could choose to not support a Tax Rate Limit. This is not recommended at this time as it would most likely impact the discussions with the Province regarding mitigating impacts for affected landowners and as such this has a high potential to negatively affect the anticipated boundary extension timeline and Council's Strategic Priorities.
2. Council could choose to not support any Zoning/Water/Sewer messaging at this time. Although this resolution is non-essential at this time, Council has currently an opportunity to provide comfort to the affected landowners which would be City residents and taxpayers if the boundary extension is successful.

Report Approval Details

Document Title:	231010 - Boundary Extension - Decision Points for Landowner Communications.docx
Attachments:	<ul style="list-style-type: none">- 230911 - Boundary Extension - Discussion Points for Council.pdf- Boundary Expansion Financial Impact - Summary + Exemptions.pdf- Local Government Act S.29.pdf- Local Government Act S.34.pdf- 230814 - COTW - BoundaryExpansionAnticipatedProjectTimeline - Previously Received.pdf
Final Approval Date:	Oct 3, 2023

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Duncan Redfearn was completed by assistant Daniel Drexler

Duncan Redfearn

Memo



To: Regular Meeting
From: **Corporate Services**
Date: 2023-09-11
Subject: Boundary Extension – Discussion Points for Council

Purpose

To engage in a discussion with Council about some early concerns that have been received regarding the proposed boundary expansion and to discuss potential options to address these concerns.

Background

Council reviewed a report on the Anticipated Project Timelines for the Boundary Extension project at the Committee of the Whole (COTW) meeting on August 14, 2023. The report and all supplemental items are attached to this report for reference.

The report outlined the various steps that would be required to complete the project. Step 1 is highlighted below:

*Step 1. – Current Step – Proposal Development and Referral
Council already instructed Staff to proceed with the development of the proposal. The next phase of this step will be to seek comments from:*

- *Property owners in the area of the proposed boundary expansion*
- *The RDKB*
- *Any improvement districts that may overlap*
- *The Agricultural Land Commission – if the area includes land that is in the Agricultural Land Reserve*
- *Ministry responsible for Crown Land – if the area includes Crown Land*
- *Indigenous communities*

As part of Step 1, the City's consultant is preparing to seek comments from the various groups that have a potential interest in this extension, with the initial correspondence expected to be released the week of September 11, 2023.

To streamline public engagement with the individual affected property owners, the consultant is working on creating individual information packages and would like to be able to answer questions regarding some of the known concerns and also to provide some answers to questions that were previously received.

Some of the discussions with affected property owners are anticipated to point out some of the following items:

- The difference in taxation
- The differences in zoning, water servicing, and wastewater servicing
- Differences in subdivision requirements

As such, it would be beneficial for Council at the October 10, 2023, meeting to indicate the City's willingness and commitment to work with the affected landowners if they should become part of the City.

Discussion Points

Tax Rate Limit

This item will most likely be the most contentious for most of the 19 affected property owners. Based on current 2023 assessment and taxation rates, a successful expansion would result in the following tax changes if there were no other mechanisms implemented to ease the properties into the new taxation regulations:

Of the 19 properties, 1 is crown land and tax exempt, 16 are residential only and would see a 37.1% increase or an average increase of \$911 in overall taxes owing, 1 property has an assessed business portion (\$271k) that would see a 26.2% or \$971 increase, and 1 property has farm status which would see an overall increase of 46.5% or \$1,177 on the residential portion due to the taxable rules surrounding the taxation of the "farm house" within a municipality vs the rural area. Overall (not including an estimate for the potential development) the City would add approximately \$29,564 (0.71%) in municipal tax revenues to our tax base if the expansion is successful.

The Local Government Act S. 29, as part of a boundary extension, provides for the opportunity to ease this potential tax burden over a period of no more than 20 years. So, essentially a new tax rate would be able to be created that adjusts over time from the rural taxation rates to the municipal ones.

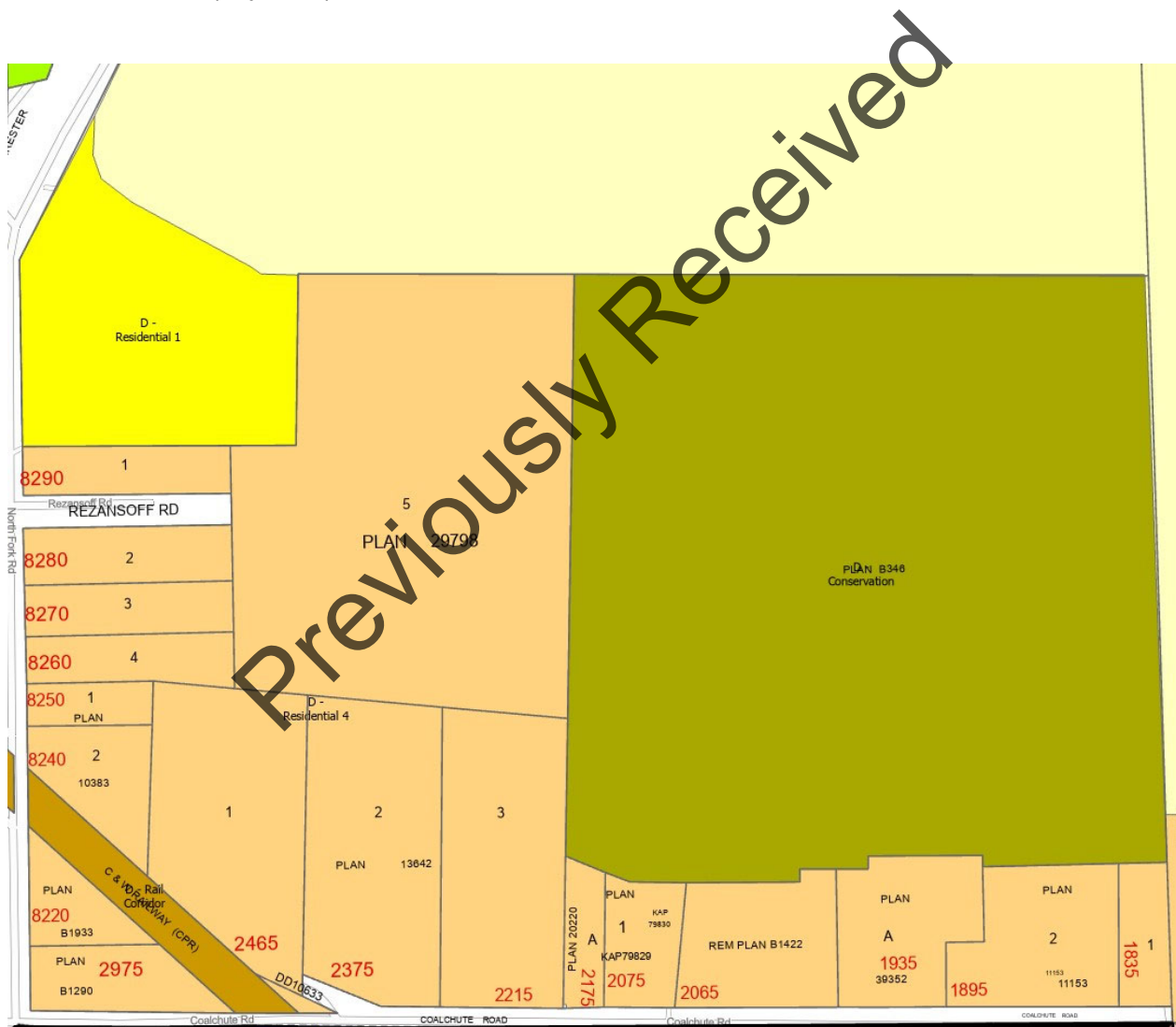
The opportunity to establish this Tax Rate Limit and the area that it applies to is through the overall Boundary Extension process. The impacted area would be defined as part of the Letters Patent approval stage. Please note, it is not required to set Tax Rate limits on the entire area. So, this could only apply to the current Residential 4 properties.

At the October 10, 2023 meeting, to continue with the anticipated timeline, it would be beneficial to potentially solidify Council's level of commitment for a Tax Rate Limit, over what time frame (up to 20 years) and what increments of adjustments would be utilized; as well as which part of the extension area it would be applied to.

Subdivision Bylaw Requirements Regarding Services / Zoning

This concern is anticipated due to the potential change in land use and zoning when coming from the RDKB zoning bylaw to the City's zoning bylaw, in particular for the properties that are not part of Copper Sky. The City's Subdivision, Development, and Servicing Bylaw No. 1970 requires that all Residential zoned lots have a water service and wastewater service connection, except for R4/R4A, which allow the use of a well for water and a septic system for wastewater.

At present, the RDKB Zoning Bylaw for Area D lists the majority of the properties as Residential 4 (peach colour in the map below), 1 property as Conservation (in moss green) and 1 property as Residential 1 (in yellow).



The Conservation property is owned by the Province with current primary permitted uses as:

- a) Conservation areas, ecological reserves, wildlife sanctuaries
- b) Observation points

And secondary uses as accessory buildings and structures only.

As it is owned by the Province and future land use will be limited or difficult to change, this report will not focus on this property at this time.

