THE CORPORATION OF THE CITY OF GRAND FORKS
AGENDA – REGULAR MEETING

Monday, September 17th, 2012 – 7:00 p.m.
Council Chambers City Hall

	ITEM	SUBJECT MATTER	RECOMMENDATION
1.	**CALL TO ORDER**	7:00 p.m. Call to Order	Call Meeting to Order at 7:00 p.m.
2.	**RECESS TO PRIMARY COMMITTEE MEETING**		Recess meeting into Primary Committee Meeting. Reconvene Regular Meeting at conclusion of Primary Committee Meeting
3.	**REGULAR MEETING AGENDA**	September 17th , 2012 Agenda	Adopt Agenda
4.	**MINUTES**		
	- Sept 4th, 2012	Special Meeting Minutes	Adopt Minutes
	- Sept 4th, 2012	Regular Meeting Minutes	Adopt Minutes
5.	**REGISTERED PETITIONS AND DELEGATIONS** None		
6.	**UNFINISHED BUSINESS:** None		
7.	**REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL (VERBAL)**		
	a) Corporate Officer's Report	Members of Council may ask questions, seek clarification and report on issues	Issues seeking information on operations be referred to the Chief Administrative Officer prior to the meeting.
	- Report from Councillor Smith	A report with regard to the Request for Proposals for the Grand Forks Branding Process	Councillor Smith to speak to this report during his regular report to Council
8.	**REPORT FROM THE COUNCIL'S REPRESENTATIVE TO THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY**		
	a) Corporate Officer's Report	The City's Representative to the Regional District of Kootenay Boundary will report to Council on actions of the RDKB.	Receive the Report. Minutes from the July 26th Meeting are attached to this report.

9. **RECOMMENDATIONS FROM STAFF FOR DECISIONS:**

a) Chief Administrative Officer's Report- Strategic Plan Goal Action	Report on action – Staff to develop a Succession Plan for the organization by the end of September, 2012	Council receives the Chief Administrative Officer's report, dated September 6th, 2012, regarding the action, requiring "Staff to Develop a Succession Plan for the organization, by the end of September, 2012.
b) Chief Administrative Officer's Report- Strategic Plan Goal Action	Report on action – Staff to prepare a report including Data and Costing for Council decision to move forward on Water Meter Installation	That the Chief Administrative Officer's report, dated Sept 6th, 2012, regarding the action, requiring "Staff to prepare a report including data and costing for Council decision to move forward on Water Meter installation", as outlined in the Corporate Strategic Plan 2012-2014, be received, and the matter be referred back to Staff to schedule and budget the project through the 2013-2017 Financial Plan process.
c) Chief Administrative Officer's Report – Joint Fibre Optic Community Network with School District 51 Boundary	Seeking Council's approval of the Fibre Optic Cable Network Joint Use Agreement	Council approves the Fibre Optic Cable Network Joint Use Agreement and adopts the following resolution: Whereas the City of Grand Forks and School District 51 Boundary wish to enter into an agreement to operate and maintain the Joint Community Fibre Optic Network to serve the City, the School District and others: Now therefore, Council for the City of Grand Forks resolves to approve the Fibre Optic Cable Network Joint Use Agreement in the form presented and authorizes the signing of the agreement; and confirms its commitment to operating the project to the mutual advantage of the City and the School District.

10. **REQUESTS ARISING FROM CORRESPONDENCE:**
None

11. **INFORMATION ITEMS**

- Summary of Informational Items	Information Items 11(a) to 11(i)	Receive the items and direct staff to act upon as recommended

12. **BYLAWS**

a) Corporate Officer's Report – Bylaw 1931 – Roxul Road Closure Bylaw	At Regular Meeting on August 20th, 2012, Council gave three readings to the Roxul Road Closure Bylaw. The Bylaw requires approval of the Ministry of Transportation and Infrastructure prior to Council considering final reading of the Bylaw.	Council defers final reading Bylaw No. 1931, Roxul Road Closure Bylaw, until the next regular meeting of Council.

13. **LATE ITEMS**

14. **QUESTIONS FROM THE PUBLIC AND THE MEDIA**

15. **ADJOURNMENT**

Not Adopted - Subject to Change

THE CORPORATION OF THE CITY OF GRAND FORKS

SPECIAL MEETING OF COUNCIL
TUESDAY, SEPTEMBER 4TH, 2012

PRESENT: MAYOR BRIAN TAYLOR
COUNCILLOR PATRICK O'DOHERTY
COUNCILLOR GARY SMITH
COUNCILLOR CHER WYERS

CHIEF ADMINISTRATIVE OFFICER	L. Burch
CORPORATE OFFICER	D. Heinrich
DEPUTY FINANCIAL OFFICER	R. Shepherd

The Chair called this Special Meeting to order at 6:00 p.m.

IN-CAMERA RESOLUTION:

MOTION: SMITH / O'DOHERTY

RESOLVED THAT COUNCIL CONVENE AN IN-CAMERA MEETING AS OUTLINED UNDER SECTION 90 OF THE COMMUNITY CHARTER TO DISCUSS MATTERS IN A CLOSED MEETING WHICH ARE THE SUBJECT OF SECTIONS 90 (1) (b) PERSONAL INFORMATION ABOUT IDENTIFIABLE INDIVIDUALS WHO ARE BEING CONSIDERED FOR A MUNICIPAL AWARD OR HONOUR; AND SECTION 90 (1) (e), THE ACQUISITION, DISPOSITION OF EXPROPRIATION OF LAND OR IMPROVEMENTS, IF THE COUNCIL CONSIDERS THAT DISCLOSURE COULD REASONABLY BE EXPECTED TO HARM THE INTERESTS OF THE MUNICIPALITY.

BE IT FURTHER RESOLVED THAT PERSONS, OTHER THAN MEMBERS, OFFICERS, OR OTHER PERSONS TO WHOM COUNCIL MAY DEEM NECESSARY TO CONDUCT CITY BUSINESS, WILL BE EXCLUDED FROM THE IN-CAMERA MEETING**.**

CARRIED.

ADJOURNMENT:

MOTION: O'DOHERTY

RESOLVED THAT THIS SPECIAL MEETING OF COUNCIL BE ADJOURNED AT 6:01 P.M.

CARRIED.

Not Adopted - Subject to Change

CERTIFIED CORRECT:

MAYOR BRIAN TAYLOR

CORPORATE OFFICER – DIANE HEINRICH

Not Adopted - Subject to Change

THE CORPORATION OF THE CITY OF GRAND FORKS

REGULAR MEETING OF COUNCIL
TUESDAY, SEPTEMBER 4TH, 2012

PRESENT: MAYOR BRIAN TAYLOR
COUNCILLOR PATRICK O'DOHERTY
COUNCILLOR GARY SMITH
COUNCILLOR CHER WYERS

CHIEF ADMINISTRATIVE OFFICER	L. Burch
CORPORATE OFFICER	D. Heinrich
CHIEF FINANCIAL OFFICER	C. Arnott
DEPUTY FINANCIAL OFFICER	R. Shepherd

GALLERY

OPENING OF THE TIME CAPSULE:

The Mayor advised that the time capsule which was stored in the City Hall Basement Vault would now be opened. He advised that in 1987, during the 90th birthday celebration of the City of Grand Forks, a group of organizers put together this time capsule with instructions that it be opened 25 years later.

Some items inside the capsule included:

- 1987 Sears Catalogue
- Rick Hanson "Heart of a Dragon" VHS Tape
- Rick Hanson Memorabilia
- 3.5 Floppy Disk- 1st Annual GFSS MacGames Championship
- Early Transformer Toys
- June 24th, 1987 Gazette announcing the opening of the Aquatic Centre
- Copy of the Boundary Community Newspaper from 1987
- Letters from children from various grades
- Picture of Miss Grand Forks for 1987 – Carol McDonald now Carol Lajoie
- Yearbooks from Perley School 1986-1987; GFSS-1986-1987; and Hutton School 1986
- "Grand Forks – The First 100 Years" Book
- Various photos of parts of the City and area

CERTIFICATE OF APPRECIATION:

The Mayor made a presentation to Cecile Arnott, Chief Financial Officer, with a Certificate of Appreciation for her years of service to the City. Cecile began working for the City in 2007 and is leaving the City's employ as of September 14th, 2012. He advised that Cecile has taken the position of Chief Administration Officer for the City of Rossland, BC.

CALL TO ORDER:

The Mayor called the Meeting to order at 7:16 p.m.

ADOPTION OF AGENDA:

MOTION: O'DOHERTY / WYERS

RESOLVED THAT THE SEPTEMBER 4TH, 2012, REGULAR MEETING AGENDA BE ADOPTED AS CIRCULATED.

CARRIED.

MOTION: WYERS / O'DOHERTY

RESOLVED THAT THE MINUTES OF THE PUBLIC HEARING HELD ON MONDAY, AUGUST 20TH, 2012, BE ADOPTED AS CIRCULATED.

CARRIED.

MOTION: O'DOHERTY / WYERS

RESOLVED THAT THE MINUTES OF THE REGULAR MEETING OF COUNCIL HELD ON MONDAY, AUGUST 20TH, 2012, BE ADOPTED AS CIRCULATED.

CARRIED.

MOTION: O'DOHERTY / SMITH

RESOLVED THAT THE MINUTES OF THE PRIMARY COMMITTEE MEETING OF COUNCIL HELD ON MONDAY, AUGUST 20TH, 2012, AND ALL RECOMMENDATIONS CONTAINED THEREIN BE ADOPTED AS CIRCULATED.

CARRIED.

PETITIONS AND DELEGATIONS:

a) Michael Trickey of Strategic Infrastructure Management Inc. made a PowerPoint Presentation to Council regarding the City of Grand Forks Road Conditions Assessment. He spoke with regard to the cost effectiveness of a crack seal program for a large percentage of the roads for the City. The Chief Financial Officer thanked Mr. Trickey for his presentation and advised that she sees this as a really good news option.

MOTION: O'DOHERTY / WYERS

RESOLVED THAT COUNCIL RECEIVE THE PRESENTATION MADE BY MICHAEL TRICKEY OF STRATEGIC INFRASTRUCTURE MANAGEMENT INC WITH REGARD TO THE CITY OF GRAND FORKS ROAD CONDITIONS ASSESSMENT. CARRIED.

UNFINISHED BUSINESS

None

REPORTS, QUESTIONS AND INQUIRIES FROM MEMBERS OF COUNCIL (VERBAL)

Councillor O'Doherty:

Councillor O'Doherty reported on the following items:

- He reported on his attendance at the Grand Forks International Baseball Tournament last week and spoke with regard to the many talented teams that competed in the event. He thanked all of the volunteers that made the event a success.
- He congratulated Bill Harp, Electrical Lineman for the City of Grand for the past 31 years of service, who retired last Friday.
- He wished Cecile Arnott the best on her new job as Chief Administrative Officer for the City of Rossland

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Councillor Wyers:

Councillor Wyers reported on the following items:

- She reported on her attendance at an Appreciation Barbeque at the Boundary Museum on August 22nd.
- She reported on her attendance at the 32nd Grand Forks International Baseball Tournament held last week and advised that fun was had by all.
- She reported on her attendance at the Grand Forks Fly-in Appreciation Day held on August 26th at the Grand Forks Airport, where she advised that 21 airplanes participated in the event.

MOTION: WYERS / O'DOHERTY

RESOLVED THAT THE CITY SEND A LETTER OF CONGRATULATIONS TO JERRY FOSTER AND HIS TEAM OF 300 VOLUNTEERS ON THE SUCCESS OF THE 32ND GRAND FORKS INTERNATIONAL BASEBALL TOURNAMENT. CARRIED.

- She advised that the Summer Nephelometer Report will be presented to the Environment Committee on their September 22nd, 2012 meeting.
- She wished Cecile Arnott the best of luck in her new position as Chief Administration Officer for the City of Rossland.

Councillor Smith:

Councillor Smith reported on the following items:

- He advised that on August 21st, a presentation was made by Barb Haynes from Penticton who spoke with regard to the revitalization projects which were done in Penticton. He further advised that following her presentation, there was a discussion on how Grand Forks could utilize some of these ideas.
- He reported on his attendance to the Grand Forks Fly-in Appreciation Day held on August 26th and commented on the great event and advised that downtown vendors also participated in the event.
- He announced that on August 28th, Grand Forks experienced its second annual Best Singer contest where Missy and Wendy Faulkner took first and second place and that he received third place.

Mayor Taylor:

The Mayor reported on the following items including his report from the Regional District:

- He spoke with regard to the Regional District Kitchen Diversion Program which will be commencing City wide on October 1st.
- He advised that there is a Regional Environmental Services meeting tomorrow at the Regional District Board Office.
- He advised that there is a Water Study Meeting on September 6th in Greenwood
- He advised that there will be a Deer count followed by a Deer Committee Meeting on September 18th. He advised that the Deer Count will start at 6:30 AM.
- He advised that on September 13th, there will be a Regional District Strategic Meeting and that he will report back to Council, the results of that meeting.
- He advised that the opening for a new Animal Control Officer Contract will be re-posted due to lack of response.

MOTION: SMITH / WYERS

RESOLVED THAT ALL REPORTS OF MEMBERS OF COUNCIL, INCLUDING THE MAYOR'S REPORT ON THE ACTIVITIES OF THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY, GIVEN VERBALLY AT THIS MEETING, BE RECEIVED.

CARRIED.

REPORT FROM THE REGIONAL DISTRICT OF KOOTENAY BOUNDARY (VERBAL)

The Regional District report is included in the Mayor's report above.

RECOMMENDATIONS FROM STAFF FOR DECISIONS:

a) Chief Administrative Officer's Report – School Connections Grant Application

Staff has been advised that School District 51 Boundary intends to make an application for School Community Connections Funds for the upgrading of an existing storage shed, previously constructed on the grounds at Perley Elementary School.

MOTION: O'DOHERTY / WYERS

RESOLVED THAT COUNCIL RECEIVES THE CHIEF ADMINISTRATIVE OFFICER'S REPORT, DATED AUGUST 27TH, 2012, REGARDING THE SCHOOL DISTRICT 51 BOUNDARY APPLICATION FOR SCHOOL COMMUNITY CONNECTIONS FUNDS, AND RESOLVES TO SUPPORT THE SCHOOL DISTRICT'S FUNDING APPLICATION FOR THE PROPOSED PERLEY SCHOOL SHED UPGRADE PROJECT. CARRIED.

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b) Corporate Officer's Report – Assignment of Roxanne Shepherd, Deputy Finance Officer, as the Municipal Officer responsible for Financial Administration for the City of Grand Forks

With the resignation of our Chief Financial Officer, Cecile Arnott, the City, in accordance with Section 149 of the Community Charter, is required to assign one of the municipal officers' the responsibility of financial administration as outlined in the Charter.

MOTION: O'DOHERTY / SMITH

RESOLVED THAT COUNCIL ASSIGNS ROXANNE SHEPHERD, BBA, CGA, DEPUTY FINANCE OFFICER, THE RESPONSIBILITY FOR FINANCIAL ADMINISTRATION FOR THE CITY OF GRAND FORKS EFFECTIVE SEPTEMBER 17TH, 2012.

CARRIED.

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c) Corporate Officer's Report – Municipal Insurance Association Annual Meeting

Council must register the voting delegate and two alternates with the Municipal Insurance Association before September 14th, 2012, in order to be eligible to vote at the annual meeting on September 25th, 2012 at the UBCM Conference.

MOTION: O'DOHERTY / WYERS

RESOLVED THAT COUNCIL RECEIVES THE STAFF REPORT DATED AUGUST 28TH, 2012, AND RESOLVES TO APPOINT COUNCILLOR GARY SMITH AS THE VOTING DELEGATE AT THE 2012 MIA ANNUAL GENERAL MEETING, AND APPOINTS MAYOR BRIAN TAYLOR AND COUNCILLOR BOB KENDEL AS THE ALTERNATES.

CARRIED.

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d) Manager of Environmental and Building Construction Services-Carbon Neutral Kootenay Municipal Buildings Energy Audits

Request for approval of an Energy Audit in 2012 under Carbon Neutral Kootenay Group Plan

MOTION: WYERS / SMITH

RESOLVED THAT COUNCIL RECEIVES THE STAFF REPORT DATED AUGUST 28TH, 2012, REGARDING THE CARBON NEUTRAL KOOTENAY GROUP PLAN ENERGY AUDIT, AND FURTHER AUTHORIZES STAFF TO COMPLETE THE ENERGY AUDIT IN 2012 UNDER THE CARBON NEUTRAL KOOTENAY GROUP PLAN AT A COST OF $3,600.

CARRIED.

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e) Chief Financial Officer's Report – Use of Community Works Fund (CWF) Agreement (Gas Tax)

In 2006, the City entered into the Community Works Funds Agreement with the UBCM. The City has received a request from the Slavonic Senior Society Br # 143 for Gas Tax Funding to replace their heating and cooling system.

MOTION: O'DOHERTY / SMITH

RESOLVED THAT COUNCIL RESOLVES TO KEEP THE COMMUNITY WORKS FUND (GAS TAX FUND) AGREEMENT AS IT IS AT THIS TIME AS THE FUNDS ARE CURRENTLY COMMITTED TO WATER METERING, AND DIRECT STAFF TO PROVIDE A REPORT FOR BEST USE OF THE COMMUNITY WORKS FUNDS (GAS TAX) DURING THE FINANCIAL PLANNING DISCUSSIONS. CARRIED.

REQUESTS ARISING FROM CORRESPONDENCE:

None

INFORMATION ITEMS:

MOTION: SMITH / O'DOHERTY

RESOLVED THAT INFORMATION ITEMS NUMBERED 12(a) TO 12(j)

BE RECEIVED AND ACTED UPON AS RECOMMENDED AND/OR AS AMENDED.
CARRIED.

a) Boundary Country Regional Chamber of Commerce - Grand Forks Environment Committee Fee for Service Agreement for 2012. **Receive for information – Council determined in 2012-2014 Budgeting Process that in lieu of a funding request from the BCRCC – that the organization charge a fee for service for committee administrative duties & requirements.**

b) Boundary Country Regional Chamber of Commerce - Grand Forks Economic Development Advisory Committee Fee for Service Agreement for 2012. **Receive for information – Council determined in 2012-2014 Budgeting Process that in lieu of a funding request from the BCRCC – that the organization charge a fee for service for committee administrative duties & requirements**

c) Boundary Country Regional Chamber of Commerce - Proposed 2013-2015 Fee for Service Agreement between BCRCC and the City. **To refer their proposal for discussion to the 2013 budgeting process.**

d) Grand Forks Border Bruins request for renewal of advertising - Looking for City support in the renewal of an on-ice logo in the amount of $500. **Council determines to support the Grand Forks Border Bruins by renewing an on-ice logo in the amount of $500.**

MOTION: O'DOHERTY / WYERS

RESOLVED THAT COUNCIL DETERMINES TO SUPPORT THE GRAND FORKS BORDER BRUINS BY RENEWING AN ON-ICE LOGO IN THE AMOUNT OF $500.
CARRIED.
……

e) Farewell Card to Jordan Andrews-Nephelometer Student hired through the Environment Committee - Environment Committee card to thank Jordan for his commitment and excellent work throughout the summer. **Receive for information**

f) Email request from Habitat for Humanity **-** Requesting temporary road closure of 72nd Avenue from 8th to 10th Street on September 8th to facilitate their grand opening on the multiplex building **Recommend that Council grants approval to the Habitat for Humanity organization.**

MOTION: O'DOHERTY / SMITH

RESOLVED THAT COUNCIL GRANTS APPROVAL FOR HABITAT FOR HUMANITY TO CLOSE THE ROAD ON 72ND AVENUE FROM 8TH TO 10TH STREET AND AT THE END OF 9TH STREET AT 72ND FROM 1:00 PM TO 5:00 PM ON SATURDAY SEPTEMBER 8TH, 2012 TO FACILITATE THE OFFICIAL OPENING OF THEIR NEW MULTIPLEX BUILDING, SUBJECT TO THE CONCURRENCE OF THE FIRE CHIEF AND THE MANAGER OF OPERATIONS. CARRIED.
……

g) Email from Maglio Installations - Advising of temporary Road Closure at Snowball Creek from Sept 10-30th, 2012 for culvert replacement. **Receive for information**

h) From Regional District of Kootenay Boundary – GHG Reduction Guide for Landfill Users. **Receive for information**

i) From Economic Development Advisory Committee - Minutes from June 26th, 2012. **Receive for information**

j) August 20th Task List - List of Completed and In-Progress Items. **Recommend to file**.

BYLAWS:

a) Corporate Officer's Report – Bylaw No. 1935 – Amendment to the City of Grand Forks Sustainable Community Plan Designation Bylaw

MOTION: O'DOHERTY / WYERS

RESOLVED THAT BYLAW NO. 1935, CITED AS THE "Amendment to the City of Grand Forks Sustainable Community Plan Designation Bylaw No. 1935, 2012", BE GIVEN THIRD READING.

CARRIED.

MOTION: WYERS / SMITH

RESOLVED THAT BYLAW NO. 1935, CITED AS THE "Amendment to the City of Grand Forks Sustainable Community Plan Designation Bylaw No. 1935, 2012", BE GIVEN FINAL READING.

CARRIED.

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b) Corporate Officer's Report – Bylaw No. 1936 – Amendment to the City of Grand Forks Zoning Bylaw

MOTION: O'DOHERTY / WYERS

RESOLVED THAT BYLAW NO. 1936, CITED AS THE "Amendment to the City of Grand Forks Zoning Bylaw No. 1936, 2012", BE GIVEN THIRD READING.

CARRIED.

MOTION: SMITH / WYERS

RESOLVED THAT BYLAW NO. 1936, CITED AS THE "Amendment to the City of Grand Forks Zoning Bylaw No. 1936, 2012", BE GIVEN FINAL READING.

CARRIED.

……

c) Chief Administrative Officer's Report – Bylaw No. 1937 – Amendment to the City of Grand Forks Residential Garbage Collection Regulation

MOTION: SMITH / WYERS

RESOLVED THAT BYLAW NO. 1937, CITED AS THE "Garbage Regulations and Rates Amendment Bylaw No. 1937, 2012", BE GIVEN FINAL READING.

CARRIED.

……

d) Chief Administrative Officer's Report – Bylaw No. 1940 – City Park Municipal Campground Charges for 2013

MOTION: SMITH / O'DOHERTY

RESOLVED THAT BYLAW NO. 1940, CITED AS THE "City of Grand Forks Municipal Campground Regulation Amendment Bylaw No. 1940, 2012", BE GIVEN FINAL READING.

CARRIED.

……

e) Corporate Officer's Report – Bylaw 1941 – 2013 Annual Tax Exemption Bylaw

MOTION: O'DOHERTY / WYERS

RESOLVED THAT BYLAW NO. 1941, CITED AS THE "2013 Annual Tax Exemption Bylaw", BE GIVEN FIRST READING.

CARRIED.

MOTION: WYERS / SMITH

RESOLVED THAT BYLAW NO. 1927, CITED AS THE "2013 Annual Tax Exemption Bylaw", BE GIVEN SECOND READING.

CARRIED.

MOTION: O'DOHERTY / SMITH

RESOLVED THAT BYLAW NO. 1927, CITED AS THE "2013 Annual Tax Exemption Bylaw", BE GIVEN THIRD READING.

CARRIED.

LATE ITEMS:

QUESTIONS FROM THE PUBLIC AND THE MEDIA:

ADJOURNMENT:

MOTION: O'DOHERTY

RESOLVED THAT THIS REGULAR MEETING OF COUNCIL BE ADJOURNED AT 8:07 P.M. CARRIED.

C E R T I F I E D C O R R E C T:

_____ _____

MAYOR BRIAN TAYLOR CORPORATE OFFICER- DIANE HEINRICH

THE CITY OF GRAND FORKS
REQUEST FOR COUNCIL DECISION

DATE	:	**September 10th, 2012**
TOPIC	:	**Reports, Questions and Inquiries from the Members of Council**
PROPOSAL	:	**Members of Council May Ask Questions, Seek Clarification and Report on Issues**
PROPOSED BY	:	**Procedure Bylaw / Chief Administrative Officer**

SUMMARY:
Under the City's Procedures Bylaw No. 1889, 2009, the Order of Business permits the members of Council to report to the Community on issues, bring community issues for discussion and initiate action through motions of Council, ask questions on matters pertaining to the City Operations and inquire on any issues and reports.

STAFF SUGGESTION FOR HANDLING QUESTIONS AND INQUIRIES: (no motion is required for this)

Option 2: Issues which seek information on City Operations or have been brought to the attention of the Members of Council prior to the meeting of Council should be referred to the Chief Administrative Officer so that Staff can provide background and any additional information in support of the issues and the member can report at the meeting on the issue including the information provided by Staff. Further the member may make motions on issues that require actions. It is in the interest of fiscal responsibility members may wish to avoid committing funding without receiving a report on its impact on the operations and property taxation.

OPTIONS AND ALTERNATIVES:

Option 1: Submit a motion for Approval: Under this option, a member might wish to submit an immediate motion for expediency to resolve an issue or problem brought forward by a constituent. This approach might catch other members by surprise, result in conflict and might not resolve the problem.

Option 2: Issues, Questions and Inquiries should be made with the intent to resolve problems, seek clarification and take actions on behalf of constituents. Everyone is well served when research has been carried out on the issue and all relevant information has been made available prior to the meeting. It is recognized that at times this may not be possible and the request may have to be referred to another meeting of Council.

BENEFITS, DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: The main advantage of using this approach is to bring the matter before Council on behalf of constituents. Immediate action might result in inordinate amount of resource inadvertently directed without specific approval in the financial plan.

Option 2: The main advantage is that there is a genuine interest to resolve issues and seek clarifications without spending too much resources of the City. The disadvantage is that there may be issues brought forward which have no direct municipal jurisdiction, however, due to the motion of Council arising from the issue, resources are directed and priorities are altered without due process.

COSTS AND BUDGET IMPACTS – REVENUE GENERATION:

Both options could result in expenditures being incurred as a result of a motion on an issue without supporting documentation and report on its implications.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:

The Procedure Bylaw is the governing document setting out the Order of Business at a Council meeting.

Department Head or Corporate Officer
Or Chief Administrative Officer

Reviewed by Chief Administrative Officer

From: Gary Smith — Wednesday, September 12, 2012 11:17:07 PM

Subject: RFP

To: **Diane Heinrich**

Attachments:
GrandForksBranding3.pdf 6.5M
scoringsheet.xls 22K

Hi Diane,

I missed you by 3 minutes. So sorry to have forgotten until the last minute. Attached is the RFP and the scoring sheet.

Here is the explanation of why it was chosen over the others:

> The sub-committee received three proposals - Story & Co, Loca-motion and Avant. The selections were quickly narrowed down to two, using the attached scoring sheet. With the remaining two separated by a narrow margin, the sub-committee discussed some nuances of the two proposals. The discussion included the merits of utilizing a company with extensive experience in community branding as opposed to one with background in products and events. This specialization, coupled with a particularly strong design portfolio, gave the sub-committee further clarity and confidence in choosing the proponent that did in fact achieve the highest scoring.

Gary "Bugsy" Smith

Grand Forks City Councillor

	Date: August 31, 2012		City of Grand Forks Branding Project - EDAC						
		Max Assigned Weight	Proponent	Proponent	Proponent	Proponent	Proponent	Proponent	Proponent
1	**Understanding of Project Objectives/Outcome**								
a	Comprehensiveness of the proposal	5							
	Understanding of :-								
b	The Boundary Region Regional Approach	5							
c	The Branding Process -overall understanding of	5							
d	Identification of stakeholders	5							
		20							
2	**Methodology:**								
a	Comprehensive nature of timetable/deliverables	5							
b	Meetings/Time spent in Community	15							
c	Input from Stakeholders & Working Group	10							
d	Public Engagement Process & Participation	5							
e	Final Deliverables	5							
		40							
3	**Qualification and References: Project Personnel**								
f	Personnel Assigned to the Project : Experience	10							
g	Relating personnel Assigned to Scope of Work	6							
h	Similar Work done in the Past	4							
i	References provided from the past	3							
j	Overall Experience from Past Projects	2							
k		25							
	Value for Money								
4	Project Budget and extent of details	10							
l	Schedule of Fees and Deliverables	5							
m		15							
		100							

GRAND FORKS

BRAND INITIATIVE PROPOSAL

STORY & CO.

PREPARED BY:	DATE:	CONTACT:	ATTENTION:
STORY & CO.	27.08.12	MATT THOMPSON, PRINCIPAL, STORY & CO. 150 DEER PARK AVE. KIMBERLEY, BC V1A 2J4 T: 250.427.7911 E: MATT@STORYCO.CA	SARAH WINTON COMMUNITY FUTURES BOUNDARY CITY OF GRAND FORKS

Good day,

Story & Co. is an advertising, branding and communications firm, committed to making good stories great. We're pleased to have the opportunity to provide Grand Forks with a proposal and information for their Brand Initiative.

We're a skilled team of professionals. Our team is comprised of members with experience in public relations, marketing, journalism, photography, resort management & marketing, tourism marketing, graphic design, web development, campaign strategy, and communications.

Our clients have ranged from multi-national corporations to start-up businesses. We've worked on branding projects for communities, regions, tourism DMO's, environmental organizations, economic development initiatives, small businesses, destination resorts, tourism and real estate developers, and First Nations. We thrive on challenge, seek out innovation and strive to deliver an excellent return on each client's investment with us.

The work required by Grand Forks suits our firm perfectly. We have exceptional experience in community / regional branding, and the project's deliverables and time frame are well within our capacity. We've worked with municipalities, districts and regional districts throughout BC; on both tourism focused and Ec/Dev focused branding projects. We are skilled at engaging communities; educating stakeholders on the significance and value of branding; not to mention exceptional design and communications planning.

The combination of our skills, expertise, attitude and experience are what make us exceptional and best suited for this contract. Ten years of experience in every facet of tourism and economic sectors, our understanding and collaboration working with local and regional governments, and our ability to easily relate to, understand and engage all levels of community make us a preferred and distinguished selection for this project. In addition to our experience and knowledge, our single most important differentiator is our process. Our process is used consistently in order to create consistent results. In an industry that is often mired in subjectivity, our process ensures that our clients and stakeholders are guaranteed objective success.

After a sentence like that last one, it would only be prudent to acknowledge that as experts and professionals in our field, we are bold and confident in iterating our positions and recommendations. If you're looking for mediocrity or homogeneity best look somewhere else. However, if you're looking for guaranteed, contemporary, sound sophisticated service and product at the top of the field, look no further. We'd like to thank you for considering Story & Co., and we look forward to earning your business!

Sincerely,

Matt Thompson, Principal

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GENERAL INFORMATION

APPENDICES

EXECUTIVE SUMMARY

04

In the following proposal and appendices, we introduce you to our firm; broadly cover our process and methodology; supply examples of previous results-garnering work; provide cost estimations on deliverables, and supply references to people and organizations who will share our story. First on the tour, a quick dissertation on our thoughts on branding and stories. Then, we'll jump into our process.

BRAND = STORY

A brand is a story. A story is a brand. A brand is not a website. A brand is not a logo.

A brand is an experience. A brand is the product of a thousand small gestures. A successful brand is just like a culture or region's story: it is successful and remembered because it is heard, remembered and retold with consistency and continuity. And ultimately, a great brand causes action.

Grand Forks is preparing to continue to strengthen and develop their story —a tapestry of people, places, events and culture: these are the elements that create a brand. Grand Forks must have a brand that first of all resonates with their community. A great story, or a great brand is above all authentic. It is owned by the people behind the story. If a story does not resonate with its primary people, then it will fail in the telling to others. Grand Forks' story must draw on and be strengthened from the community's vision and objectives. In fact, we know Grand Forks' brand story already exists, it simply has to be further distilled, developed and strengthened.

Story & Co. are exceptional at assisting clients to discover and rediscover their own story, then working with them to help tell it best through great design and effective dissemination guidelines and strategy. We are best suited to ensure that Grand Forks' story, like all great stories, is heard, remembered, then retold and acted on.