The single Residential 1 property is in reality the Copper Sky property that is split zoned Residential 2 for the remainder of the property. Currently, the following uses are allowed in Residential 1 and Residential 2 as primary uses:

- a) Single Family Dwelling;

with the following list being secondary uses:

- a) Accessory buildings and structures;
- b) Bed and breakfast,
- c) Boarding use,
- d) Home-based business; and
- e) Secondary suite on parcels one hectare or greater in area.

As this property would require various planning and development decision points in the future if the Boundary Extension is successful, this report won't focus on the R1 and R2 zoned property as well, but rather focus on the 18 affected Residential 4 zoned properties:

The 18 Residential 4 properties currently have the same permitted uses as Residential 1 and 2 properties; however, also include "Agriculture" as a permitted secondary use.

During a boundary extension, the zoning would be originally integrated as is into the City's boundary, but it has been a common practice to adjust the zoning to those that closely resemble the City's zoning shortly thereafter. As such staff compared the RDKB Residential 4 zone to the City's current zoning bylaw and the City's current R-4 (Rural Residential) Zone matches these uses the closest. The following are the uses allowed in the City's R-4 zone:

- a) dwelling units;
- b) farm operations (crops and/or animals);
- c) bed and breakfast accommodations;
- d) kennels;
- e) home occupations;
- f) home industries;
- g) animal hospitals.

As such, if the extension is successful, Staff would recommend adjusting the zoning for the properties to closely resemble the current zoning in place and would most likely recommend utilizing the R-4 zone for these properties.

Although Council can't preconceive a decision, in this case for a potential future zoning bylaw amendment, it would be beneficial to indicate to the affected 18 property owners that future land use would initially closely resemble the current zoning and as such would not require services connections to the City's Water and Wastewater infrastructure.

It would be beneficial for Council to consider a level of commitment regarding alleviating initial water and wastewater connectivity requirements and potential financial hardship concerns of affected property owners; and asking staff to integrate the properties into the City's zoning with zones that closely resemble the Regional District's current zoning for the affected properties (following all legislated processes).

If Council does not want to consider this option, the Water Servicing, Wastewater Servicing, and Subdivision Bylaws may need to be reviewed to allow for exemptions or amendments for these properties to alleviate hardship and to allow integration over time into the municipal infrastructure.

Discussion Points – Summary

Providing a level of certainty to the affected property owners regarding how taxes, Tax Rate Limits, and Zoning would impact them will greatly enhance the feedback process that Staff and the consultant are currently engaged in with the owners.

Questions and Answers

This section is intended to provide a few additional answers to common questions we have received over the past few months.

Second Access

One of the primary concerns received from Copper Ridge residents (which are outside of the boundary extension area and as such are not classified as an “affected property”, but who’s inputs are providing valid feedback for potential challenges), was the lack of a secondary access to the Copper Sky development as the primary access route would otherwise be through the rural Copper Ridge development instead.

If the boundary extension is successful, the extension area would include a forested interface area that would need to be considered. As such, the Fire Chief would most likely be recommending that a secondary access road close to the South side of the extension area be installed, which would help to alleviate the life safety risk in the overall Copper Sky /Copper Ridge development area.

The developer has indicated that “for both safety and marketing purposes, [the developer would] like to have a new primary access constructed from Coalchute Road.” For affordability reasons the developer has indicated that they may “install the access to Coalchute after the first phase (20-30 lots) are serviced and sold.”

Water Supply

Concerns have been raised that a housing development in the area would not have enough water supply.

The Developer has provided information that they have maintained a servicing agreement with the Grand Forks Irrigation District (GFID) for the development and provided the following statement: “Copper Sky will be designed for a sustainable level of water consumption with a requirement to maintain and plant native, drought tolerant species. Ornamental landscaping will be limited on each parcel. Once the first homes are in place, we will monitor flows to determine when a future connection to the City’s system may be required. Our desire would be to be self-sufficient for as long as possible.”

Wastewater Connection

Questions were also received regarding the plans for wastewater connectivity and potential tie-ins to the City's system in the future and associated costs to maintain the system. Copper Sky is proposed to have its own Wetland Wastewater Treatment System which would be able to be expanded as needed and the construction firm would maintain the system. From the developer: "From our recent discussions with [our engineers] we believe that the construction firm [that the engineer utilizes] for its systems is prepared to manage the system for Copper Sky for a fee. Again, the intent is for Copper Sky to be self-sufficient on wastewater treatment and disposal for the foreseeable future."

Stormwater Management

Additional questions were raised about stormwater management and if the City would be responsible for any portion of it now, or in the future. From the developer: "From the initial inspection of the site and review of available [data], [our engineer's] belief is that all storm water can be managed on site. This will obviously need to be confirmed by a more detailed study, but off-site disposal does not seem to be an issue."

Statutory Right of Way (SRW) to Observation Mountain

Various organizations have communications equipment on the top of Observation Mountain and access to this infrastructure is critical, however, currently no formal agreements are in place and access exists through the Copper Sky property. The developer has indicated that negotiations regarding a SRW should be straightforward as the developers' "intention has always been to maintain access to trails".

Q & A - Summary

In summary at this stage, a final decision on access, water, wastewater, and other utilities cannot be made yet; however, if the boundary extension is successful, then City subdivision and other bylaws would apply and the City will have opportunities to discuss and negotiate the various items in detail during those stages. Council could also utilize other tools such as a Development Permit Area as part of an Official Community Plan amendment to further guide the development to the vision of Council. That being said, Staff will discuss these and other issues that arise on a continuing basis with the developer to clarify their plans as early as possible and potentially solidify agreements on the individual items along the way.

Tentative Timeline - Update

Since the last report, the kick off meeting is complete, and the Communications and Engagement Plan is developed (however it will continually evolve) (highlighted in green below).

The Province has also advised us that a minimum 60 day engagement process should be utilized for First Nations nowadays. As such, that timeline has to be extended to late November, possibly December 2023, which then will increase some other tentative dates. (in blue)

At the October 10, 2023 meeting, Council would have an opportunity to provide some level of commitment by the City to the affected property owners. As such, the Landowner Information packages will now have 2 phases, the initial one will see an initial contact package with the basic information about the project, and the second one in mid-October will include additional details based on Council's decision. (in yellow)

Overall, no significant impacts are currently expected due to those timeline changes; however, this currently primarily depends on the response timelines from First Nations and feedback from the Landowner engagements.

Activity	Public Engagement	Tentative Date
Kick off Meetings		August 2023 - complete
Develop Communications and Engagement Plan		August 2023 – complete – will continue to evolve
Develop Communications Materials		August / September 2023
Landowner Resident Information Package – Initial contact		September 2023
Engagement with Local Governments / Indigenous Communities / etc. as per provincial requirements in Step 1 – First Nations engagement is minimum 60 days	Yes (specific)	September / October / November 2023
Landowner Resident Information Package – Full package		October 2023 – depends on Council decision
Landowner Interviews (for affected property owners)	Yes (specific)	October / November 2023
What we heard Summary		November / December 2023
Combine all information and Submit to the Province (Step 2 of Provincial Guide)		December 2023
Ministry Review (Step 3) – unknown time frame, I'm reaching out to the Province for feedback on that timeline		TBD
In Person Open House – after submission to the Province	Yes	December 2023
Communications Material Update		November / December 2023
Virtual Information Session	Yes	TBD – possibly January / February 2024
Prepare Information Packages for electoral Approval		TBD – possibly January / February 2024
Electoral Approval Process (timeline depending on Ministry Review) (Step 4)	Yes	TBD – possibly February / March 2024
Prepare Package for final Provincial Approval		TBD – possibly March / April 2024
Submission to the Province (Step 5)		TBD – possibly April 2024

Next Steps

- Staff will bring back a report to the October 10, 2023 Regular Meeting of Council for levels of commitment on Tax Rate Limits and the potential future zoning for the affected properties.
 - Questions and Answers will be populated on the City's website on a continual basis on a new subpage dedicated to the Boundary Extension Project once the page is live.
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Attachments

1. 230814 – COTW Report on Timelines – Previously Received
2. Section 29 of the Local Government Act - Excerpt
3. RDKB Zoning Bylaw Excerpt – Residential 1, 2, and 4 Zones

Previously Received

Report Approval Details

Document Title:	230911 - Boundary Extension - Discussion Points for Council.docx
Attachments:	- 230814 - COTW - BoundaryExpansionAnticipatedProjectTimeline - Previously Received.pdf - Local Government Act S.29.pdf - RDKB Residential 1, 2, and 4 Zones.pdf
Final Approval Date:	Sep 6, 2023

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Duncan Redfearn was completed by assistant Daniel Drexler

Duncan Redfearn

Previously Received

Boundary Expansion Property Tax Impact - Summary per Property Class + Exemption Scenarios