PROCESS

On the following five pages, we'll take a quick overview of our process, and then take a deeper look at specifics we'll cover during our work with Grand Forks. We spend a fair bit of time discussing our process. That's because it's what ensures our client's success. Our process is unique. One thing to note right away is that we will NOT need a contract. Instead, we'll need *TWO* contracts. Here's why...

Our process consists of three basic steps: Diagnostic, Prescriptive, and Application. We use one contract for the first two steps, Diagnostic and Prescriptive; and one contract for the final step, Application. (Don't worry if that sounds confusing, you'll see it all in pictures in the next pages.)

The work covered in the first contract broadly consists of asking questions, reviewing answers, and then providing recommendations for the development of the brand and the creation of marketing materials. Then, based on our findings and with your approval, we'll enter the second contract which will simply be the application of the aforementioned recommendations. Our recommendations will be based on our findings, your budget and the project timeline. Two contracts allow us to be clear in our communication, diligent in our research, ensures there are checks and balances along the way, and guarantees success in the finished product.

In addition to contracts, during our process there are predetermined sign-offs, where the project will not move ahead until the client has indicated their approval.

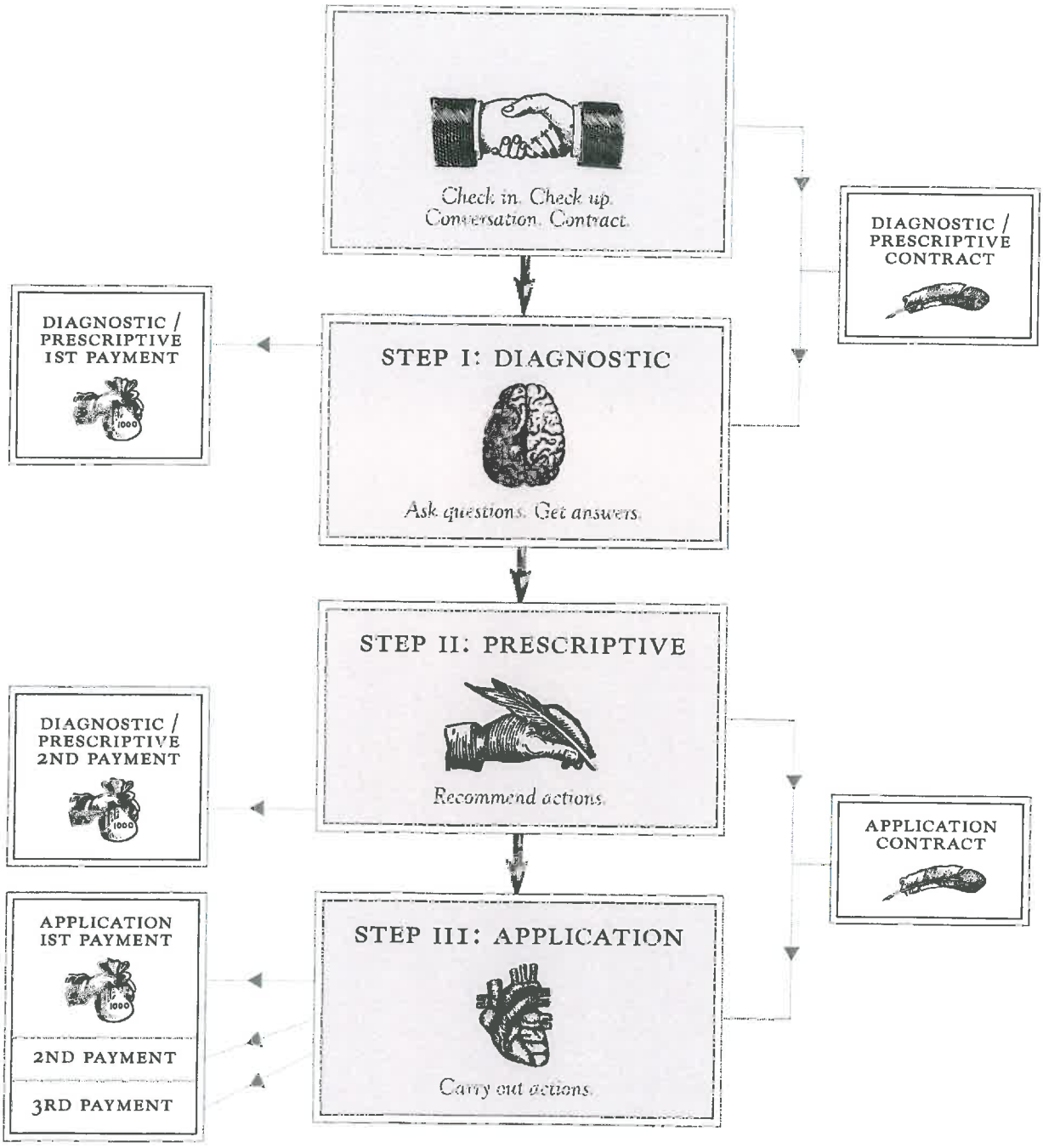
Each project's success is certainly predicated on our expertise, demonstrated by our past successful results attributable to our process; but success is also largely based on our communication and interaction with the client. Success is a result of us asking the right questions, listening well, and strengthening vision and objectives together.

We'll talk about our process a few more times in the proposal. If you get tired of it, then great!, you grasp it all and we're ready to talk further and move ahead together. If you need to hear it again, we'll say it again for you. Our process is what we do, everyday. It's simple, and it's important that we understand it together. Take your time, and remember, we'd be happy to discuss it further. In fact, we hope to discuss it further. That means you're interested.

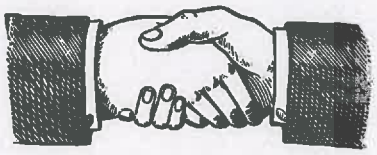
After we've comprehensively reviewed our process, we'll move on to discussing our team, and your project and specific deliverables.

Happy proposaling!

OUR PROCESS :: 3 STEPS, 2 CONTRACTS



INITIAL CONSULTATION



PRELIMINARY DISCUSSION

I. WHO ARE THE DECISION MAKERS?

II. WHAT IS THE BUDGET?

III. WHAT ARE THE TIMELINES?

IV. BROAD DELIVERABLES

DIAGNOSTIC / PRESCRIPTIVE CONTRACT

DECISION MAKER MEETING & PROCESS OVERVIEW

DIAGNOSTIC / PRESCRIPTIVE 1ST PAYMENT

STEP I: DIAGNOSTIC

... NEXT STEP...

NOW SHOWING!

INITIAL CONSULTATION

STEP I: DIAGNOSTIC

STEP II: PRESCRIPTIVE

STEP III: APPLICATION

METHODOLOGY :: STEP I, DIAGNOSTIC

INITIAL CONSULTATION

DIAGNOSTIC / PRESCRIPTIVE CONTRACT

DIAGNOSTIC / PRESCRIPTIVE 1ST PAYMENT

STEP I: DIAGNOSTIC

DECISION MAKER MEETING

I. CONDUCT SURVEYS, ONE-ON-ONE INTERVIEWS

II. READ REPORTS AND INDICES

III. EXPERIENCE: TALK, SEE, DO

IV. GAP ANALYSES

V. NOTIFY AND ENGAGE PARTICIPANTS

STEP II: PRESCRIPTIVE

...NEXT STEP...

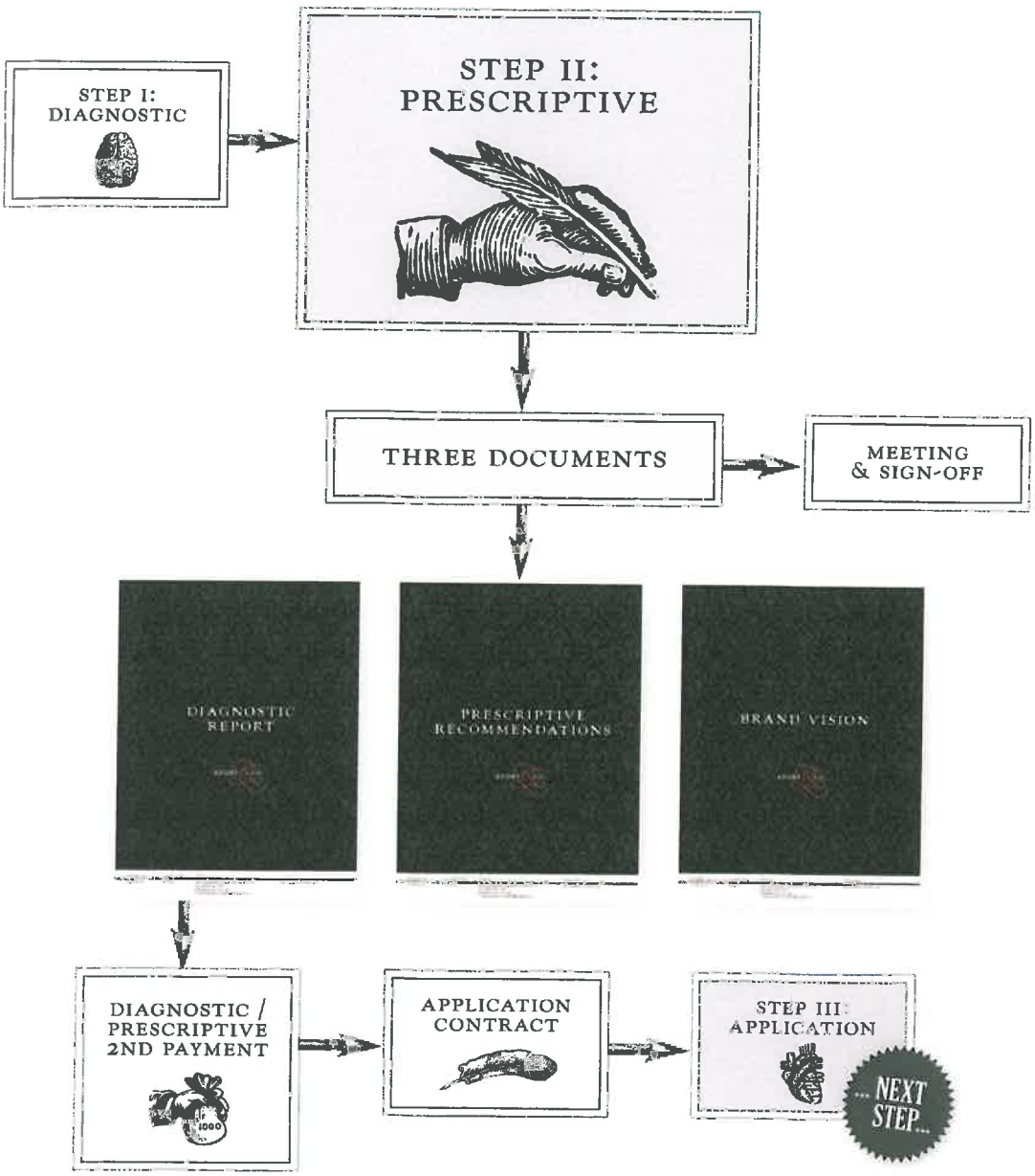
NOW SHOWING!

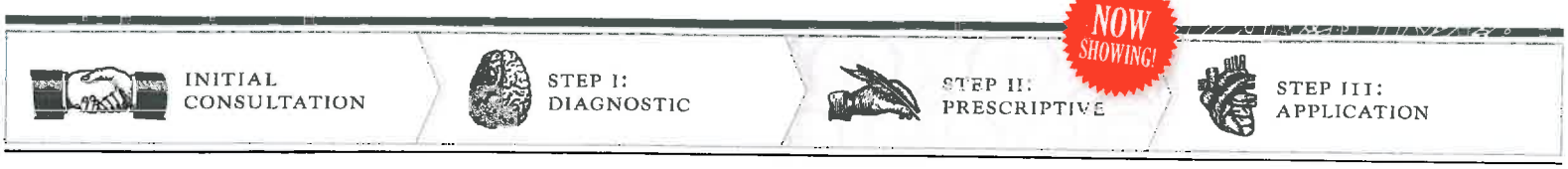
INITIAL CONSULTATION

STEP I: DIAGNOSTIC

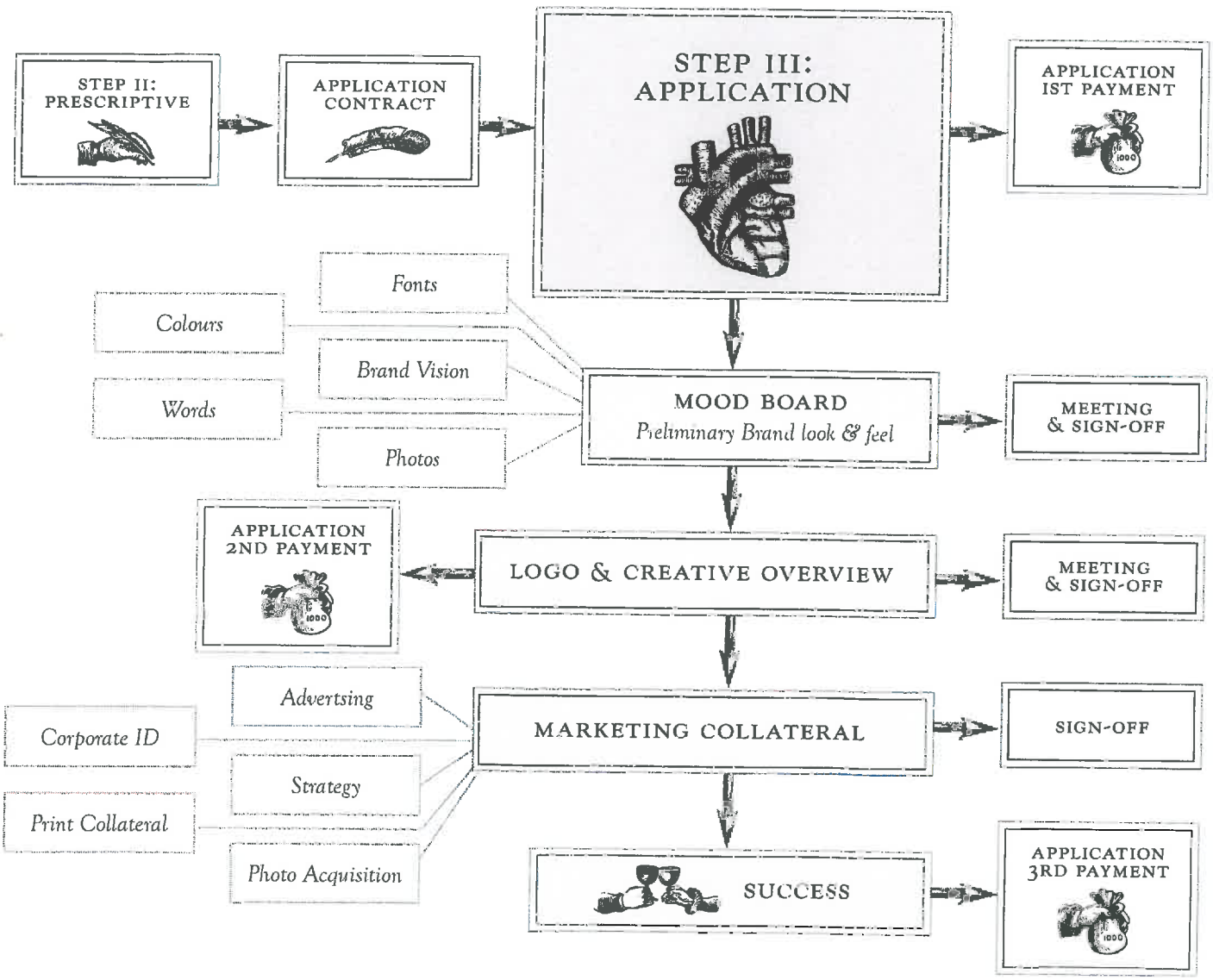
STEP II: PRESCRIPTIVE

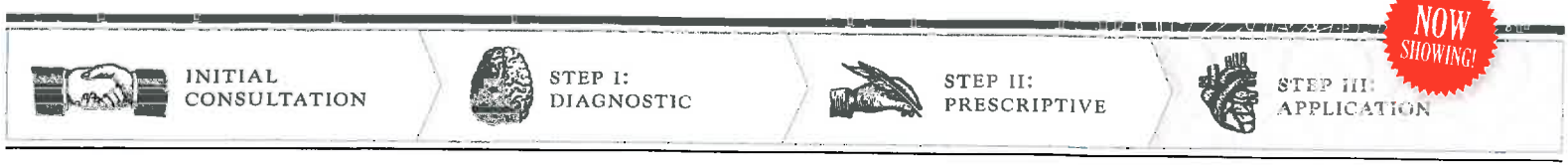
STEP III: APPLICATION


STEP I:
DIAGNOSTIC
STEP II:
PRESCRIPTIVE
THREE DOCUMENTS
MEETING
& SIGN-OFF
DIAGNOSTIC
REPORT
PRESCRIPTIVE
RECOMMENDATIONS
BRAND VISION
DIAGNOSTIC /
PRESCRIPTIVE
2ND PAYMENT
APPLICATION
CONTRACT
STEP III:
APPLICATION
...NEXT
STEP...


INITIAL
CONSULTATION
STEP I:
DIAGNOSTIC
STEP II:
PRESCRIPTIVE
NOW
SHOWING!
STEP III:
APPLICATION

METHODOLOGY :: STEP III, APPLICATION





If you whipped through those last few pages and are nodding your head enthusiastically because you totally get it, then skip ahead to the timeline and budget. If you still have questions about the process, then hooray! Read on.

- ***Initial Consultation:*** *This step clearly defines success, identifies specific deliverables, time lines, budgets, and decision makers.*

- ***Diagnostic:*** *This step assembles comprehensive materials, data and information regarding the project's objectives.*

- ***Prescriptive:*** *This step prescribes a plan and course of action on how to meet the identified objectives.*

- ***Application:*** *This step is the execution of the plan and the completion of the deliverables.*

3 STEPS :: 2 CONTRACTS

There are three steps, which we break into two separate contracts.

The Initial Consultation, Diagnostic and Prescriptive phase comprise one contract. The second contract is the Application phase.

The reason for this is twofold...

The phased engagement allows the client to commit to only one portion of the program at a time. If either party is concerned about the objectives or elements of the project, a phased engagement affords an opportunity to decide on next steps without fully committing assets and resources.

The second reason for the phased engagement is that it is unprofessional and would be an impropriety to speculate the firm deliverables in a contract without having first performed due diligence in ascertaining the specifics associated with the variables in the contract. The deliverables in the Application contract will be discussed and recommendations made with regards to timelines, budget, and specifics in the Prescription report. The items recommended in the Prescription will then be selected by decision makers and stakeholders and form the basis of the Application contract.

DIAGNOSTIC
+

PRESCRIPTIVE
=

FIRST CONTRACT

APPLICATION
=

SECOND CONTRACT

This simple phased engagement has been the basis of all Story & Co.'s work, and provides an unprecedented measure of confidence and comfort for the client, not to mention more measurable, focused, successful and professional results.

The following portion of this proposal details actions and deliverables during individual phases.

INITIAL CONSULTATION

Story & Co. will meet (in person or via telephone) with the key decision makers and stake holders. This meeting is where specific deliverables, time lines, and budget approximations are determined for the first contract — the Diagnostic & Prescriptive. The information derived from the meeting is then drafted into a contract, submitted for review, and then signed. The process enables the client and Story & Co. to create a system of checks and balances; allows for versatility; and should the need arise, creates suitable exit opportunities.

INITIAL CONSULTATION

Meet key decision makers and determine success, deliverables, time lines and budget.

STEP I :: DIAGNOSTIC

This phase involves establishing a set of baseline data, and analyzing opportunities as it relates to the brand. Depending on budget and time line, this phase includes stakeholder consultation, branding education workshops, focus groups, input forums, a competitive analysis, surveys (print & online) and an inventory of relevant information (stories, studies, indices, reports, white papers, etc). Our approach is to engage in a respectable amount of communication with the stakeholders, to inform them of the process, of the initiative's value, and instruct them as to how they can participate.

During this phase Story & Co. can engage in two to five days of on the ground engagement. This involves on the ground experiences and discussions, and one-on-one meetings with key stakeholders and operators.

An online survey is posted to garner feedback and insight from stakeholders and other parties of interest. The results of this survey help to provide feedback pertaining to external perceptions and awareness.

DIAGNOSTIC

Engage stakeholders, assemble information and data regarding project objectives. Evaluate product experience and ascertain the current feel and desired outcomes. Can involve 'on-the-ground' meetings.

Depending on the overall budget and specifics pertaining to the community, additional community engagement can be undertaken. Story & Co. can facilitate town hall sessions, where community members can engage in moderated discussion and listen to community opinions and ideas on predetermined subjects.

The information gathered from surveys, engagements, on the ground experiences, and relevant background information are then distilled into a Diagnostic Report. The Diagnostic Report provides an overview of the brand/ story's current situation, and demonstrates to stakeholders and decision makers that the Story & Co. team has performed due diligence in ascertaining the state of the current story.

Online survey. 10-15 questions.

Timeline /Gantt chart shows key dates and events in the process, and is administrated by Story & Co. project manager and client liaison.

STEP II :: PRESCRIPTIVE

In this phase, the Diagnostic Report is presented to the decision makers, along with a Prescriptive Recommendation Report, and a Brand Vision document. The Prescriptive Report is a summary of recommendations and actions to be carried out in the Application phase. The recommendations are predicated on the findings in the Diagnostic Report, with consideration given to time and budget. Stakeholders and decision makers will work with Story & Co. to determine which recommendations are immediately actionable, and the selected recommendations will form the basis for the Application Contract.

This phase also results in the submission of a Brand Vision document which identifies the pillars (primary components) and attributes (attitudes or emotions) that comprise the brand. The Prescriptive Phase broadly identifies where, when and why to market the client's story, and ensures that the strategy is within the client's budget and timeline. It also identifies metrics for tracking the progress of the project.

A contract for the Application Phase is developed upon discussion and approval of recommendations in the Prescriptive Report.

STEP III :: APPLICATION

This phase is where the information gathered in the Diagnostic phase is combined with the recommendations in the Prescriptive phase, and is implemented in materials and action.

Until this time, all information has been articulated in a text format. It here that the project begins to give creative context to the brand story. The first step in the Application process is the assemblage and presentation of a moodboard. The moodboard is a collection of images, colours, fonts and words that help to express and explore the suggested visual representation of the brand. The moodboard is reviewed and discussed with stakeholders and decision makers. Upon approval of the direction established by the moodboard, work is then commenced on the development of the brand. The brand is presented in a holistic capacity, shown at work in a variety of scenarios, along with suggested taglines and positioning statements.

Upon approval of the creative concept, the brand is then developed into the pre approved guidelines and any collateral specified in the Application contract, such as business cards and letterhead, specific ads and marketing templates.

During the course of the Application phase, Story & Co. will consult with decision makers to ascertain a marketing budget and timeline. A marketing plan detailing target demographics (including differentiation between EcDev and tourism audiences), ad spends (print, TV, radio and online as applicable) as well as baseline metrics to gauge performance will be developed and revised with decision makers.

The end result of the brand initiative is the delivery of all files and templates, along with a comprehensive brand usage guideline booklet, and a marketing strategy. There will be hard copies of the booklet, as well as CD or memory stick with all relevant files.

PRESCRIPTIVE

Diagnostic Report, Prescriptive Report, Brand Vision presented to stakeholders.

COMMUNICATION

It will be essential to have clear and open communication. We will work with the Grand Forks team to ensure that items which could delay the process are mitigated. Possible hindrances to effective timing can include meeting scheduling, board governance, and public response. As well, Story & Co. will not spend time on 'inflated' documents or reports. This project needs to be comprehensive, but cannot afford to be exhaustive. Story & Co. will endeavour to ensure that involvement of all stakeholders is as efficient as possible.
We will direct participants to submit surveys, and provide simple, concise questions. Matt Thompson, Story & Co.'s principal, will facilitate and moderate focus and community engagement groups. Thompson has interviewed and engaged over 600 people in community and regional branding projects, worked extensively with groups, boards and committees, and is able to put people at ease and elicit candid and authentic information. During focus groups and other meetings, assistants should be present to record and to observe the proceedings.

Our technical proposal, though it encompasses many actions, is still simple. Boiled down, here's what it is: ***Confirm deliverables. Ask questions. Compile Answers. Create Vision and Strategy. Create.*** That's it.

PROCESS EXAMPLE

Brand Vision + Fonts + Colours + Words + Photos

Moodboard

REVELSTOKE

Logo

Communication Tools & Collateral

MEETINGS

We anticipate that at least 4 'Milestone' meetings are necessary for this project. The first meeting will be an educational and introductory meeting with all stakeholders and/or decision makers. It is essential that all decision makers are present at this meeting. The initial meeting will allow all parties to agree on the definition of the project's success and to have questions answered and concerns aired regarding the process of the project. Ideally, this meeting is tied to any Story & Co. 'on the ground' experience.

The second meeting will be the presentation of the documents in the Prescriptive phase: the Diagnostic Report (qualitative and quantitative data), the Prescription Recommendations and the Brand Vision. This allows for discussion of findings and moves towards approval.

Following approval of the Prescriptive phase, the third meeting will concern the review and discussion of the moodboard. This is a critical meeting and requires involvement and discussion from all decision makers before approval.

The fourth and sometimes final milestone meeting is the presentation of the brand and guidelines.

INNOVATION & CREATIVITY

The City of Grand Forks's RFP seeks innovation and creativity, Story & Co. is happy to relate that innovation and creativity are foundations of all our work and process. Because we have an established process, we are capable of augmenting and bolstering it with actions that are as of yet, unascertained. Once due diligence has been performed to derive project parameters in conjunction with decision makers, then all manner of innovation can break forth. The creativity will be unshackled and forthcoming. As per the RFP, we will not limit innovation to community engagement. There are possibilities to employ social media, guerilla surveys, incentivized meetings, and coopting local media and information outlets. These are certainly not outside the possibilities associated with this portion of the project. However, to indicate the necessary utilization of those methods here would be unprofessional. We look forward to chatting about possibilities in greater detail with decision makers.

SIGN OFFS

To ensure the process is managed smoothly and efficiently, there are sign offs at predetermined stages. Sign offs must be completed before the project progresses to the next phase. Issues which may arise after sign offs are considered outside the scope of the phase, and may be associated with additional costs. Specific sign offs include but are not limited to, the Definition of Success, the Diagnostic Report, the Brand Vision, the Prescription Recommendations, Moodboard, Brand Concept, Brand Strategy.

EXTRAS & REVISIONS

Extras cost extra. If it's not in the contract's deliverables, it will have an extra cost. The need for revisions are mitigated through the utilization of our process. We are careful to frame discussions objectively with regards to strategy and success. If needed, revisions are based on 'What works' and not on 'What is liked.' A full explanation of process and education on objectivity in a 'subjective process' are detailed at length in initial decision maker meetings.

STAKEHOLDER & DECISION MAKER ID

If deemed appropriate, Story & Co. will work with the client to assist in identifying decision makers and stakeholders. Decision makers will be part of a small group who will review and sign-off phases of the project and pre-determined junctures. Stakeholders will be involved in contributing to the consultation process. Stakeholders will be apprised of the branding initiative, and their feedback will be sought through questions, surveys and moderated discussions. The diversity of these groups are important and each will require a minimal amount of education regarding the brand initiative's objectives.

Stakeholders should include (but are not limited to) representatives from the following groups:

Tourism

Tourism stakeholders should include representation from any experience and activity vendors, accommodators, and DMO's.

Economic Development / Industry

ED stakeholders should include representation from the chamber, municipality, and local boards and organizations. As well, industry owners and organizations should be included in this group.

Residents

Resident stakeholders should include representation from families, seniors, youth, long-term residents, and recent 'lifestyle immigrants.'

Tourism Partners

Tourism partner stakeholders can include representation from partner groups such as Tourism Boards, Regional / Provincial Representatives and other orgs.

Visitors

Visitor stakeholders should include return destination visitors, one-time visitors, and frontline visitor interactors (barristas, bartenders, Visitor Centre reception, shuttle drivers.) This group often provides unique and valuable insight from on the ground, day-to-day visitor interaction.

Government

Government stakeholders should include representation from municipal, regional, provincial, and federal governments. Information and feedback should be solicited from council, mayor, MLA's, RD reps, and MP.

Arts, Culture & Sports

This group should include representation from arts and culture organizations, museums & teams.

TEAM KNOWLEDGE

We're a skilled team of professionals. Our team is comprised of members with experience in public relations, marketing, journalism, photography, resort management & marketing, tourism marketing, graphic design, web development, campaign strategy, and communications. Our clients have ranged from multi-national corporations to start-up businesses. We've worked on branding projects for municipalities, tourism regions, regional districts, economic development agencies, tourism DMO's, destination resorts, real estate developments, and First Nations. We thrive on challenge, seek out innovation and strive to deliver an excellent return on each client's investment with us.

MATT THOMPSON

Matt is Story & Co.'s principal, and has been for nearly 10 years. His responsibilities include initial diagnostic consultation, creative briefing, client liaison, and copy writing. Matt's understanding of messaging, branding, user experience and communication have resulted in notable recognized brands and stories. Matt has worked at every level on every major Story & Co. account, and is an exceptional communicator and facilitator.

ANDY MILLER

Andy is Story & Co.'s Project Manager. His responsibilities include project management (of course), content gathering and assembly, milestone creation, and team and client communication and management. Andy's background in management, business coaching and tourism marketing, combined with his impeccable attention to detail and disciplined time management assist to ensure that projects are brought in on time and budget. Originally from Britain, Andy has worked on diagnostic, management and consultative projects for large corporations and organizations in many different global locales.

DEBORAH BUDISELICH

Deborah is Story & Co.'s Creative Designer and her responsibilities include developing creative concepts, maintaining brand consistency, and ensuring correct creative implementation throughout the entire process. Deborah has led the design and branding for numerous projects, bringing the distinctive aesthetic qualities of simplicity, openness, and boldness to each of Story & Co.'s projects. She is meticulous, detail oriented, and possesses an innate and rare capacity for extraordinarily versatile design.

Additional team members and partners are recruited when necessary from our extensive network of preferred professionals. Extra charges or personnel are never added to the project without the client's prior approval.

REFERENCES

We've heard we're great to work with. But don't listen to us (we're in advertising!). Ask some people who really know. In fact, some of the people we're working with right now.

Columbia Shuswap Regional District Robyn Cyr, EDO, 250.833.5928, **rcyr@csrd.bc.ca**
District of Sparwood Terry Melcer, Director of Corporate Services, 250.425.6271 **tmelcer@sparwood.bc.ca**
Boundary Country Jennifer Wetmore, Former EDO, 250.442.2704 ext. 222, **JWetmore@selkirk.ca**
City of Creston Lou Varela, Manager, City of Creston 250.428.9164 ext. 232, **Lou.Varela@Creston.ca**
Kicking Horse Coffee Elana Rosenfeld, President, 250.342.4489, **Elana@KickingHorseCoffee.com**
Sun Peaks Christina Antoniak, Marketing Manager, 250.578.5285, **tspmarketing@SunPeaksResort.com**

We've also worked with the following clients: *Ktunaxa First Nation, City of Kimberley, City of Cranbrook, Kootenay Rockies Innovation Council, Ucluelet First Nations, Moose Cree First Nations, Kootenay Rockies Tourism, Kicking Horse Mountain Resort, Golden Tourism, Revelstoke Tourism, Canada Parks, Kicking Horse Coffee, Wildsight, Canadian Parks & Wilderness Society, Columbia Basin Trust, Columbia Power Corporation, Ambler Mountain Works, City of Creston, Great West Life Insurance*

RECENT RELEVANT AWARDS

Last year Story & Co. won national awards from the Economic Development Association of Canada for best advertising and branding for the Boundary and Shuswap regions, as well as awards from the UBCM for our work with Sparwood.