*Based on Current 2023 Rates & Data

		Exempt - 5 Yrs. (average yearly increase)	Exempt - 5 Yrs. (average yearly increase)	Exempt - 5 Yrs. (average yearly increase)	Exempt - 5 Yrs. (average yearly increase)
Class 1 - Residential - 18 Occurrences					
Total Combined 2023 Assessed Value	\$ 8,218,400				
Average Assessed Value per Occurrence	\$ 456,578				
Total Combined 2023 Taxes - Rural Area	\$ 43,358				
Total Combined 2023 Taxes - Within City of GF	\$ 59,666				
Total \$ Increase Over Rural Taxes	\$ 16,309				
Average % Increase Over Rural Taxes	37.6%				
Average \$ Increase per Occurrence	\$ 906	\$ 181	\$ 91	\$ 60	\$ 45
Total City of GF Residential Tax Base Value	\$ 728,467,000				
Occurrences	2,487				
Current Average Assessed Value per Occurrence	\$ 292,910				
Increase to Residential Tax Base with Expansion	1.13%				
Increase in City of GF Municipal Tax Revenues	\$ 27,226	\$ 5,445	\$ 2,723	\$ 1,815	\$ 1,361
<p>Note: A single residential occurrence include in the above analysis involves a farm status property. As a rural property, the farm house is 100% tax exempt. This exemption does not exist within municipalities. Consequently, the \$511k farm house becomes taxable over a 5-year period in 20% increments. This would represent a total tax increase of 46.7% or \$1,177 in year 5. Comparatively, the remaining residential properties above would see a 37.1% increase or an average of \$890.</p>					
Class 9 - Farm - 1 Occurrence					
Total 2023 Assessed Value	\$ 5,265				
Total 2023 Taxes - Rural Area	\$ 21				
Total 2023 Taxes - Within City of GF	\$ 38				
Total \$ Increase Over Rural Taxes	\$ 17	Exemption does not apply to Farm properties			
% Increase Over Rural Taxes	79.0%				
Total City of GF Farm Tax Base Value	\$ 82,962				
Occurrences	8				
Current Average Assessed Value per Occurrence	\$ 10,370				
Increase to Farm Tax Base with Expansion	6.35%				
Increase in City of GF Municipal Tax Revenues	\$ 22	Exemption does not apply to Farm properties			
<p>Note: See note above regarding the farm house (residential) portion of this property.</p>					
Class 6 - Business - 1 Occurrence					
Total 2023 Assessed Value	\$ 271,000				
Total 2023 Taxes - Rural Area	\$ 3,709				
Total 2023 Taxes - Within City of GF	\$ 4,679				
Total \$ Increase Over Rural Taxes	\$ 971	\$ 194	\$ 97	\$ 65	\$ 49
% Increase Over Rural Taxes	26.2%				
Total City of GF Business Tax Base Value	\$ 90,828,250				
Occurrences	406				
Current Average Assessed Value per Occurrence	\$ 223,715				
Increase to Business Tax Base with Expansion	0.30%				
Increase in City of GF Municipal Tax Revenues	\$ 2,316	\$ 463	\$ 232	\$ 154	\$ 116
<p>Note: This property also has a residential portion which is included in the residential analysis above. The residential portion of this property will see a 37.1% increase or \$550.</p>					

Establishment of property tax rate limits

- 29 (1) Letters patent incorporating a municipality or extending the area of a municipality may do the following:
- (a) designate an area that is,
 - (i) in the case of an incorporation of a municipality, all or part of the municipality, or
 - (ii) in the case of an extension of the area of a municipality, all or part of the area that forms the extension of the municipality;
 - (b) establish a limit on the tax rate under section 197 (1) (a) [*municipal property taxes*] of the *Community Charter* that may be established for a property class by an annual property tax bylaw and imposed on land and improvements in the area designated under paragraph (a) of this subsection.
- (2) A tax rate limit established under subsection (1) (b) may be established by doing one or more of the following:
- (a) specifying a limit on the tax rate;
 - (b) specifying a limit on the relationship between tax rates;
 - (c) establishing formulas for calculating the limit referred to in paragraph (a) of this subsection or the limit on the relationship referred to in paragraph (b) of this subsection;
 - (d) adopting as the tax rate limit a tax rate set by another authority having taxing powers in respect of land or land and improvements.
- (3) Different tax rate limits may be established under subsection (1) (b) for different taxation years.
- (4) Section 197 (3) [*establishment of tax rates*] of the *Community Charter* does not apply in relation to the tax rate
- (a) applicable to an area designated under subsection (1) (a) of this section, and
 - (b) established for a property class in accordance with a limit established under subsection (1) (b) of this section.
- (5) If there is a conflict between a tax rate limit established under subsection (1) (b) and a regulation under section 199 [*property tax rates regulations*] of the *Community Charter*, the regulation prevails.
- (6) If a tax rate limit is established under subsection (1) (b) for property class 1 or 6, the Lieutenant Governor in Council must, by letters patent, specify the time period during which the tax rate limit applies.
- (7) The time period specified under subsection (6) may not be more than 20 taxation years.

Bylaws that apply to new municipality or extend to additional area

34 (1) The bylaws and resolutions of the municipality to which an addition is made apply to the additional area, and continue in force until altered or repealed by the council.

(2) Despite subsection (1) but subject to section 44 (6) [*continuation of regional district jurisdiction*] and the letters patent, if a municipality is incorporated or the area of a municipality is extended, a provision of

(a) a bylaw adopted by a regional district, other than an establishing bylaw, or

(b) a bylaw adopted by a local trust committee under the *Islands Trust Act*

that applies to the area continues in force as if it were a bylaw of the municipality until it is amended or repealed by the council.

Memo



To: Committee of the Whole
From: **Corporate Services**
Date: 2023-08-14
Subject: Boundary Extension – Anticipated Project Timeline

Purpose

For the Committee of the Whole to review the Boundary Extension Project Timeline and information.

Background

On April 17, 2023, at the Committee of the Whole, the developer (Copper Sky) presented their proposal for a boundary extension to include roughly 233.57 acres within city limits. (The presentation is attached)

Subsequently, at the Regular meeting on the same day, Council passed the following resolution:

**THAT the City of Grand Forks proceed with the proposed 94.52 hectare (233.57 acre) boundary extension proposal;
AND THAT the City of Grand Forks staff be authorized to assist in the development at the cost of the developer, as well as sign and submit the proposal to the Provincial Government.**

After the meeting, as instructed, Staff began to negotiate a Contribution Agreement with the developer and posted a Request for Proposal (RFP) through BCBid to enlist the support of a qualified communications consultant to assist the City with the required steps to prepare the boundary extension proposal for submission to the Province that meet legislated requirements.

The contribution agreement with the developer was finalized in early August 2023, and a contract with the preferred consultant is almost finalized as of the time of writing this report.

After reviewing the RFP response, the preferred consultant, the developer and Staff determined to include an option for in-person interviews with property owners of the boundary extension area. This will ensure that the affected residents receive the correct information regarding the project in a one-on-one setting, which will directly support achieving the objectives of the Provincial requirements under Steps 1 & 2. (For additional information on the Provincial Approval Steps, please see the next paragraph and the attached guiding document.)

Provincial Approval Steps (also see attached guide)

Step 1. – Current Step – Proposal Development and Referral

Council already instructed Staff to proceed with the development of the proposal. The next phase of this step will be to seek comments from:

- Property owners in the area of the proposed boundary expansion
- The RDKB
- Any improvement districts that may overlap
- The Agricultural Land Commission – if the area includes land that is in the Agricultural Land Reserve
- Ministry responsible for Crown Land – if the area includes Crown Land
- Indigenous communities

Step 2. – Proposal Submission to the Province

This Step would include all the items collected under Step 1. and the package would be submitted to the Province.

Step 3. – Ministry Review

The Ministry will handle internal referrals and ensure that all required components for a potential expansion have been submitted. The timeline for this is unknown, but staff are estimating a 90-day review window at this time.

Step 4 – Elector Approval process

Council would need to determine at a later date if they would like to undertake a full Referendum or seek input from electors through an Alternate Approval Process (AAP). Legislated timelines must be followed for this process regardless of which option is chosen. More information on this step will be coming to Council this fall.

Step 5 – Provincial Approval

The results of the Elector Approval process must be submitted to the Province along with a Council resolution confirming the process for the boundary extension, a declaration that all statutory requirements have been met as well as a list of properties to be included within the City's boundaries.

Step 6 – Implementation

If approved by Cabinet, the City and Regional District will be notified, and letters patent will be drafted and boundary lines will be adjusted.

Tentative Timeline

Below is a tentative timeline for the public engagement process that we are currently working with which would see a package finalized for submission to the Province around March/April 2024. However, the Ministry Review step and their processes are outside of the City's control.

Activity	Public Engagement	Tentative Date
Kick off Meetings		August 2023
Develop Communications and Engagement Plan		August 2023
Develop Communications Materials		August / September 2023
Landowner Resident Information Package		September 2023
Landowner Interviews (for affected property owners)	Yes (specific)	September 2023
Engagement with Local Governments / Indigenous Communities / etc. as per provincial requirements in Step 1	Yes (specific)	September / October 2023
What we heard Summary		October 2023
Combine all information and Submit to the Province (Step 2 of Provincial Guide)		October / November 2023
Ministry Review (Step 3) – unknown time frame, I'm reaching out to the Province for feedback on that timeline		TBD
In Person Open House – after submission to the Province	Yes	October / November 2023
Communications Material Update		November / December 2023
Virtual Information Session	Yes	TBD – possibly January / February 2024
Prepare Information Packages for electoral Approval		TBD – possibly January / February 2024
Electoral Approval Process (timeline depending on Ministry Review) (Step 4)	Yes	TBD – possibly February / March 2024
Prepare Package for final Provincial Approval		TBD – possibly March / April 2024
Submission to the Province (Step 5)		TBD – possibly April 2024

Strategic Impact

Council's Strategic Plan for 2023 included the following priority and assign actions and results.