LINKS TO WORK

Take look at our **work online** and some online projects we've done for clients, including **Shuswap Tourism**, **Boundary Tourism**, and **Kicking Horse Coffee**.

Hard Links

Story & Co. website :: **http://www.StoryCo.ca**
Shuswap Tourism website :: **http://www.ShuswapTourism.ca**
Boundary Tourism website :: **http://www.BoundaryBC.com**
Kicking Horse Coffee website :: **http://www.kickinghorsecoffee.com**

DELIVERABLES

The complete specific deliverables for this particular project have yet to be confirmed, but are anticipated to be discussed and finally developed through the Diagnostic and Prescriptive process. Most of the deliverables will require consultation founded on a holistic brand plan. For example, the cost of developing a marketing strategy obviously varies, depending on the budget and timeline associated with the strategy. The costs of website development vary according to what content is utilized, and discussion will need to transpire acknowledging the objectives of the City and other tourism or economic development endeavours in conjunction with the website.

The estimated costs and timelines we've provided are based on typical work we've performed for branding projects in the past. Because firm costs are based on specific deliverables, we'll provide firm costs once we've had the opportunity to have initial consultation about the project and its objectives, vis a vis the Diagnostic and Prescriptive stages. We've provided some of our recommended deliverables below as well as suggested cost ranges, and look forward to the opportunity to discuss them further.

Tangible deliverables typically are a set of brand usage guidelines. However, the process can also include promotional items (rack cards, brochures, trade show and event promotional materials,) web development, posters, brand plans, marketing reviews, brand launch events, press coverage and coordination, stakeholder education, and more. We've been involved in all aspects of community branding and subsequent strategy and communication and look forward to discussing this project in order to develop specific actions.

RECOMMENDED DELIVERABLES

DIAGNOSTIC & PRESCRIPTION PHASE

COST ESTIMATE $7,000-$9,000

• Audit & Renewal of the Grand Forks Story

Research, consultation, surveys, analyses, development and presentation of a Diagnostic Report, Prescriptive Recommendations, Strategic Actions Overview and Brand Vision.

The Brand Vision will be the first articulation of the brand presented to decision makers. The correlation to information and recommendations will be strongly identified.

• Recommend an integrated collateral suite for immediate needs and future recommendations

We will provide recommendations for future articulation of the brand, predicated on strategic objectives, timelines and budget. **(Included in Prescriptive Phase)**

APPLICATION PHASE

HOLISTIC COST ESTIMATE $17,000 (includes Brand, Target Market ID, Communication Strategy)

· Development and presentation of a Mood board.

Following the presentation of the Brand Vision, and upon acceptance of the Application contract, we will create a mood board, a collection of words, images, fonts, and words. The mood board will be presented for review and will be an essential meeting for decision makers. **(Essential step: Included in overall Application cost)**

· BRAND IDENTITY DEVELOPMENT

COST ESTIMATE $13,000

Following the presentation of the Mood board, we will develop and present a visual brand concept, shown in a holistic capacity performing in ad concepts, corporate ID, apparel, vehicles, brochure mock-ups, etc.

Brand usage guidelines will include: Positioning statement / mission, vision & values, story, history, brand essence & elements, the logo, usage & guidelines, colour, colour palette, typography, fonts, tone (writing), photography, signature images, product images, suggested experiences, website presence overview, ad creation guidelines, suggested legal usage guidelines, contact information, and brand usage request form. Additional information may be added to the Brand Book, pending results of the Prescription phase and further consultation. As well, the development of additional sub-brands will be undertaken at this time, pending further discussion as to sub-brand specifics.

· COMMUNICATIONS STRATEGY

COST ESTIMATE $4,000

Story & Co. will undertake a Strategic Communications Plan for the City. Although at this time the budget and timelines are unknown, the plan will address immediate actions and long term actions in a prioritized sequence. The plan will take into consideration the plans of other organizations. The plan will provide a marketing matrix identifying specific actions relating to specific target markets. The plan will begin with the roll-out or introduction of the community's new brand. It will provide benchmark metrics that can be utilized to gauge future successes. The plan will address and identify target markets in order of priority, martketing tools, including the role of website, collateral, social media, earned and paid media strategies, signage, events and community infrastructure. The plan will also address three distinct phases of marketing: Awareness, Alignment and Action. The Strategic Plan will also review current roles and responsibilites associated with community marketing. Other items to be addressed will be visitor retention and atrraction, increased visitation, business attraction and retention, marketing decsion making and review and increasing community spirit. Finally, the plan will also address the establishment of Community Champions and Ambassador programs.

SUGGESTED OPTIONAL DELIVERABLES

· PHOTOGRAPHY

COST ESTIMATE $3,500 - $12,000

Identify (and secure if necessary) signature images to support branding designs

This will be an ongoing and concurrent phase. An inventory of current assets will be performed in the Diagnostic step, and will then have recommendations put forward in the Prescriptive step. Photo or image acquisition can take place in the Application step.

· MARKETING COLLATERAL

COST ESTIMATES (does not include production, materials or printing costs)

- Tradeshow Display/Booth/Banner signage **$2,500-$5,000**
- Brochures (racked and unracked, separate promos) **$3,500-$6,000**
- In room advertising (tent cards, flat sheets, binders) **$2,500-$5,000**
- Investor Package **$2,500-$5,000**
- SWAG (stickers, give-aways, etc.) **$2,500-$5,000**
- Template creation (branded ad templates for partner/community usage) **$2,500-$5,000**

· MARKETING COLLATERAL

COST ESTIMATE $2,500-$5,000 (Audit and development of community signage guidelines and usage)

- Welcome signage, Directional signage, Interpretive signage, Site specific signage
- Icon Bank

ITEM	DAY
 INITIAL CONSULTATION	Day 2
Confirm deliverables	
Confirm milestones	
Clearly define success	
 DIAGNOSTIC & PRESCRIPTIVE CONTRACT	Day 7
 STEP I: DIAGNOSTIC	Day 8-40
Baseline Data Acquisition & Review	Day 8-40
Stakeholder ID	Day 8-40
 STEP II: PRESCRIPTIVE	Day 41-50
Diagnostic Review Report	Day 41-50
The Brand Vision Document	Day 41-50
Prescriptive Recommendations	Day 41-50
 APPLICATION CONTRACT	Day 50
 STEP III: APPLICATION`	
Moodboard presentation	Day 51-60
Brand & Guidelines	Day 60-75
Complete Brand Plan & Materials	Day 75-90

The above information is based on a 90 day period allotted for completion of the project.

COST ESTIMATES

ITEM	COST
INITIAL CONSULTATION	$ No charge
STEP I: DIAGNOSTIC	$ 4,000 @
STEP II: PRESCRIPTIVE	$ 3,500 @
STEP III: APPLICATION	$ 17,000 @
TOTAL PROCESS COST ESTIMATE	$ 24,500 @
ADDITIONAL COSTS/ EXPENSES ESTIMATES	
Facility Rental (for up to 3 focus groups, includes light food)	$ 200
Material Creation & Production (CD's, focus group material, vision doc, printing)	$ 500

HOURLY BILLING RATE	$ 120

All prices are ball park figures. Firm costs will be associated with firm deliverables upon further consultation.

Nothing is billed on an hourly basis unless preapproved. As our references will attest, Story & Co. is proud to deliver no cost overages on projects. Any additional expenses are first discussed and the approved by the client.

The information we're been provided with has enabled us to derive these figures. These numbers aren't final figures, they're estimates. If selected, we'll engage in consultation, firm up the deliverables, and give you a firm cost. It would be unfair to you, and unprofessional of us to do otherwise.

THE END & THE BEGINNING

Thanks for allowing us to have the opportunity to present our services.

We'd be thrilled to bring our expertise and proficiency to this project and create a great product for Grand Forks. Our process is simple and comprehensive. We work to diagnose and prescribe a course of action, then apply our recommendations.

The preceding pages have outlined our proposal and suggestions for the brand development and design initiative. This is a proposal and not a contract, and we anticipate and look forward to discussing details with you at your convenience.

We've done work with communities and regions for over a decade, and for the last three years our work has been almost exclusively focused on regions and municipalities. Our firm garnered the outstanding recognition from the Economic Development Association of Canada, but our clients will bestow the highest accolades we can ask for, the effectiveness of our work. Our enclosed book of case studies defines some of our approach to work and showcases the resulting deliverables.

Thank you again for giving us this opportunity. We look forward to the possibility of working together.

Sincerely,

Matt Thompson
Principal, Story & Co.
250.427.7911 | Matt@StoryCo.ca

The preceding pages of the proposal are the nitty gritty. However we've decided to break with convention at the end and do something that is completely uncharacteristic. That's right, we're going to give you some of our most valuable product — our professional advice, free of charge.

- ***Grand Forks's brand: Incorporate 'experience.'*** *It's all about the verbs. Yes, there are loads of incredible nouns (places, people, things) but it's what your customers and clients do to interact with those nouns that creates great stories. The brand should be about the verbs. This is not an original idea. Brand Canada (the Canadian Tourism Commission's marketing arm) delineates this truism throughout its brand usage guidelines. As a nation, Canada has struggled with its identity as a result of being 'noun focused' instead of 'verb focused.' As you go through your branding, keep an eye out for information that will lead to incorporating and articulating experience and story throughout the brand.*
- ***Budget for photography.*** *Great photos and imagery is the single most effective way to make an impact in your marketing and communications material. Once the brand has been identified, ensure that there is a strategy to acquire great images that tell Grand Forks's story and experience. You will likely need images that you possess the complete rights to. And don't compromise. Get great, proven professionals to take great images for you. A picture is worth whatever your projected ROI is. Get great images. And just so there's no confusion, Story & Co. doesn't do photography. We just advocate it. And we'll manage it too.*
- ***Budget for SEO (Search Engine Optimization).*** *Sure you have a website. And they might even be coming to it. But if you want to ensure that they come, visit, and act on their visit; then put funds aside for SEO. SEO is an ever changing dark art, best performed by the good (bizarre) professionals who enjoy things like search algorithms and interpolating site visitation statistics. (We don't do SEO either. But we can manage it.)*

OK. That's enough extracurricular enlightenment for one proposal.

Give us a shout and let's talk.

CONTACT —

250.427.7911 or Matt@StoryCo.ca

THE CITY OF GRAND FORKS
REQUEST FOR COUNCIL DECISION

DATE	:	**September 10th, 2012**
TOPIC	:	**Report - from the Council's Representative to the Regional District of Kootenay Boundary**
PROPOSAL	:	**Regional District of Kootenay Director representing Council Will report on actions and issues being dealt with by the Regional District of Kootenay Boundary**
PROPOSED BY	:	**Procedure Bylaw / Council**

SUMMARY:
Under the City's Procedures Bylaw No. 1889, 2009, the Order of Business permits the City's representative to the Regional District of Kootenay to report to Council and the Community on issues, and actions of the Regional District of Kootenay Boundary.

STAFF RECOMMENDATION:
Option 1: Receive the Report.

OPTIONS AND ALTERNATIVES:

Option 1: Receive the Report: Under this option, Council is provided with the information provided verbally by the Regional District Director representing Council.
Option 2: Receive the Report and Refer Any Issues for Further Discussion or a Report: Under this option, Council provided with the information given verbally by the Regional District of Kootenay Boundary Director representing Council and requests further research or clarification of information from Staff on a Regional District issue

BENEFITS, DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: The main advantage is that all of Council and the Public is provided with information on the Regional District of Kootenay Boundary.
Option 2: The main advantage to this option is the same as Option 1.

COSTS AND BUDGET IMPACTS – REVENUE GENERATION:
There is no direct financial impact on the provision of information.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:
The Procedure Bylaw is the governing document setting out the Order of Business at a Council meeting. Bylaw 1889, Council's Procedure Bylaw, was implemented in early February to include a specific line item in the Order of Business at a Regular Meeting to include a Report on the Regional District of Kootenay Boundary.

Department Head or Corporate Officer or Chief Administrative Officer

Reviewed by Chief Administrative Officer

№ 3 A

Minutes of a regular meeting of the Board of Directors of the Regional District of Kootenay Boundary held in the Regional District of Kootenay Boundary Board Room, Grand Forks, B.C., Thursday, July 26, 2012 at 6:00 p.m.

Present: Director L. Gray, Chair
Director N. Kettle
Director G. McGregor
Director D. Duclos
Director K. Wallace
Director B. Taylor
Director I. Perepolkin
Director M. Rotvold
Director L. Worley
Director R. Cacchioni
Director T. Milne (Alternate)

Call to Order

The Chair called the meeting to order at 6:00 p.m.

Agenda

The Chair requested that Item 9e) be moved forward on the agenda as the applicant is in attendance.

Director Cacchioni requested an item "communications from staff on emergencies" be added to the agenda.

The Chair advised that there were two late grant-in-aid requests and it was;

330-12 Moved: Director McGregor/Sec'd: Director Taylor

That the two grant-in-aid requests and discussion on communications from staff on emergencies be added to the agenda.

Carried.

331-12 Moved: Director Rotvold/Sec'd: Director Cacchioni

That the agenda be adopted as amended.

Carried.

Minutes

332-12 Moved: Director McGregor/Sec'd: Director Worley

That the minutes of the regular Board meeting held June 28, 2012 be adopted as circulated.

Carried.

Development Variance Permit

333-12 Moved: Director Perepolkin/Sec'd: Director Worley

That the Development Variance Permit application submitted by Derek Choukalos and Rosa Jordan, for the property legally described as Lot A, Township 28, KD, Plan 16384 to allow a decrease in the setback from the interior side parcel line for construction of a garage, from 7.5 metres to 2.5 metres (a variance of 5.0 metres), be approved.

Carried.

Director Wallace advised that she had missed the meeting discussing this item and noted the following points:

- no plumbing proposed;
- property is within Rossland watershed;
- diversion of creek on this property.

Unfinished Business

Memorandum of Board Resolutions

334-12 Moved: Director McGregor/Sec'd: Director Wallace

That the Memorandum of Board Resolutions be received.

Carried.

The Board members discussed the report and it was;

335-12 Moved: Director Rotvold/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary send a letter to the Ministry of Transportation & Highways requesting they consider increasing the speed limit from 90 km to 100 km where it is safe to do so on Hwy. 33 between Rock Creek and Kelowna.

Carried.

(Directors Kettle, Cacchioni & Taylor opposed)

Director Wallace requested staff to follow-up on Spree-Neisse.

Communications (Information Only)

336-12 Moved: Director Cacchioni/Sec'd: Director Kettle

That Items:

a) Minutes – Area 'C' A.P.C. – July 3/12
b) B.C.G.E.U. – July 5/12
re: Privatizing B.C. Liquor Distribution Branch
c) Kootenay Library Federation – July 10/12
re: Annual Report
d) A.K.B.L.G. – July 12/12
re: Closure of the Nelson, B.C. Office of Fisheries & Oceans Canada
e) Columbia Basin Trust – July 18/12
re: Community Infrastructure Improvement Fund

be received.

Carried.

Privatization of Liquor Distribution Branch

337-12 Moved: Director Kettle/Sec'd: Director Cacchioni

That the Regional District of Kootenay Boundary write a letter to the Provincial Government opposing privatizing the B.C. Liquor Distribution Branch warehouse and distribution system.

Moved: Director Rotvold/Sec'd: Director McGregor

That the resolution be amended to oppose the privatization of any provincial assets.

Defeated.

Voting on the original resolution – **Carried.**

Kootenay Library Federation

338-12 Moved: Director Cacchioni/Sec'd: Director Duclos

That the Regional District of Kootenay Boundary write a letter of congratulations and appreciation for the service the Kootenay Library Federation provides.

Carried.

Closure of Nelson Office of Fisheries and Oceans Canada

339-12 Moved: Director Rotvold/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary write a letter to the Province opposing the closure of the Nelson Office of Fisheries and Oceans Canada office.

Carried.

Reports

Payroll
Int. Schedule of Accounts
June, 2012

340-12 Moved: Director Rotvold/Sec'd: Director Worley

That the following items be approved for payment:

i)	Int. Sch. of Accounts – June/12 Cheque Nos. 31459 – 31884	$1,168,514.56
ii)	Payroll Account	621,481.00
		$1,789,995.56

Carried.