Priority: Create Opportunities for Additional Housing Development in Grand Forks

Goal 1.: Apply to the Provincial Government to Expand the City of Grand Forks Municipal Boundary

Actions to get us there:

- Secure a consultant to guide the City through the boundary expansion application process – in progress
- Create a schedule which clearly outlines a timeline and benchmarks for public engagement opportunities, communication, external agency referrals, technical data, stakeholder feedback, and any other major steps within the application process – completed with this report
- Provide Council with regular updates through the Committee of the Whole – in progress
- Council to determine electoral approval process (Alternate Approval Process or Referendum) – not started

The Results We Want to See:

A complete and compliant boundary expansion application ready for submission to the Provincial Government within 10 months – on track

Next Steps

- At a minimum, Staff will update Council at the next COTW meeting in October and provide a timeline update.
- Staff will bring the submission package for Step 2 back to Council before submitting to the Province.
- Council will have to determine at a later time what Electoral Approval process (Referendum or Alternate Approval Process) should be utilized, possibly in the early budget 2024 cycle.

Attachments

1. Copper Sky Presentation – April 17, 2023 – COTW – previously received
2. Provincial Guide to Boundary Expansions

Previously Received



COPPER SKY LIVING DEVELOPMENT PLAN

Previously Received

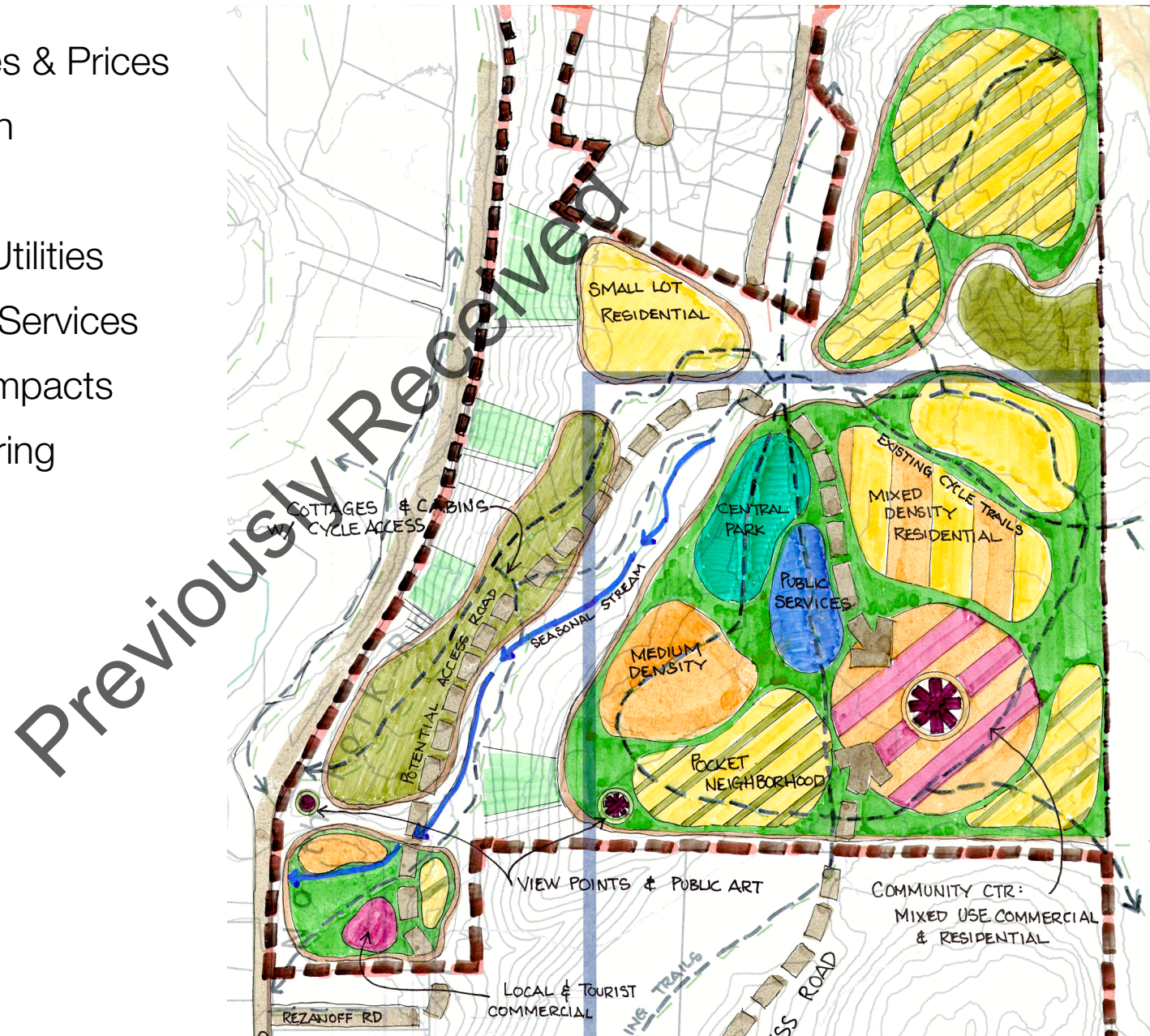
APRIL 17, 2023

1ST PRINCIPLES PLANNING TEAM
Shaun Ali, MPlan
Scott Thompson, MPlan
Elham Kiani Dehkordi, MLA, MArch

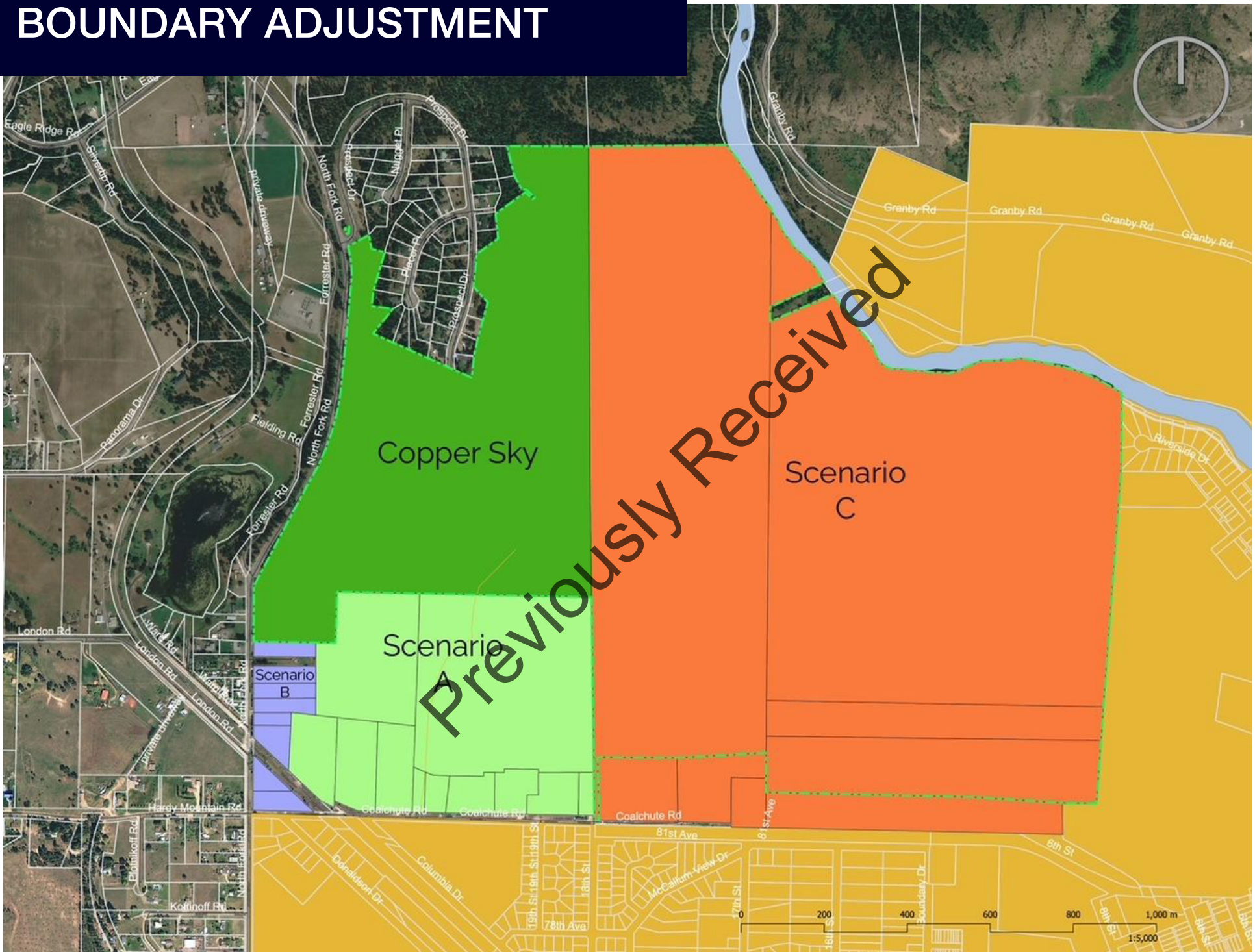
COPPERFIELD LIVING LTD.
Daniel Chiu, Partner
William Lam, Partner
Connie Lam, Partner
Harry Harker, FCIP, Agent

EVOLVING DEVELOPMENT VISION

- Phased Development
- Diversity of Housing: Types & Prices
- Environmental Preservation
- Active Living Amenities
- Sustainable Independent Utilities
- Community Node – Local Services
- Positive Local Economic Impacts
- Tax Revenues & Cost Sharing



BOUNDARY ADJUSTMENT



Previously Received

BOUNDARY EXTENSION PROCESS

STEP 1



Council Resolution

STEP 2



Extension Proposal Development

1. Rational & Implications
2. Mapping
3. Communications & Notices
4. Referrals to the Regional District, Ministries, & First Nations

STEP 3



Ministry Referral & Review

STEP 4



Elector Approval

STEP 5



Provincial Approval

STEP 6



Implementation: City & Regional District

Previously Received

CORE VALUE



PRINCIPLE #1:
Integrate Natural Systems



Create a sustainable neighbourhood that reduces the need for vehicular traffic and focuses on active living.