The Board thanked the Director of Finance for the financial information updates he has been providing.

Personnel, Executive & Policy Committee
July 18, 2012

341-12 Moved: Director McGregor/Sec'd: Director Cacchioni

That the draft minutes of the Personnel, Executive & Policy Committee meeting held July 18, 2012 be received.

Carried.

Board/Committee Meals Policy

Moved: Director McGregor/Sec'd: Director Wallace

That the Regional District of Kootenay Boundary Board of Directors adopts the Board/Committee Meals Policy as follows:

Policy: *The Regional District of Kootenay Boundary shall provide meals for Directors and staff where appropriate and where the meeting time covers a traditional meal time.*

Purpose: *To establish the times where staff will be required to arrange for a meal for the Directors and staff resources required at a Board or Committee meeting.*

Procedure: *Staff will be required to arrange for meals, either through the use of caterers or at local restaurants, whenever the entire Board is meeting (i.e. Regular or Special Board meetings, or any Committees of the Whole) and the meeting time is such that a traditional meal time is impacted.*

For clarity, staff will be required to arrange for a meal if the meeting includes or is scheduled to begin or is anticipated to end within:

For Lunch	*30 minutes of 12:00 (noon)*
For Dinner	*60 minutes of 5:30 p.m.*

This policy does not restrict, in any way, the ability of a Director to recover costs for meals not covered by this policy in accordance with RDKB policies and bylaws.

Director Rotvold questioned whether or not the policy should set amounts for meals and it was;

342-12 Moved: Director Rotvold/Sec'd: Director Cacchioni

That the policy be referred back to the Personnel, Executive & Policy Committee for further consideration.

Carried.

In Camera Agenda and Information Policy

343-12 Moved: Director McGregor/Sec'd: Director Kettle

That the Regional District of Kootenay Boundary Board of Directors adopts the In Camera Agenda and Information Policy as follows:

Policy: *The Regional District of Kootenay Boundary has the legislative authority to have meetings that may or must be closed to the public. In order to ensure that the Board or Committee members have the necessary information to effectively consider the matter before them procedures shall be established to ensure they have information in a timely manner.*

Purpose: *To establish a process for the circulation of in camera agendas and information*

to the Board of Directors.

Procedure: *The circulation of in camera agendas and information shall follow the following procedure:*

- *A notice of meeting shall be sent to the Directors at least 72 hours before the meeting.*
- *The agenda and available background information, wherever possible shall be delivered to the Directors (via paper or electronically) at least 48 hours before the meeting.*
- *When paper agendas are sent through the mail service, electronic notification will be sent to the Directors.*
- *Delivery of the agenda electronically shall be password protected.*
- *Notwithstanding this policy, the Board or a Committee may consider a matter even if the terms of this policy have not been met.*
- *Elected Officials and staff shall not divulge, disclose, provide or disseminate in camera information to any third party unless it is approved by the Board of Directors. Further, it is the recipient's obligation to keep in camera information confidential.*

344-12 Moved: Director Rotvold/Sec'd: Alternate Director Milne

That the policy be amended to provide notice at least 48 hrs. before the meeting, not 72.

Carried.

(Director Wallace opposed)

Voting on the original resolution as amended – **Carried.**

Policy Development and Review Policy

345-12 Moved: Director McGregor/Sec'd: Director Cacchioni

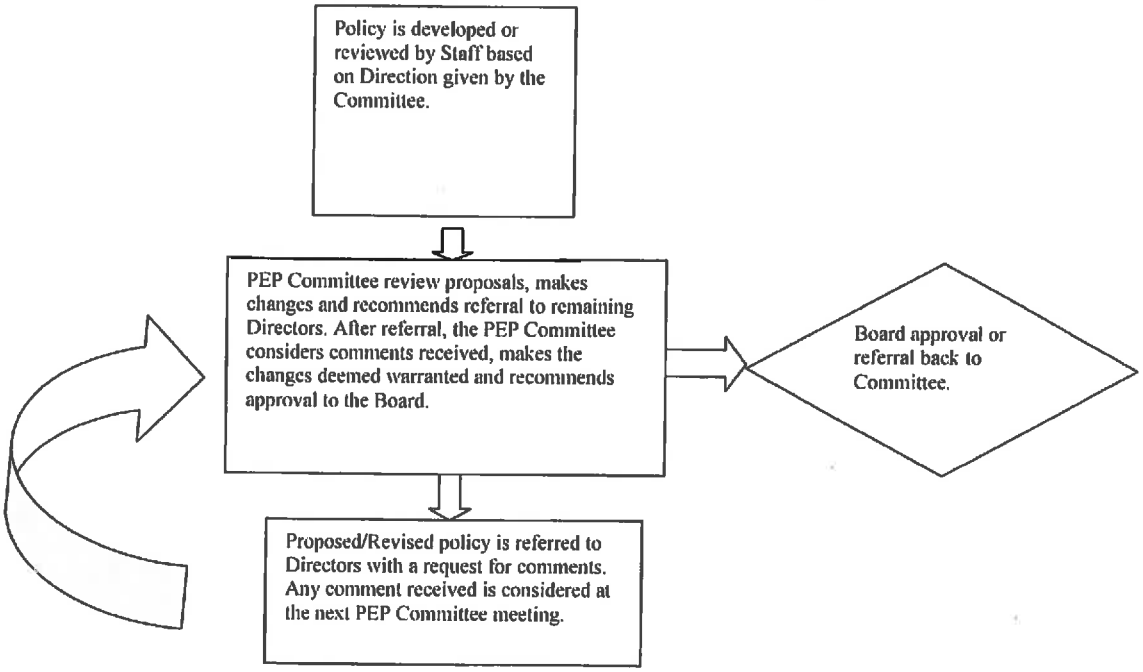
That the Regional District of Kootenay Boundary Board of Directors adopts the Policy Development and Review Policy as follows:

Policy: *The Regional District of Kootenay Boundary shall have a pre-determined open procedure for the development and review of policies*

Purpose: *To establish a process for the development and review of policies which encourages frank and open discussion as well as timely review.*

Procedure: *The Regional District of Kootenay Boundary Board of Directors hereby assigns responsibility for the development and review of proposed and existing policies to the Personnel, Executive and Policy (PEP) Committee, while retaining responsibility for the ultimate approval.*

The process for the development or review of a policy shall be as follows:



The priorities for policy development shall be established by the PEP Committee, taking into consideration the Board strategic direction and the requirements of the organization.

All policies shall be formally reviewed every three years or as required, whichever is sooner.

Carried.

Project Initiation Policy

346-12 Moved: Director McGregor/Sec'd: Director Perepolkin

That the Regional District of Kootenay Boundary Board of Directors adopts the Project Initiation Policy as follows:

Policy: *The Board of Directors shall be responsible for the direction of the Chief Administrative Officer and Staff as to the completion of projects and tasks.*

Purpose: *In order to ensure good management of the resources available, and to ensure that required work is completed, the Board of Directors must be involved in the allocation of resources.*

Procedure: *All projects proposed or undertaken shall be referred to as either "mandated" or "non-mandated".*

Mandated projects are those directly related to an existing service. Director requests can, and do, include statistical reports and general information sharing.

Non-mandated projects are those not related to an existing service. Director requests can include new services, large scale expansion of existing services and lobbying efforts (i.e. uranium mining or transportation linkages).

Mandated matters such as providing statistical information to the Directors can be appropriately handled at Manager level. The CAO should be informed of requests for information as to ensure the orderly functioning of the Regional District. The CAO, in consultation with the staff, will determine which requests will have to be referred to the Board for final adjudication. Factors to be considered will include the amount of time required, the ease in acceding to the request and the consistency with current Board policies, practices or decisions.

All requests, mandated or not, that require analysis and ultimately a decision of the Board as to the course of action taken, must be routed through the CAO and Board.

It will be the CAO's responsibility to inform the Board of the staff and resource allocation required to meet the project request and how it may impact on already approved projects.

The Board of Directors ultimately has the authority to approve projects, but the default position shall be that mandated items take precedence over non-

mandated, and that they will generally be handled in the order that they are approved by the Board; oldest first.

The Board will be provided a report from the CAO at each Board meeting on the status of tasks or projects assigned to staff including the estimated time of completion.

Example

Board Resolution:	*"That the CAO prepare a report on the implication of the Species at Risk Legislation for the Board's consideration."*
Date adopted:	*January 12, 2xxx*
Status:	*The Federal Government is currently considering amendments to the legislation which would have an impact on the application to the Regional District. A final vote is anticipated in early March, and our report can be completed shortly thereafter.*
Estimated completion:	*April Board meeting*

Carried.

Mail Ballot Voting

347-12 Moved: Director McGregor/Sec'd: Director Cacchioni

That the Regional District of Kootenay Boundary Board of Directors direct staff to move forward to develop and implement a process to manage mail ballot voting and mail ballot voting registration.

Carried.

C.A.O. Performance Evaluation

348-12 Moved: Director McGregor/Sec'd: Director Taylor

That the Regional District of Kootenay Boundary Board of Directors supports the establishment of a sub-committee of the Board of Directors to review the C.A.O. Performance Evaluation both interim and a full 360 degree feedback (interim in 2012, full 360 in 2013).

Carried.

It was the general consensus that the committee be comprised of five Directors plus the Chair (a balance between rural/municipal/east/west).

Directors McGregor, Rotvold, Taylor & Duclos expressed interest in being appointed to the committee.

Strategic Planning Session

The Chair advised that the Strategic Planning Session will be held Thursday, September 13, 2012 from 9:30 a.m. – 5:00 p.m. at the Christina Lake Community Hall and that Ms. Tracy Lee Lorensen will be the Facilitator.

Director McGregor invited the Board to her home after the session.

Sewer Committee

349-12 Moved: Director Cacchioni/Sec'd: Director Wallace

That the draft minutes of the Sewer Committee meeting held July 3, 2012 be received.

Carried.

Environmental Services Committee
July 4, 2012

350-12 Moved: Director Worley/Sec'd: Director Duclos

That the draft minutes of the Environmental Services Committee meeting held July 4, 2012 be received.

Carried.

Minimum Standard Service Policy

351-12 Moved: Director Worley/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary Board of Directors establish a minimum service standard policy that all residents are within a thirty minute drive of a staffed solid waste management facility with exceptions as determined by the Board.

Carried.

Unstaffed Transfer Stations

352-12 Moved: Director Worley/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary Board of Directors direct staff to take the necessary steps, including government and public liaison to permanently close the Bridesville, Westbridge, Jewel Lake, Texas Point and McRae Creek unstaffed transfer stations.

Carried.

(Director Kettle opposed)

Specified Service Areas

353-12 Moved: Director Worley/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary Board of Directors direct staff to establish specified service areas for one, all or a combination of the areas of Christian Valley, Sidley Mountain, Idabel Lake and Mt. Baldy to generate tax revenue to pay for additional services received by those areas.

Carried.

Increasing Hours

356-12 Moved: Director Worley/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary Board of Directors approves increasing the hours at the Christina Lake Transfer Station, West Boundary Landfill and the Rock Creek Transfer Station upon closure of unstaffed transfer stations nearest the staffed facilities.

Carried.

McKelvey Creek Access Road

357-12 Moved: Director Worley/Sec'd: Director Cacchioni

That the Regional District of Kootenay Boundary Board of Directors proceed in principle, in 2013, with the McKelvey Creek access road realignment project including addition of outbound scale, possible removal or relocation of the reuse building and relocation of the recycling depot within existing public areas.

Carried.

Electoral Area Services Committee
July 17, 2012

358-12 Moved: Director Perepolkin/Sec'd: Director McGregor

That the draft minutes of the Electoral Area Services Committee meeting held July 17, 2012 be received.

Carried.

Development Variance Permit Application

Director Worley excused herself from the meeting due to a conflict of interest.

Moved: Director Perepolkin/Sec'd: Director McGregor

That the Development Variance Permit application submitted by Arthur and Linda Worley for the property legally described as Lot 7, Plan 2035, DL 2404, KD, Except Plan 9099 to allow a decrease in the setback from the eastern interior side property line for construction of a garage of 1.0 metres, from 3 metres to 2 metres, and a height variance of 1.0 metres, from 4.5 metres to 5.5 metres, be approved.

The Chair advised that without a quorum of Electoral Area Directors present, this item would have to be deferred and it was;

359-12 Moved: Director McGregor/Sec'd: Director Perepolkin

That the Development Variance Permit application submitted by Arthur and Linda Worley be deferred.

Carried.

Director Worley re-joined the meeting.

Board Appointments Update

S.I.D.I.T.

Director McGregor advised that the next S.I.D.I.T. meeting will be via teleconference.

S.I.B.A.C.

Director McGregor advised that S.I.B.A.C. had made a presentation to the Province on forestry issues.

R.C.M.P.

Director McGregor advised that she would be sending out information on the R.C.M.P.

Okanagan Film Commission

No report as Director Baird was away.

Columbia River Treaty Committee

Director Worley advised of the upcoming conference in Cranbrook.

L.C.I.C.

Chair Gray advised that the L.C.I.C. is undertaking a Business Retention & Expansion Survey and Industrial Land Inventory.

Boundary Weed/Stakeholder

Director Perepolkin advised of the tour taking place on Aug. 8/12.

Staff Reports

T. Lenardon – July 16/12
re: Proposed New Federal Electoral Boundaries

A report from Theresa Lenardon, Executive Assistant, dated July 16/12 regarding the proposed new federal electoral boundaries was read to the meeting.

360-12 Moved: Director Worley/Sec'd: Director Perepolkin

That the staff report be received.

Carried.

361-12 Moved: Director Rotvold/Sec'd: Director Duclos

That the Regional District of Kootenay Boundary reserve a time slot to make a presentation.

Carried.

T. Lenardon – July 6/12
re: Requests for Cabinet Minister Meetings at the 2012 U.B.C.M. Convention

A report from Theresa Lenardon, Executive Assistant, dated July 6/12 regarding resolutions to request Cabinet Minister meetings at the upcoming U.B.C.M. convention was read to the meeting.

362-12 Moved: Director Kettle/Sec'd: Director Duclos

That the staff report be received.

Carried.

363-12 Moved: Director Rotvold/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary Board of Directors authorize staff to prepare briefing notes for Cabinet Minister meetings at the U.B.C.M. conference as follows:

Meeting with Minister Terry Lake, Ministry of Environment regarding milfoil at Christina Lake.

Attendees: Director McGregor, Chair Gray and C.A.O. MacLean

Meeting with Minister Steve Thomson, Ministry of Forests, Lands and Natural Resource Operations regarding Wildfire Management – as a follow-up to the meeting held earlier this Spring with Minister Thomson, Provincial staff and representatives from the R.D.C.K., R.D.K.B. and R.D.E.K.

Attendees: Director Grieve, Chair Gray, C.A.O. McLean

Meeting with Minister Ida Chong, Ministry of Community, Sport and Cultural Development regarding the City of Trail's proposed boundary extension into Electoral Area 'A'.

Attendees: Director Grieve, Chair Gray, C.A.O. MacLean

Meeting with Minister Terry Lake, Ministry of Environment (Solid Waste Management Planning) regarding unmanned refuse sites in the Boundary.

Attendees: Director Worley, Chair Gray, C.A.O. MacLean

AND FURTHER that the meeting requests not be prioritized.

Carried.

T. Lenardon – July 17/12
re: B.C. as a Genetically Engineered (GE) Free Zone

A report from Theresa Lenardon, Executive Assistant, dated July 17/12 regarding support for making B.C. a genetically engineered free Province for all tree fruit products was read to the meeting.

364-12 Moved: Director Perepolkin/Sec'd: Director Duclos

That the staff report be received.

Carried.

365-12 Moved: Director McGregor/Sec'd: Director Perepolkin

That the Regional District of Kootenay Boundary Board of Directors refers the matter of legislating B.C. free of genetically engineered fruit to the Grand Forks and Boundary Regional Agriculture Society for comments and further information that will assist the Board of Directors to decide whether or not it would support the request from the Regional District of Okanagan Similkameen to lobby the U.B.C.M. to pressure the B.C. Government to make B.C. a GE Free Province in respect to all tree fruit products.