PRINCIPLE #2: Enhance
Our Great Neighbourhoods



Embrace diversity of choices that offers a range of housing options that caters to individuals and families from all walks of life.



PRINCIPLE #3: Maintain a
Thriving Local Economy



Provide for a variety of new commercial opportunities that are site appropriate and compliment the existing downtown businesses.



PRINCIPLE #4:
Connect the City



Conscious integration of existing trails and natural areas providing enhanced connectivity to the City.

Previously Received

CONCEPT LAYOUT

COMPACT BLOCK SIZES

- More walkable = more active mobility
- Vehicular traffic kept to the perimeter

DIVERSITY OF HOUSING CHOICES

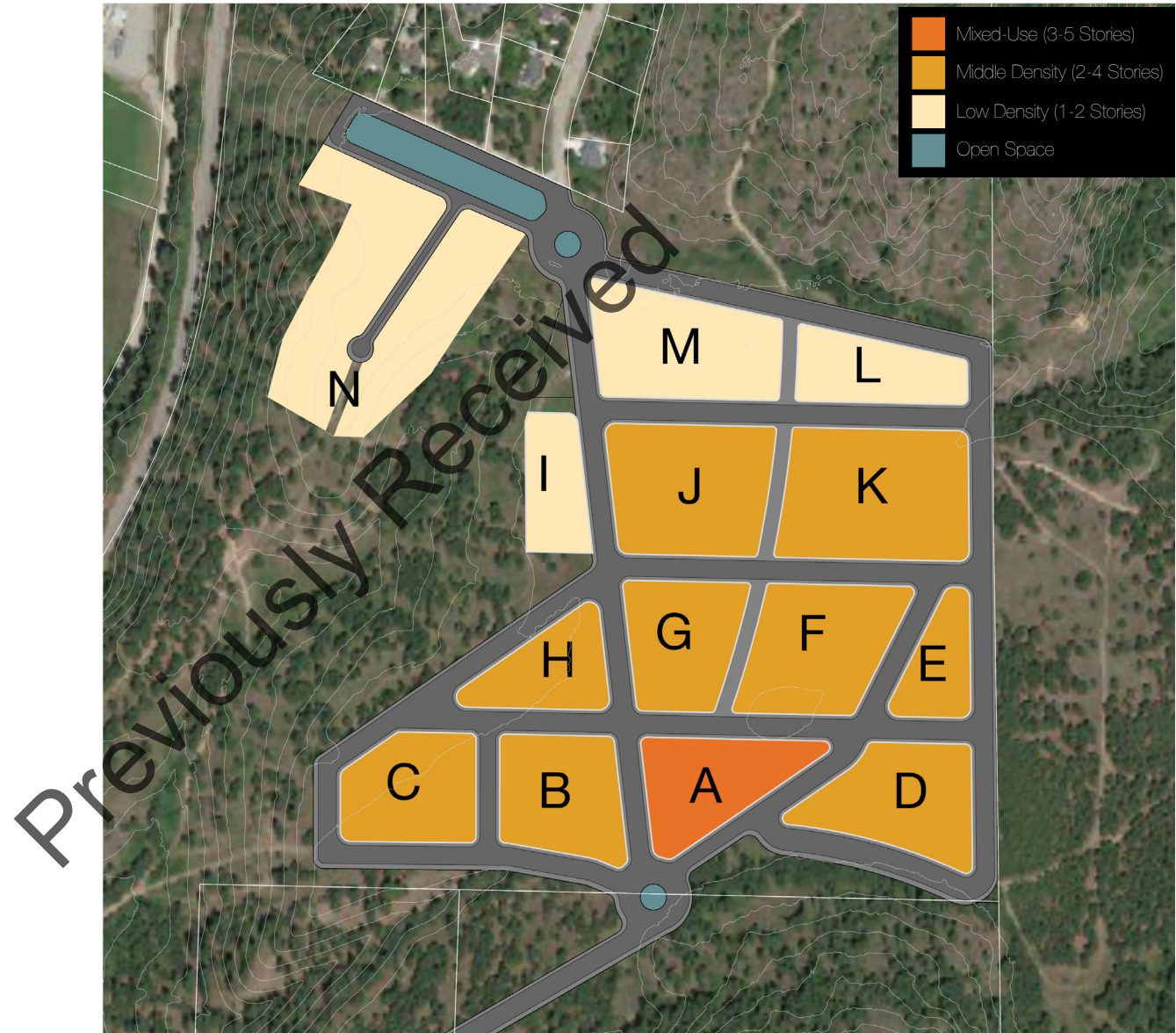
- Variety of housing options for different demographics and income levels.
- Establishment of Community Node

PROVIDE NEW EMPLOYMENT OPPORTUNITIES

- Provide new employment opportunities through all stages of the project

CONNECTED COMMUNITY

- Develop a community around existing trails and enhance existing trail network
- Provide a new access to provide safety



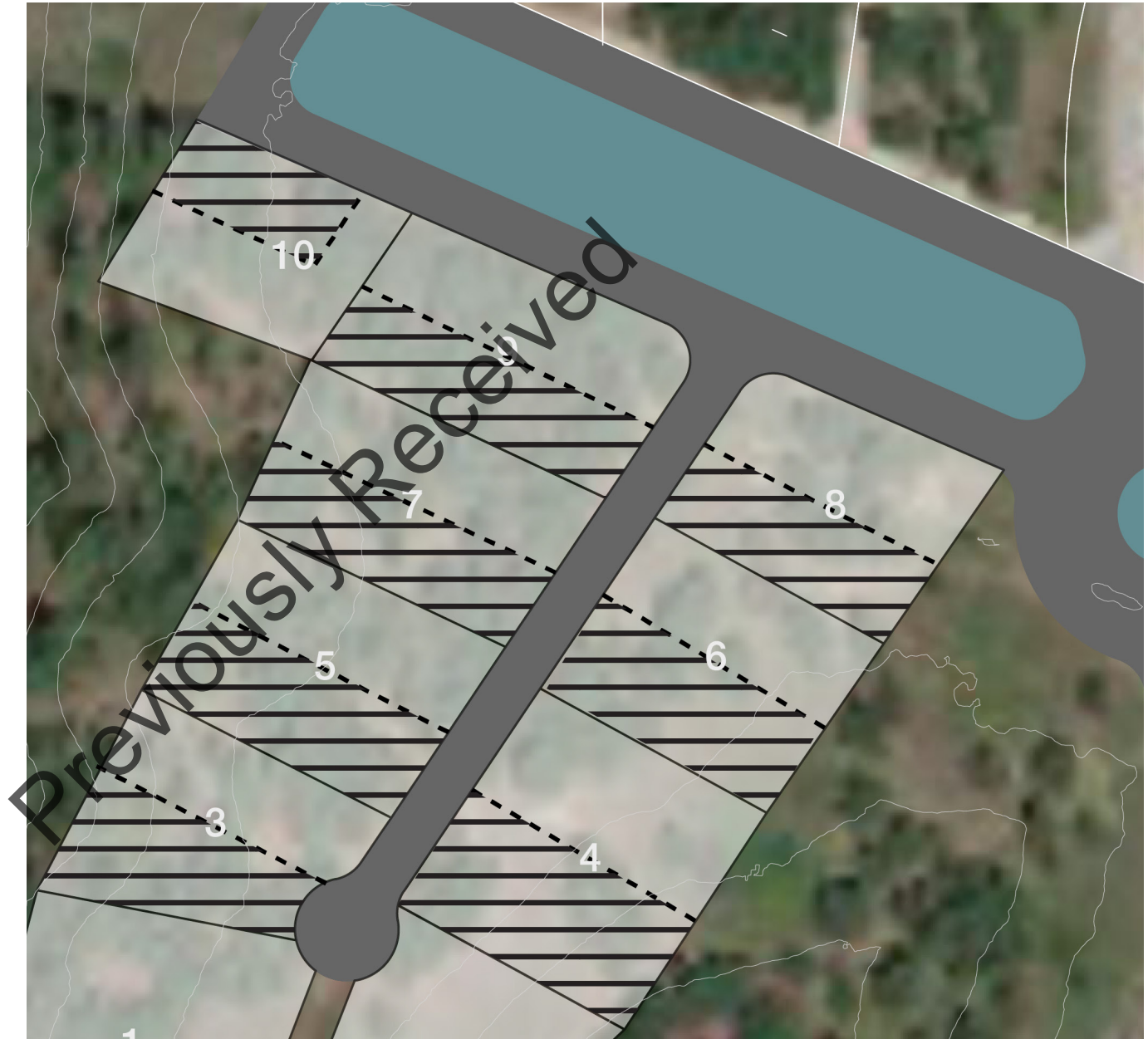
PRE-BOUNDARY ADJUSTMENT


- Initial Development within the Regional District.
- 1/2 Acre lots, meeting Regional District Zoning.
- No immediate need to new access to the plateau.
- Recognizes and is sensitive to the Copper Ridge neighbourhood to the North.



RESTRICTIVE COVENANT

- Restrictive Covenants will be registered on title to only allow building on certain areas.
- Once Boundary Adjustment is completed parcels will be able to further subdivided to provide for more housing.



 Restrictive building on site.

RESOLUTION

THAT the City of Grand Forks proceed with the proposed 94.52 hectare (233.57 acre) boundary extension proposal;

AND THAT the City of Grand Forks staff be authorized to develop, sign and submit the proposal to the Provincial Government.

Previously Received

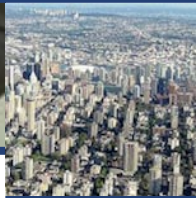


THANK YOU | Q&A

Previously Received



Municipal Boundary Extension Process Guide



March 2010



Ministry of
Community and
Rural Development

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Previously Received

Previously Received

Preface

The *Municipal Boundary Extension Process Guide* (Guide) describes the steps for submitting a municipal boundary extension proposal for provincial approval. This process involves property owners and residents in the extension area and the municipality, the regional district, improvement districts, various government ministries and agencies, and First Nations.

The Guide applies to all municipal boundary extensions, whether the area is small or large, with many residents or none. In the case of a complex municipal boundary extension that includes a large area with many residents, the boundary extension process may include additional steps and considerations.

A companion document, the [Municipal Boundary Extension Policies Guide](#), describes provincial policies for developing boundary extension proposals. These two documents replace the *Municipal Boundary Extension Criteria* (2002).

Processing municipal requests for boundary extensions is the responsibility of the Ministry of Community and Rural Development. Please direct inquiries to:

Ministry of Community and Rural Development
Local Government Structure Branch
800 Johnson Street
PO Box 9839 Stn Prov Govt
Victoria B.C. V8W 9T1

Phone: 250-387-4019

Facsimile: 250-387-7972

Toll free through Enquiry BC:

Call 604-660-2421 in Vancouver or 1-800-663-7867 elsewhere in B.C. and request a transfer to 250-387-4019 in Victoria.

Previously Received

Introduction

There are six steps to developing, processing and approving a municipal boundary extension proposal. The Ministry of Community and Rural Development (Ministry) recommends that a municipality contact the Local Government Structure Branch prior to Step 1.

Ministry staff can provide answers to questions as well as clarify requirements and discuss timing issues. It is helpful to the timely processing of requests if the municipality can provide as many details as possible related to the proposal, such as the community's overall approach to growth management, long-term servicing objectives and other relevant issues important to the community.

Municipalities are encouraged to take a comprehensive, strategic approach to boundary extension proposals as the process involves significant time and resources at both the local and provincial level.

Step 1: Proposal Development and Referrals

Developing a municipal boundary extension proposal begins with a council resolution confirming the municipality is willing to consider a boundary extension proposal (Appendix 1). The resolution also authorizes municipal staff to develop the details of the proposal and to send it to the Ministry for processing.

Municipal boundary extension proposals should include:

- blocks of property continuously adjacent (contiguous) to the current municipal boundary;
- complete parcels as described on the land title certificate; and,
- roads and road-rights-of-way adjacent to the proposed extension area that provide access from the municipality to the proposed extension area.

Appendix 2 provides the specific technical criteria needed to develop a municipal boundary extension proposal. Ministry staff are also available to provide assistance. Once the proposal is complete, the municipality must refer the proposal to the following parties for comment:

- property owners within the proposed municipal boundary extension area to obtain their opinion on the proposal (Appendix 4);
- the regional district to determine the impact on existing services and the details of transferring services should the municipal boundary extension be approved (Appendix 5);
- improvement districts that overlap with the proposed municipal boundary extension area¹;
- Agricultural Land Commission (ALC) if the proposed extension area includes land in the Agricultural Land Reserve (ALR);
- Integrated Land Management Bureau (ILMB) if the proposed extension area includes Crown land; and,
- First Nations whose traditional territory includes the proposed municipal boundary extension area.

Through the referral process, the municipality should identify and resolve concerns with the proposed municipal boundary extension before the municipality submits the proposal. Ministry staff can provide advice for resolving issues.

¹ Note: Generally improvement district boundaries will be reduced or the improvement district dissolved, and the service responsibility will transfer to the municipality, if a boundary extension is approved.

Step 2: Proposal Submission

A municipal boundary extension proposal submitted to the Ministry should include the following:

- a council resolution confirming the municipality wishes to consider a boundary extension proposal (Appendix 1);
- a rationale for the proposal, including land use implications;
- maps (Appendix 3);
- a list of parcels in the extension area including legal descriptions;
- a parcel map and/or list of parcels indicating which property owners are in favour or opposed to the proposal;
- the name of the regional district and the affected electoral area(s);
- copies of communications with, and the opinions of, owners and other interested parties within the area of the proposed municipal boundary extension;
- results of referrals to the regional district, improvement districts, ALC and ILMB, including correspondence, and a record of issues identified and resolved or unresolved;
- results of referrals to First Nations, including correspondence and a record of issues identified and resolved or unresolved¹; and,
- consideration of any specific conditions related to implementation and other relevant background information.

The Proposal Submission Checklist has been developed to help municipalities ensure that applications are complete (Appendix 6). The submission should be sent to:

Ministry of Community and Rural Development
Local Government Structure Branch
800 Johnson Street
PO Box 9839 Stn Prov Govt
Victoria BC V8W 9T1

Step 3: Ministry Review

The Ministry will acknowledge receipt of the municipal boundary extension proposal and review the submission by preparing an Administrative Report that will provide the municipality with feedback. If further work is required, Ministry staff are available to work with the municipality to complete the proposal.

Once the Ministry confirms a complete municipal boundary extension proposal, it will be referred by the Ministry to the Ministry of Transportation and Infrastructure (BC MoT) for review. The Ministry will discuss BC MoT's report with the municipality.

The Ministry recommends that the municipality wait until the Ministry confirms that all issues are addressed before seeking elector approval. This ensures that elector approval is obtained on a complete municipal boundary extension proposal. Technical changes to the proposal after elector approval is obtained could void the results, requiring the elector approval process to be repeated.

¹ NOTE: The *Interim Guide to Engagement with First Nations on Local Government Statutory Approvals* provides guidance to local governments on engaging with First Nations on municipal boundary extension proposals. The Guide is available at: www.cd.gov.bc.ca/lgd/library/First_Nations_Engagement_Guide.pdf

Step 4: Elector Approval

The *Local Government Act* (section 20) requires municipal elector approval of proposed boundary extensions. Elector approval may be obtained by the municipality through a referendum or the Alternative Approval Process (AAP) (*Community Charter*, section 85, 86). For more information on the AAP process and the processes related to voting, see the *Local Government Act* and the *Community Charter*.

If electors support the municipal boundary extension proposal, the municipality must provide the Ministry with:

- a second council resolution confirming the request to the Minister to extend the boundary of the municipality and confirming the legal description of the parcels to be included within the municipal boundary;
- a declaration that the statutory requirements of section 20 of the *Local Government Act* are met; and,
- the results of the elector approval process.

For more information, see Electoral Approval and Council Resolution Checklist (Appendix 7), Sample Statutory Alternate Approval Process Public Notice (Appendix 8), and Sample Council Resolution #2 (Appendix 9).

Step 5: Provincial Approval

Once the elector approval process is complete, the Ministry prepares Letters Patent implementing the proposed boundary change. Letters Patent describe the properties being included in the municipality, provide for the transfer of services from the regional district/improvement district to the municipality, and if necessary, provide for special or transition features. The Ministry also amends the Letters Patent for the relevant regional district, removing the boundary extension area from the applicable electoral area.

The *Local Government Act* (section 20) requires the Lieutenant Governor in Council (Cabinet) to approve municipal boundary extension requests.

Step 6: Implementation

If the boundary extension proposal is approved by Cabinet, the Ministry notifies the municipality, the regional district and other ministries and agencies, such as BC Assessment and the Land Title and Survey Authority of BC that the municipal boundary extension will be implemented.

The municipality and relevant regional district are responsible for implementing the transfer and coordination of services within the boundary extension area. The municipality and the regional district may choose to establish a transition agreement to assist in this process.

To conclude the municipal boundary extension process, the municipality must confirm to the Ministry the population in the extension area. This information is used to adjust the municipality's population for grant allocations and to determine the number of votes held by the municipality on the regional district board. It is important that the population certification be submitted to the Ministry in a timely fashion (Appendix 10).

Glossary

Alternative Approval Process (AAP)

Local governments can use the Alternative Approval Process (*Community Charter*, section 86) to gauge public opinion instead of a referendum, in cases where the local government is required to obtain elector approval. The AAP can be used by a municipality to obtain elector opinion for a municipal boundary extension proposal.

Contiguous

Describes objects such as land parcels that adjoin and share a common border.