Carried.

J. Svendsen – July 12/12
re: Regional Rescue Program

A report from Jamie Svendsen, Regional Chief – Big White, dated July 12/12 regarding approval to enter into a Regional Rescue Program to provide First Responder, Motor Vehicle Rescue Response and Scene Support up to and including the community of Beaverdell was read to the meeting.

366-12 Moved: Director Kettle/Sec'd: Director Rotvold

That the staff report be received.

Carried.

367-12 Moved: Director Rotvold/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary Board of Directors approves and directs the Big White Fire Department to provide First Responder, Motor Vehicle Rescue response and scene support within the boundaries of Area 'E' along Big White Road and Highway 33 to and including the communities of Idabel Lake and Beaverdell.

Carried.

M.A. Fournier-Beck – July/12
re: License of Occupation – Area 'A'

A report from Marie-Ange Fournier-Beck, Assistant Planner, dated July/12 regarding an application for a License of Occupation in Area 'A' was read to the meeting.

368-12 Moved: Director Worley/Sec'd: Director Milne

That the staff report be received.

Carried.

369-12 Moved: Director Worley/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary Board of Directors advise the Ministry of Forests, Lands and Natural Resource Operations that the License of Occupation application from Kelly Creek Timber Co. Ltd. is supported.

Carried.

M.A. Fournier-Beck – July/12
re: Proposed Cutting Permit No. 214

A report from Marie-Ange Fournier-Beck, Assistant Planner, dated July/12 regarding a proposed Cutting Permit No. 214 west of Marsh Creek in Area 'A' was read to the meeting.

370-12 Moved: Director Worley/Sec'd: Director Rotvold

That the staff report be received.

Carried.

371-12 Moved: Director McGregor/Sec'd: Director Rotvold

That the Regional District of Kootenay Boundary Board of Directors advise ATCO Wood Products that the application for Timber Cutting Permit No. 214 on Crown land near Marsh Creek is supported.

Carried.

M.A. Fournier-Beck – July/12
re: Exclusion from the A.L.R. – Area 'B'

A report from Marie-Ange Fournier-Beck, Assistant Planner, dated July/12 regarding an application for exclusion from the Agricultural Land Reserve in Area 'B' was read to the meeting.

372-12 Moved: Director Worley/Sec'd: Director Wallace

That the staff report be received.

Carried.

373-12 Moved: Director Worley/Sec'd: Director McGregor

That the Regional District of Kootenay Boundary Board of Directors supports the application for

West K. Sand & Gravel Ltd., to exclude a property from the A.L.R. for the property legally described as Lot 1, District Lots 7163 & 7187, KD, Plan NEP91135.

Carried.

Bylaws

B.V. Water Development Cost Charges

The Chair declared that due to no quorum present, this bylaw would be deferred to the next meeting.

New Business

Grants-in-Aid

374-12 Moved: Director Perepolkin/Sec'd: Director McGregor

That the following grants in aid be approved:

- Showcase Firefighter Memorabilia – Area 'A' - $400
- Grand Forks & District Fall Fair Society – Area 'D' - $2,500
- Big White Fire Auxiliary – Area 'E' - $1,500
- Up to $700 to assist with tipping fees to residents with damage to their properties due to the recent storm (1/2 half the actual cost per application)
- Boundary Weed Management Committee – Area 'D' - $400

Carried.

Director Request for Staff Resources (Discussion)

Communications to Directors

Director Cacchioni expressed his concerns over communications with Directors in light of the recent problems with the sewer system due to the extreme high river levels.

Director Wallace expressed her concern about missing an e-mail and suggested that staff should ensure an e-mail is received.

Director Rotvold advised that there were some communication problems with the storm in the Boundary area last week.

It was generally agreed that this item would be discussed further at a Personnel, Executive & Policy Committee meeting.

In Camera Meeting

375-12 Moved: Director Rotvold/Sec'd: Director Cacchioni

That the Regional District of Kootenay Boundary Board of Directors proceed to an in camera meeting pursuant to Section 90(b) of the Community Charter (time: 8:26 p.m.).

Carried.

376-12 Moved: Director Rotvold/Sec'd: Director Wallace

That the Regional District of Kootenay Boundary reconvenes to the regular meeting (time: 8:55 p.m.).

Carried.

Sewer Dispute

377-12 Moved: Director Wallace/Sec'd: Director Cacchioni

That the Regional District of Kootenay Boundary Board of Directors brings forward the in camera resolution "that the Regional District of Kootenay Boundary maintain a neutral position with regards to the east end sewer dispute" to the open meeting.

Carried.

Adjournment

378-12 Moved: Director Wallace

That the meeting be adjourned. Time: 8: 56 p.m.

Chair

Director of Corporate Administration

THE CITY OF GRAND FORKS
REQUEST FOR COUNCIL DECISION

DATE	:	**September 6, 2012**
TOPIC	:	**Strategic Plan Goal Action**
PROPOSAL	:	**Report on Action – Staff to Develop a Succession Plan for the Organization, by the end of September, 2012**
PROPOSED BY	:	**City Staff**

SUMMARY:

At the Regular Meeting of February 20th, 2012, Council adopted the Corporate Strategic Plan 2012-2014. The basis of the plan was developed during a 1 ½ day Workshop held on January 25th and 26th, 2012, attended by Members of Council and Staff representatives. The report outlines 6 main strategic goals as well as several actions to accomplish these goals, 13 of which are identified to be completed in the year 2012. Two of these actions were to be completed by the end of September, 2012. These two actions are:

1. *Staff to Develop a Succession Plan for the Organization, by the end of September, 2012.*
2. *Staff to Prepare a Report Including Data and Costing for Council Decision to Move Forward On Water Meter Installation by the end of September, 2012.*

This report is intended to focus on the Action "Staff to Develop a Succession Plan for the Organization, by the end of September, 2012". In February, Staff provided Council with a report on the potential retirements that the City will face in the future. That report outlined for Council that the majority of the City's Employees are representative of the "Baby Boomer" generation, and much of the City's workforce will leave the employ of the City in the next 5 years.

While this is normal for any employer, many of our employees are long term employees, and as such the City will feel the impact from what is termed as "Loss of Corporate Memory". Our Staff is working towards mitigating these impacts. Numerous municipalities in British Columbia, in fact throughout Canada, are experiencing this same phenomenon.

In 2012, the City will see 4 retirements, including a Parks department employee who retired in April, two journeyman linemen of our electrical crew, one retired in August and the other is due to retire at the end of November, and the Chief Administrative Officer. The Parks department employee replacement is already in place. The City has been successful in attracting a qualified journeyman lineman to replace a long time employee who retired at the end of August. This new journeyman lineman has been working for the City since August. Our Operations Manager in consultation with our Consulting Electrical Engineer is looking at options to replace the second Journeyman Lineman who is due to retire at the end of November. And of course Council has hired a new Chief Administrative Officer to replace the current CAO who is due to retire at the end of October. Mr. Allin will begin his employment with the City on October 15th. Adding to the challenges of replacing key staff was the resignation of Cecile Arnott, Chief Financial Officer. Ms Arnott will be leaving the employ of the City on September 14th in order to fill the CAO position for the City of Rossland. In the interim, Deputy Finance Officer, Roxanne Shepherd will head our finance team. The replacement of the CFO, or the resulting re-organization of the management team will be the responsibility of the new Chief Administrative Officer, Doug Allin.

At this time, we are not aware of any pending retirements for the 2013 year. However the option is there for many of our City Staff. Key positions in roads, parks, water & sewer, and fire services are now filled with younger employees who are being mentored by more seasoned Managers or Supervisors. Some cross-training has been done to backfill key finance positions such as payroll.

It is difficult to determine definite retirement dates for employees, as much is dependent on the type of work involved, and the personal circumstances of each employee. In the next 5 years, Council should expect an additional 6-7 retirements to occur, including 1 manager. Most of these positions are not expected to be a problem to fill. As always, it may take a bit to attract qualified professionals, such as accountants, planners, and specialized trades people. The employer's advantage in this regard is the requirement for our employees to provide the City with a minimum of 60 days notice of their intention to retire. Most of our employees give us more than the 60 days, which is appreciated.

While this report is being presented to Council within the timeframe required under Council's Strategic Plan, the majority of Succession Planning going forward will become the responsibility of the new Chief Administrative Officer.

STAFF RECOMMENDATION:

Option 1: That the Chief Administrative Officer's Report, dated September 6, 2012, regarding the action, requiring " Staff to Develop a Succession Plan for the Organization, by the end of September, 2012", be received.

OPTIONS AND ALTERNATIVES:

Option 1:. ***That the Chief Administrative Officer's Report, dated September 6, 2012, regarding the action, requiring " Staff to Develop a Succession Plan for the Organization, by the end of September, 2012", be received*:** This option recognizes that Staff has reported out on the actions requested of them, and outlined in the Corporate Strategic Plan 2012-2014.
Option 2: ***Council declines to receive the report.*** This option suggests that Council is not interested in following through with the goals outlined in the Corporate Strategic Plan

.

BENEFITS, DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: The benefit of this option is that the report, outlining the responses to Council's requests outlined in the Corporate Strategic Plan, is provided.
Option 2: There is no advantage in declining the receipt of the plan.

COSTS AND BUDGET IMPACTS – REVENUE GENERATION:
There is no direct cost in receiving the plan as presented. Future measures taken by Council to recruit potential employees will need to be budgeted for.

STRATEGIC PLAN IMPACT:
This report outlines Staff's investigation and reporting requirements outlined as an Action under the Succession Planning Goal in the Corporate Strategic Plan 2012-2014, adopted by Council on February 20, 2012.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:

Most municipal Councils meet at the beginning of their terms to outline their goals and objectives in a Strategic Planning session. This exercise is crucial as Council must, in accordance with the Community Charter outline their goals and objectives, and the measures that will be used to determine progress respecting those objectives, for the current and next year, in the Annual Municipal Report.

Department Head or CAO

Reviewed by Chief Administrative Officer

THE CITY OF GRAND FORKS
REQUEST FOR COUNCIL DECISION

DATE	:	**September 5, 2012**
TOPIC	:	**Strategic Plan Goal Action**
PROPOSAL	:	**Report on Action – Staff to Prepare a Report Including Data and Costing for Council Decision to Move Forward on Water Meter Installation.**
PROPOSED BY	:	**City Staff**

SUMMARY:

At the Regular Meeting of February 20th, 2012, Council adopted the Corporate Strategic Plan 2012-2014. The basis of the plan was developed during a 1 ½ day Workshop held on January 25th and 26th, 2012, attended by Members of Council and Staff representatives. The report outlines 6 main strategic goals as well as several actions to accomplish these goals, 13 of which are identified to be completed in the year 2012. Two of these actions were to be completed in September, 2012. These two actions are:

1. *Staff to Develop a Succession Plan for the Organization.*
2. *Staff to Prepare a Report Including Data and Costing for Council Decision to Move Forward On Water Meter Installation.*

This report is intended to focus on the Action ***"Staff to Prepare a Report Including Data and Costing for Council Decision to Move Forward On Water Meter Installation"***. The City has discussed the implementation of a universal water metering program for the past several years. During the past decade the City has implemented the water meter program in all industrial, commercial, institutional and multi-family properties. The only remaining sector to complete the program is the Single and Two Family properties.

In 2011, Urban Systems produced a paper titled "Universal Water Meter Program Implementation Framework". This report outlines the methods available to the City to procure the services of a contractor to acquire and install residential water meters. The report also covered cost estimates and a time frame for completion of the project. A copy of this paper is attached for Council's reference. This document was used as the basis for the City's application for General Strategic Priorities Fund money to install the water meters in 2011. While the grant funding is 100%, the City's application was not successful. An opportunity for application to this funding program came available early this summer, and on Council's resolution, Staff has made application for the funds, as the program will fund 100%. We have been advised that the funding announcement will not be made until December, 2012. A copy of the funding application form is attached for Council's information.

DISCUSSION:

In following through with the instruction received from Council through the Corporate Strategic Plan to prepare a report including data and costing for Council Decision to Move Forward On Water Meter Installation, Staff has referred to the referenced Urban Systems Ltd. Paper, titled Universal Water Meter Program Implementation Framework. The paper outlines that there is a social, economic and environmental responsibility and commitment from the municipality, in the Sustainable Community

Plan, to conserve water by implementing a universal water metering program to assist in ensuring the long term viability of the City's water system.

The USL paper describes types of meters available for the program, as well as the meter reading technologies that can be implemented for a high efficiency residential metering program. A remote read meter is recommended to co-inside with the reading of electrical meters which are already in place in most areas of the City. The paper recommends that the Municipality can tender the installation of meter installation which will allow for the control over brand names, types of meters chosen, and allowing all contractors to bid on the project. This further provides for flexibility, the opportunity for the City to handle public complaints directly, and ensures that investment stays in the community. Since the City already produces utility bills 6 times a years, it makes sense that meter readings for water usage are billed at the same time and on the same bill as the meter readings for electrical consumption.

It is recommended that the City prepare a "Request for Qualifications (RFQ) followed by a Request for Proposals (RFP). The first step entails pre-qualifying 3 parties to respond to an RFP. The RFQ can be solicit proposals from any party, and from this process, 3 parties are chosen to respond to the RFP.

The estimated cost of implementing this final phase of the water metering program is $1.3 million. This type of program has been shown to reduce water consumption by approximately 25% in other communities. This decrease in water usage will result in a reduction in the annual power consumption on all well pumps.

The Urban Systems paper outlines a schedule suggesting that this project could take 15 months to two years to complete. While it is generally understood that the program is supported by the public and by Council inasmuch as it is outlined in the recently adopted Sustainable Community Plan, a public information session is highly recommended. Three months prior to issuing the Request for Qualifications, it is recommended that a public information session, complete with water conservation education program be implemented.

We have been advised that there will be no response to the City's application for General Strategic Priorities Funds until December, 2012. Should the City's application be successful, the entire $1.3 million in funding required for the residential water metering program will be covered by the grant as it is a 100% grant funding. Staff believes that this is worth waiting for, as other gas tax monies currently in reserve can be used for other projects, should the grant be successful in funding the entire water metering project. If the grant is not successful, Council may determine, through the 2013 budgeting process to utilize other gas tax reserve funds, in an effort to implement the water metering program without burdening the ratepayers with additional capital costs.

STAFF RECOMMENDATION:

Option 1: That the Chief Administrative Officer's Report, dated September 6, 2012, regarding the action, requiring "Staff to Prepare a Report Including Data and Costing for Council Decision to Move Forward On Water Meter Installation", as outlined in the Corporate Strategic Plan 2012-2014, be received, and the matter referred back to Staff to schedule and budget the project through the 2013-2017 Financial Plan process.

OPTIONS AND ALTERNATIVES:

Option 1: ***That the Chief Administrative Officer's Report, dated September 6, 2012, regarding the action, requiring "Staff to Prepare a Report Including Data and Costing for Council Decision to Move Forward On Water Meter Installation", as outlined in the Corporate Strategic Plan 2012-2014, be received, and the matter referred back to Staff to schedule and budget the project through the 2013-2017 Financial Plan process*****:*** This option recognizes that Staff has reported out on the actions requested of them, and outlined in the Corporate Strategic Plan 2012-2014, and suggests that Council may want to proceed with the project, but will wait until the grant application has been responded to in December, 2012.

Option 2: ***Council receives the report for information.*** This option suggests that Council has received the report, as outlined in the 2012-2014 Corporate Strategic Plan, but has chosen not to pursue the initiative further at this time. This not only would conflict with the Strategic Plan that Council set out in January of this year, but would contravene the objectives and policies outlined in the Sustainable Community Plan which was developed with input from the public.

Option3: ***That the Chief Administrative Officer's Report, dated September 6, 2012, regarding the action, requiring "Staff to Prepare a Report Including Data and Costing for Council Decision to Move Forward On Water Meter Installation", as outlined in the Corporate Strategic Plan 2012-2014, be received, and Staff directed to process immediately with the installation of the residential water metering program.*** While this option would demonstrate Council's desire to move forward with the project, as outlined in the Strategic Plan and the Sustainable Community Plan, it may be not be viewed as a responsible action, due to the fact that Council has not exhausted all opportunities for grant funding prior to proceeding. As with any grant, the funds cannot be applied retroactively, and if the project is started prior to the funding being approved, the grant funding will not be applicable.