Elector

A resident elector or non-resident property elector of a municipality or regional district electoral area. See the *Local Government Act* (Part 3).

Elector Approval

Legislation provides the municipal electorate with an opportunity to voice their opinion on the proposal through an Alternative Approval Process or referendum.

Legal Description

The complete description of a parcel of land, such as parcel identifier, lot number, district lot number, district plan and the name of the land district.

Letters Patent

The legal document describing the local government's name and boundary as well as any unique or customized authorities of that government. Letters Patent are approved by Cabinet through an Order in Council. When municipal boundaries are changed, the Letters Patent for both the municipality and affected regional district are issued.

Order in Council (OIC)

An Order under the authority of legislation approved by the Lieutenant Governor in Council. An Order in Council is the instrument that Cabinet uses to approve boundary extensions. The OIC issues Letters Patent for the municipality and the regional district.

Referendum

A vote seeking elector opinion.

Appendix 1 – Sample Council Resolution #1

I, _____, Corporate Officer for the (Corporate Name of Municipality) do hereby certify the following to be a true and correct copy of a resolution adopted by the Council of the (Corporate Name of Municipality).

“THAT the (Corporate Name of Municipality) proceed with the proposed _____ area boundary extension proposal; and

That (Corporate Name of Municipality) staff be authorized to develop, sign, and submit the proposal to the Provincial Government.”

(Corporate Officer)

DATED at (Municipality), B.C. this _____ day of _____, _____.

Previously Received

Appendix 2 – Technical Criteria

Municipal boundary extension proposals must meet the technical criteria described below.

Boundary Composition

The proposed boundary extension area should include complete legal parcels to avoid split local government jurisdiction over legal parcels. Legal descriptions for each parcel, as found on the land title certificate, must be included in the proposal submitted to the Ministry.

For more efficient and timely processing of municipal boundary requests, proposals that include a logical block of parcels rather than multiple requests to include single parcels are encouraged.

Various factors can define a block, the most obvious being the local road network so all parcels are bounded by intersecting roads. Other factors include local service areas and natural features such as water bodies, rivers or elevation.

Properties of the New Boundary

Generally the area being brought into the municipality should be continuously adjacent, or contiguous, to the existing municipal boundary.

The boundary extension proposal should not create an area that would remain outside the municipal boundary and jurisdiction, resulting in a 'doughnut-hole' within the municipality. The only exception to this requirement is land designated as Indian Reserve or Treaty lands, which will not be included within a municipal boundary unless requested by the First Nation.

Figure 1 shows a proposal that meets the criteria of contiguity. The proposed extension area is adjacent to the existing municipal boundary and represents a complete block of legal parcels.

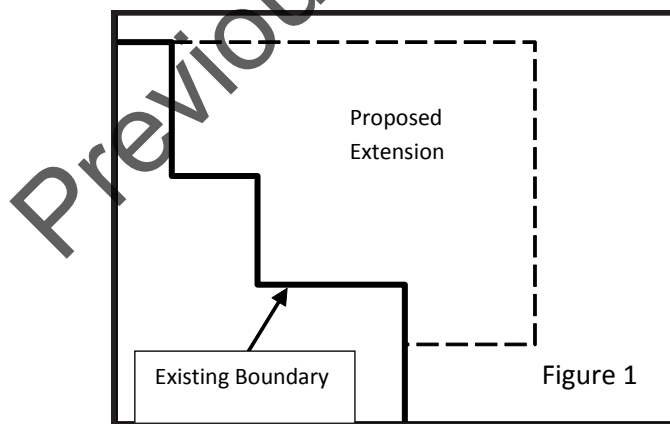


Figure 1 - Boundary extension proposal.

Figure 2 shows a “satellite” boundary extension which is only appropriate for exceptional cases such as:

- a major industrial site (e.g. utility, saw mill or mine) for which the municipality is the major service centre; or,
- an area owned by the municipality used for municipal purposes, such as an airport, a recreation area/facility, or public works yard.

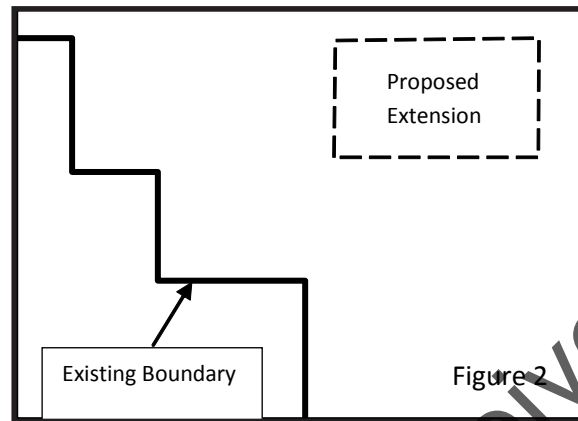


Figure 2 - Satellite boundary extension proposal.

Figure 3 shows a proposal that does not meet the requirements for developing a boundary extension proposal because it is not contiguously adjacent to the municipal boundary, and it does not qualify as a satellite boundary extension.

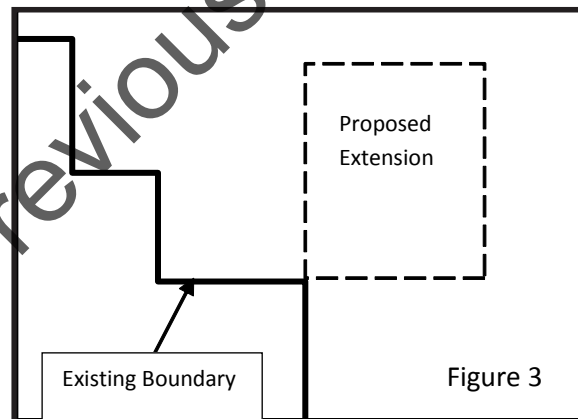


Figure 3 - Invalid boundary extension proposal.

Local Roads

A major consideration for municipalities when developing a boundary extension proposal is the efficient operation of the local road network. Following the boundary extension, any roads not designated as arterial or provincial, are transferred from the Province to the municipality, which assumes responsibility for maintenance and future upgrades.

The municipal boundary extension proposal should meet the following criteria:

- the boundary should follow one side of a road right-of-way, and include the entire road within the municipality;
- roads that provide access from the municipality to the boundary extension area should be included;
- roads and road rights-of-way adjacent to the boundary extension area should be included; and,
- where a boundary extension area is in the vicinity of an existing boundary that follows the centre line of a road, the boundary shall be adjusted to include the entire road within the municipality.

Where the inclusion of a road is not suitable from the perspective of road maintenance jurisdiction, the road will be excluded from the municipality to avoid situations where the road maintenance jurisdiction is not continuous.

Previously Received

Appendix 3 – Maps

As part of the boundary extension proposal, a municipality is required to provide the Ministry with a map of the proposed boundary extension showing its relationship to the current municipal boundary. Maps of the extension and surrounding areas should be provided to the Ministry in hardcopy and in electronic format.

The maps are used to review the road network and to prepare the new municipal boundary description for the Letters Patent. An appropriate scale will ensure clarity and accuracy of detail; ideally a scale of 1:5,000. Maps should accurately describe the:

- current municipal boundary;
- proposed municipal boundary;
- parcel lot lines;
- parcel identifiers and legal descriptors;
- ownership information;
- consent of landowners and residents (via shading);
- roads and road labels;
- other rights-of-way;
- major landmarks;
- Crown land;
- ALR land; and,
- First Nation Reserves and Treaty lands.

Previously Received

Appendix 4 – Public Consultation Within The Proposed Extension Area

It is the municipality's responsibility to design an appropriate process to obtain the opinion of residents and property owners within the area of the proposed boundary extension. The municipality is responsible for providing adequate information to allow residents and property owners to make an informed decision about their support for the proposal.

In particular, the municipality is likely to use ownership information from BC Assessment as the basis for individual distribution of information. It should be noted that eligible electors may not be property owners (renters, mobile home park residents), and these residents should be provided with information as well.

The nature and extent of the public consultation varies with the size of the proposed boundary extension. The table below outlines some possible consultation approaches for a municipality to consider.

Size of Boundary Extension	Number of Parcels	Consultation Approach	Consultation Results
Small area boundary extension	1 to 10	Municipality provides information to property owners and residents.	Individual response letters.
Medium area boundary extension	11 to 49	Municipality provides information to property owners and residents. Municipality holds an open house/public meeting.	Individual response letters. Meeting feedback forms.
Large area boundary extension	More than 50	Municipality provides information to property owners and residents. Municipality holds an open house/public meeting. Municipality posts information on its website.	Individual response letters. Meeting feedback forms. Feedback through website.

The municipality's information to property owners and residents in the proposed boundary extension area should include the following:

- the municipality's reasons for considering the boundary extension proposal;
- general property tax implications (a comparison of tax rates inside and outside the municipality or a sample property tax calculation);
- general information about the costs, process and timing of providing the service if municipal water or sewer infrastructure service is the reason for the boundary extension;
- other significant changes related to local service delivery and service cost recovery (e.g. fees and charges); and,
- any council policy items relating to the boundary extension proposal (e.g. transitional measures).

Generally, the Minister will not recommend a boundary extension to Cabinet if a majority of property owners within the proposed extension area object. An exception may be made where overriding provincial or local interests exist, such as resolving public health concerns or environmental protection issues.

Consultation Information to the Ministry

When submitting the boundary extension proposal to the Ministry, the municipality should provide the following:

- copies of correspondence from owners/residents for small to medium area proposals; and,
- a summary of the public consultation process undertaken by the municipality and consultation results for medium to large area proposals.

A summary of the results of the public consultation process can be provided in the following ways:

- a map showing the opinion for each parcel for medium to large areas;
- a numerical summary of the opinions received;
- copies of individual submissions from owners/residents, cross-referenced to map location;
- a copy, or summary, of a petition or public meeting report, if those methods were used to determine opinion; and,
- a copy, or summary, of other material that relates to the opinion of owners/residents.

Vote within the Proposed Boundary Extension Area

Based on the population of the proposed boundary extension area and the consultations conducted by the municipality with property owners, a vote may be held. Generally, a vote in a proposed boundary extension area is reserved for situations involving a substantial population and where the municipality cannot accurately gauge the opinion of property owners in the proposed boundary extension area through another consultation process.

If a municipal council wishes a vote be held in the proposed boundary extension area, a request is made to the Minister to order a vote. The Minister also has the authority to order a vote independent of the municipality's request. If a vote is held, the municipality is required to submit a copy of the results certified by the Chief Election Officer.

Appendix 5 – Regional District Consultation

When a municipal boundary is extended, the area of the boundary extension is excluded from the regional district electoral area. The area is also excluded from regional district service areas, unless the municipality is a participant in the service.

Boundary extension proposals should be sent to the regional district Chief Administrative Officer who will refer to the appropriate staff for review (e.g. corporate administration, finance, engineering, planning). As a best practice, municipalities and regional districts should work together to jointly establish processes for reviewing proposals for boundary extensions.

Proposal submissions need to outline the consultation process between the municipality and the regional district and report on the results, including the resolution of issues and agreed-to terms for implementation. If required, special mitigation provisions can be designed through discussion between the municipality, regional district, and the Ministry.

When a municipality consults with the regional district, it is the responsibility of the regional district to identify the services currently provided in the extension area and the financial impact on those services if the boundary extension is approved.

If there is the possibility of significant financial or service impact, the regional district should provide the following information, as applicable, to the municipality:

- total taxable assessments within the boundary extension area;
- list of the specific current services that would be impacted by the boundary extension, with the current total requisition for each of those services and comments about the nature of the expenditures for the service (for example, debt versus operational costs);
- percentage of taxable assessment within the area compared with the total within the identified service areas;
- estimated dollar amount of the requisition for each service identified that can be attributed to the boundary extension area;
- estimate of the increase in the residential tax rate that would be required to recover the financial amount for the identified electoral area services, assuming no change to the requisitions; and,
- the potential for reducing the amount of requisition as a result of the reduction in the service area.

The existence of a significant impact on regional district services can be addressed through discussion between the municipality and the regional district, with Ministry assistance as needed. Special mitigation provisions may be included in Letters Patent.

The primary test for determining significance is that the assessments in the municipal boundary extension area range from five to ten per cent of the service area. The secondary test is the actual amount of property taxation revenue involved in relation to the requisition for the service, and the financial impact on the remainder of the service area. Each service of the regional district will be considered individually.

Region-wide services such as grants in aid, electoral area administration, or regulatory services, where the service area consists of one or more electoral areas will generally not be considered for mitigation measures. They are intended for local services only such as fire protection, water, and recreation.

Mitigation measures are appropriate, for the following issues:

- Service participants. Is it an option to maintain the service financing by establishing the municipality as a participant?
- Debt. Could transitional provisions account for debt contributions from the boundary extension area?
- Operational costs. Can the service be continued for the remainder of the service area with a reduction in operating costs with minimal financial impact?
- Contractual arrangements. Can financial impacts be managed through a contract for service between the municipality and the regional district?
- Variables for transitional provisions. Variables include the amount of financial impact, number of years for which they will apply (except possibly for debt, they will rarely be long-term), possibility of a phased-in approach and governance arrangements.

Previously Received

Appendix 6 – Proposal Submission Checklist

Municipality:	
Extension Area Description:	
Submission Date:	

Submission to Ministry of Community and Rural Development	
	Council resolution confirming the municipality wishes to consider a boundary extension proposal (Appendix 1).
	Rationale for the proposal, including land use implications.
	Maps (Appendix 3).
	A list of parcels in the extension area including legal descriptions.
	Parcel map and/or list of parcels indicating which property owners are in favour or opposed to the proposal.
	Name of the regional district and the affected electoral area(s).
	Copies of communications with, and the opinions of, property owners and other interested parties within the area of the boundary extension proposal.
	Results of referrals with the regional district.
	Results of referrals with relevant agencies (ALC, LLMB, improvement districts, etc.)
	Results of referrals to First Nations, including correspondence and a record of issues resolved or unresolved.
	Other relevant background information such as staff reports.

Include this checklist with the proposal application package.

Previously Received

Appendix 7 – Elector Approval and Council Resolution Checklist

Municipality:	
Extension Area Description:	
Submission Date:	

Submission to Ministry of Community and Rural Development	
	A declaration that the statutory requirements are met.
	Council resolution confirming the request for the boundary extension (Appendix 9).
	<p>Elector approval: If by vote, the results of the vote. If by AAP, the results of the AAP process certified by the Chief Election Officer and copies of the AAP notice published in the newspaper.</p>

Previously Received

Appendix 8 – Sample Statutory AAP Public Notice

NOTICE TO ELECTORS OF _____ (CORPORATE NAME OF MUNICIPALITY)

OF AN ALTERNATIVE APPROVAL PROCESS FOR A PROPOSED EXTENSION OF BOUNDARIES

Notice is hereby given that under section 86 (Alternative Approval Process) of the *Community Charter* and section 20 of the *Local Government Act*, the Council of the (Corporate Name of Municipality) intends to petition the Minister of Community and Rural Development requesting an extension of the area of the municipality to include the following described lands:

(Insert map showing road network and parcels to be included in the boundary extension)

(Insert information regarding the rationale for the proposed extension and include any special features for Letters Patent, as appropriate.)

ALTERNATIVE APPROVAL PROCESS AND ELIGIBILITY

And Further Take Notice That the municipality may proceed with the boundary extension request unless at least ten percent of municipal electors indicate that a referendum must be held by submitting a signed Elector Response Form to (Municipal) City Hall no later than (usual closing time) 4:30 p.m. on (date: dd/mm/yy). Elector Response Forms must be in the form established by the (Corporate Name of Municipality), and only those persons who qualify as electors of the municipality are entitled to sign Elector Response Forms.

Resident Elector – You are entitled to submit an Elector Response Form as a resident elector if you are age 18 or older on the day of submission, are a Canadian citizen, have lived in B.C. for at least six months, and have been a resident of the (Corporate Name of Municipality) for the past 30 days or more.

Non-Resident Elector – You are entitled to submit an Elector Response Form as a non-resident property elector if you are age 18 or older on the day of submission, are a Canadian citizen, have lived in B.C. for at least six months, have owned and held registered title to a property in the (Corporate Name of Municipality) for the past 30 days or more, and do not qualify as a resident elector.

NOTE: Only one non-resident property elector may submit an Elector Response Form per property, regardless of how many owners there may be.

If less than ten percent (#) of municipal electors submit an Elector Response Form, the boundary extension request will be deemed to have the approval of the electors and the proposal may proceed to the Minister of Community and Rural Development for consideration. For the purpose of conducting the alternative approval opportunity, the number of electors is calculated as (#).

Elector Response Forms are available from City Hall, (provide: street address, phone number, email and operating hours).

And That this is the first of two publications of this notice in a newspaper. / This is the second and last publication of this notice in a newspaper.

Corporate Name of Municipality
Name of Administrator
Title of Administrator

Appendix 9 – Sample Council Resolution #2

I, _____, Corporate Officer for the (Corporate Name of Municipality) do hereby certify the following to be a true and correct copy of a resolution adopted by the Council of the (Corporate Name of Municipality).

“THAT the (Corporate Name of Municipality) has obtained the assent of the electors to petition the Minister of Community and Rural Development to extend the boundaries of the (Corporate Name of Municipality) as it appeared in the Gazette under issue of Month, Day, Year, and in the local newspaper (Name) under issues of (Month, Day, Year).

THAT all relevant legislative requirements pertaining to a municipal boundary extension in the Local Government Act and Community Charter have been completed.

THAT the parcels approved for inclusion within the (Corporate Name of Municipality) are as follows: (List and include PID numbers and a map).”

(Corporate Officer)

DATED at (Municipality), B.C. this _____ day of _____, _____.

Previously Received

Appendix 10 – Sample Declaration of Population

[Name of Municipality]

WHEREAS a population of census was taken on [date], and [number of persons/nil] are found to be residents of that Boundary [extension] Area of [municipality] described and authorized in Order in Council No. _____, approved and ordered on [date].

I, THEREFORE, CERTIFY THAT there are [number of persons/nil] residents in the said [municipality] Boundary [extension] Area on [effective date of above Order in Council].

(Enumerator)

DATED at [name of municipality], British Columbia, this [date]

This is the Statutory Declaration of population,

Dated _____, 2009

(Mayor)

and

(Corporate Administrator)

(Commissioner for taking Affidavits within the Province of British Columbia)

Previously Received



Ministry of
Community and
Rural Development