BENEFITS, DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: The benefit of this option is that the report, outlining the responses to Council's requests outlined in the Corporate Strategic Plan, is provided, and further action, including exhausting all opportunities for grant funding is explored prior to proceeding. The disadvantage to this option is that the project will be delayed for several months, as the outcome of the City's grant application for 100% funding of the project will not be known until December 2012. While this may cause some delay in the completion of the project, Staff believes that this is worth the wait, as the grant funding is expected to cover 100% of the project cost.

Option 2: The benefit to this option is that Council has received the report as outlined in the Corporate Strategic Plan. The disadvantage to this option is that Council is not seen as proceeding with goals and objectives outlined in the Strategic Plan developed by Council for this term, nor will this action comply with the objectives outlined in Council's Sustainable Community Plan.

Option 3: This option while it may seem to be "getting on with it" it may be viewed by the public as irresponsible in that the opportunity for grant funding will be overlooked in favour of proceeding within the 2012 calendar year. The advantage to this option is the potential for the entire $1.3 million project could be funded by the General Strategic Priorities Fund.

COSTS AND BUDGET IMPACTS – REVENUE GENERATION:
There is no direct cost in receiving this report.

STRATEGIC PLAN IMPACT:
This report outlines Staff's reporting requirements outlined as an Action under the "Sustainability Actions – Public Works" Goal in the Corporate Strategic Plan 2012-2014, adopted by Council on February 20, 2012.

The next Action under the Sustainability Actions – Public Works Goal is due 2012 - 2013, which is the development of a water meter implementation plan explaining consequences and costs for the public.

The next Action under the Deer Issue is to develop an action plan for dealing with the deer issue, by December, 2012.

A further Action under the Economic Development Goal is due by December, 2012, which is for Council to develop an action plan for downtown rejuvenation. This action has been referred to the Economic Development Advisory Committee.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:

Most municipal Councils meet at the beginning of their terms to outline their goals and objectives in a Strategic Planning session. This exercise is crucial as Council must, in accordance with the Community Charter outline their goals and objectives, and the measures that will be used to determine progress respecting those objectives, for the current and next year, in the Annual Municipal Report.

Department Head or CAO

Reviewed by Chief Administrative Officer

UNIVERSAL WATER METER PROGRAM IMPLEMENTATION FRAMEWORK

TABLE OF CONTENTS

1.0 INTRODUCTION

1.1 PURPOSE

The purpose of this report is not to determine the feasibility of implementing a universal water metering program, but to outline the following considerations for implementation:

- Water Meter Selection,
- Options for Procurement of Services,
- Cost estimates, and
- Schedule

This assessment will enable the City to develop a financial strategy for funding this project (which includes investigating Senior Government Grant opportunities). The strategy will facilitate the planning and financing process for implementing the water meter program while the schedule includes the steps for successful implementation.

1.2 JUSTIFICATION FOR UNIVERSAL WATER METERING

A key goal for the City of Grand Forks is to create a long term, healthy, and viable future for the community. A key element in achieving this goal is providing long term sustainable infrastructure which includes a supply of healthy drinking water for the community.

With ongoing use and the passage of time, existing water system infrastructure deteriorates. In order to maintain existing levels of service at the current consumption rates, significant investment and reinvestment in the City's water infrastructure is required to ensure that the asset base is preserved and that future generations are able to enjoy the same quality of service. Even though the City's water supply is currently adequate and the City's rate of growth could be considered low, there is a social, economic and environmental responsibility and commitment from the municipality, in its Sustainable Community Plan, to conserve water by implementing a universal water metering program to assist in ensuring the long term viability of the City's water system for future generations.

With a focus on the optimization of the municipality's water system resources, the City is also implementing the strategies outlined in the Water Conservation Plan, Water Demand Management Action Plan, and the Drought Management and Conservation Plan. Each of these studies has supported the recommendation of implementing a universal water metering program to reduce water consumption. The Universal Water Metering Feasibility Assessment indicates the City would achieve substantial economic, environmental and social benefits through a universal water meter program.

Besides playing an important role in reducing demand and potentially delaying infrastructure upgrades, universal water meters also give a municipality an accurate tool to:

1. predict future flows,

2. determine the significance of mainline leaks,
3. set water rate structures ensuring that there is equitable cost allocation, and
4. determine who to target with further conservation measures.

To maximize the reduction of water use through metering, the program's other critical elements should include public education about water conservation and its importance, along with setting appropriate rate structures.

A universal water metering program also represents an opportunity for the City to provide for stewardship and wise use of its water resources.

2.0 WATER METER SELECTION CRITERIA

The purpose of consumption meters is to accurately measure flow for the purpose of billing. It is important that the type of meters chosen is accurate, precise, easily accessible and have repeatable results.

Large consumption meters (38mm diameter and greater) are used for ICI uses (industrial, commercial, and institutional) including apartments and strata units. Small consumption meters (32mm diameter and smaller) are used for single family dwellings.

2.1 Types of Meters

There are several types of water meter in common use. Selection is based on different flow measurement methods, the type of end user, the required flow rates, and accuracy requirements. The most common for accurate record keeping and billing purposes are positive displacement meters for dwellings, and compound meters for ICI units.

Table 1 - Types of Meters

Type of Meter	Technology	Usage	Comments
Positive Displacement **(Recommended)**	Records how many times a definite volume of water enters a chamber, rotates, and exits that chamber.	Residential, or other low flow applications that require accurate measurements	Highest pressure loss, Most Accurate, Requires low flows
Turbine and Propeller	These meters have rotor blades that are turned by the flowing water. The rate at which the blades turn is proportional to the amount of water passing through the meter.	Less accuracy during low flow, older technology, takes more space	Less pressure loss, Less accurate on low flows
Compound	These meters have both a positive displacement chamber	Commercial, especially with sprinkler systems, or	Accurate on high and low flows

(Recommended)	for smaller flows, and a turbine chamber for larger flows.	other highly variable flow rates.	
Magnetic	Water flowing through a magnetic meter creates a magnetic field that is measured and correlated to flow.	Distribution, treatment or pumping systems. Not usually for billing purposes since less accuracy during very low flow	Least pressure loss, Less accurate on very low flows

2.2 Meter Reading Technologies

There are several technologies available for sending meter information (Meter Interface Units, *MIUs*) and collecting this information (Automated Meter Reading Devices, *AMRs*), each with its own advantages and disadvantages as noted in the following tables. Radio based systems are quickly becoming the preferred meter reading technology for many municipalities in North America.

Table 2 - Meter Reading Technologies

Technology	Description	Advantages	Disadvantages
Direct read	Manually read numbers on meter	▪ Lower meter supply cost Lower installation cost	▪ Low read success rate ▪ Need access to meter ▪ Higher labour cost ▪ Need to re-enter data
Remote pulsar read	Manually read numbers on outside of building	▪ No access to meter needed Acceptable read success rate	▪ Higher supply and installation costs ▪ Higher maintenance of remote reader ▪ Manual meter reading still required ▪ Requires periodic verification between remote and actual meter register volume ▪ Need to re-enter data
Interface remote read	Use a hand-held interface to take readings from an outside location. Reading is automatically stored.	▪ No access to meter needed ▪ High read success rate ▪ Encoded signal thus captured read is from the meter register ▪ Less labour required – more reads per day due to remote reading ▪ Not affected by minor flow disturbances ▪ Reduced *Read to Bill* time	▪ Higher supply and installation costs ▪ Higher maintenance for remote reader ▪ No transcription necessary
Telephone read	Meter is connected to a telephone modem which either calls periodically with the reading, or receives calls to request the reading	▪ No meter readers required ▪ Can program unit to profile water use ▪ Excellent read success rate ▪ Reduced *Read to Bill* time	▪ Requires access to land phone line ▪ Higher supply costs
Radio read	Meter is connected to a radio system (MIU), which is activated by	▪ Excellent read success rate ▪ Can be fully automated with fixed area network	▪ Higher supply and installation costs ▪ Battery replacement and

(Recommended)	either 1) someone walking on the street, 2) someone driving by (i.e. mounted on a garbage truck), or 3) receivers placed on power poles that transmit back to a central location	▪ Lower labour costs ▪ Effective leak and fraud detection ▪ Scalable system capable of reading gas and electrical meters ▪ Reduced *Read to Bill* time	disposal issues. Certain models offer 20 year battery lifespan ▪ Large infrastructure set up costs for fixed area network

Reference: Establishing a Metering Plan to Account for Water Use and Loss, InfraGuide Innovations and Best Practices, Potable Water, National Guide to Sustainable Municipal Infrastructure, September 2003

3.0 PUBLIC VS. PRIVATE INSTALLATION AND MAINTENANCE

There are several methods of procurement that municipalities generally use to have meters supplied, installed, read, and maintained on a wide scale using either or both the private sector or the municipality's own resources. The tables below compare various options.

Table 3- Meter Purchase

PURCHASE		
	Advantages / Disadvantages	Comment
Private Sector	▪ Larger installation companies can supply and install and possibly give a reduced rate ▪ Perception of profits going to investors	Preferred Method
Municipality	▪ Can tender installation so that all contractors can submit ▪ More control over brand names and type of meters chosen	

Table 4- Meter Install

INSTALL		
	Advantages / Disadvantages	Comment
Private Sector	▪ More resources are available ▪ Less administration for municipality ▪ Less control of installations ▪ Less direct contact with public during complaints ▪ Public perception that profits do not stay in the community	Preferred Method
Municipality	▪ Can be more flexible ▪ Can handle public complaints directly ▪ Investment stays in the community ▪ Not enough resources ▪ More administration for municipality ▪ Public perception that private sector is more efficient	

Table 5- Meter Reading

READING		
	Advantages / Disadvantages	Comment
Private Sector	▪ Loss of control for municipality ▪ Less of the municipality's resources consumed ▪ Could be combined with gas meter reading to reduce costs	
Municipality	▪ Chance to receive public opinions ▪ Greater demand of municipality's resources	Preferred Method

Table 6- Meter Maintenance

MAINTENANCE		
	Advantages / Disadvantages	Comment
Private Sector	▪ No demand on municipality's resources for calibration and replacement	Preferred Method
Municipality	▪ Can control which meters are used as replacement and can upgrade if necessary	

Table 7- Billing

BILLING		
	Advantages / Disadvantages	Comment
Private Sector	▪ Less paperwork and resources required for municipalities	
Municipality	▪ Can add to tax bill ▪ Can use water use information to target public education ▪ This task is generally perceived as a municipality's job	Preferred Method

Based on the above, we have developed 2 options for water meter procurement which need further consideration.

4.0 PROCEDURES FOR PROCUREMENT OF SERVICES

4.1 Method 1 - Request for Proposals (Recommended)

One proven method to obtain services is to prepare a Request for Qualifications (RFQ) followed by a Request for Proposals (RFP). Once the RFQ is analyzed, 3 parties are pre-qualified and are chosen to respond to an RFP. The details of the RFP can be written to take into account the strengths and specialities of the 3 parties, leaving other generalities out such as would be required if anyone was invited to submit.

For example, an RFQ could solicit proposals from any party for any and all aspects of the installation through to on-going maintenance and billing. During the analysis of this stage, the

municipality can decide which direction it wants to go; whether to use the private sector as much as possible, or to include the municipality's force's as much as possible. If no parties were interested in the maintenance and billing, the direction of the RFP would be geared only toward installation. If a short-listed company wants to combine water and gas meter reading together, the RFP guidelines could be broad enough to include this combination. Analysis of the RFP would be used to determine the installation and on-going costs.

Details of the sizes and types of the meters would be determined by the installation contractor, with guidelines provided by the municipality. Therefore this method is similar to a design/build project.

4.2 Method 2 – Tender out Detailed Specifications

Another method would be to do a detailed analysis of each home to determine the requirements, put it all in one package and let a contractor bid on the package. This could be done by rating each house and ICI unit, or a representative sample, in 3 pricing categories depending on the difficulty of installation. An accurate estimate for the cost of the installation could be measured by estimating the total number of each category.

Once the responses to the Request for Expressions of Interest and Qualifications are received, the city will determine what scenario is most appropriate (Method 1 or Method 2).

5.0 COST ESTIMATE

The following table outlines the budgetary cost estimates based on recent discussions with reputable contractors and suppliers. Cost comparisons were made to other communities of similar size to Grand Forks to fill in any minor data gaps. A contingency allowance was included to allow for unknown items such as service connections included the City's current database, any additional isolation valves, heat tape to prevent line or meter freezing or challenging points of entry such as crawl spaces or trailers. These costs have been updated from the 2010 cost estimate. HST is not included in this estimate.

Description	Unit	Est. Qty.	Unit Price	Amount
Supply and Install Residential Water meters (inside version)	ea	1800	$546.00	$982,800.00
Supply and Install Residential Water meters (pit version)	ea	20	$1,155.00	$23,100.00
Supply and Install Mobile Data Collection System and Meter Reader	LS	1	$31,500.00	$31,500.00
Extraordinary Sized Residential Connections	ea	25	$630.00	$15,750.00
Allowance for unique Installations - plumbing and carpentry	LS	1	$37,500.00	$37,500.00
			Contingency	$103,800.00
			Planning and Engineering Support	$75,000.00

TOTAL	**$1,216,800.00**

5.1 Cost Savings

The implementation of a universal water metering program has been shown to reduce water consumption by approximately 25%. This decrease in water use will also result in a reduction in the annual power consumption for all well pumps. The amount of power utilized by the City for all well pumps, measured in kilowatt-hours (kW-hr) for 2010, is 1,014,217 kW-hrs.

Using a power rate of $0.07/kW-hr, the relative annual power costs for 2010 are approximately:

- 1,014,217 kW-hrs x $0.07/kW-hr: $71,000 per year

Assuming a 25% reduction in the water use, it is reasonable to expect a 25% reduction in the amount power utilized by the well pumps. A 25% reduction in water use in 2010 could have resulted in a savings to the City of $17,750, and 253,555 kW-hr of power. The relationship between kW-hr and kg's of CO_2e emissions is 45.7 kW-hr per 1 kg of CO2e. Using this relationship, a 25% reduction in water use would result in a decrease of approximately 5,550 kg of CO_2e emissions.

6.0 SCHEDULE

Due to time and financial constraints, this project will proceed in one continuous phase over the next year. Since almost all installations will be indoors, there are no seasonal restrictions on scheduling.

The following schedule for either the complete installation or a phased approach will allow for a timely implementation schedule.

May 2012 -	Investigate Senior Government Grant opportunities
	Water Meter (Conservation) Communications & Education Program
July 2012-	Implement a Financial and Procurement Strategy
	Public Information Sessions
August 2012-	Issue a Request for Qualifications
September 2012-	Request for Proposals
September 2012-	Award project
	Initiate New Water Tracking Process
October 2012-	Completion of Commercial Installations (if any)
October 2012 – August 2013-	Completion of Residential Installations
September 2013	Investigate New Utility Rates and Mock Billing

The City may wish to also consider other water conservation measures such as the development of a water conservation policy, installation of low flow fixtures, water restrictions and requiring

drought tolerant landscaping for inclusion into City Plans (OCP) and Bylaws (Zoning, Building and Subdivision and Development Servicing) as part of this process.

We also recommend that the City develop a public education program about water conservation, universal metering and its importance throughout the entire process.

7.0 REFERENCES

City of Grand Forks - Universal Water Metering Feasibility, Urban Systems, October 2000

Establishing a Metering Plan to Account for Water Use and Loss, InfraGuide Innovations and Best Practices, Potable Water, National Guide to Sustainable Municipal Infrastructure, September 2003

Drought Management and Conservation Plan , Dobson Engineering, 2005

Sustainable Community Plan (Draft), Urban Systems Ltd, 2009

Water Conservation Plan, Keir Wood Leidal, 2010

City of Grand Forks – Demand Management Action Plan, Urban Systems, January 2011

2012 Application Form

Capital Projects

Under the Gas Tax Agreement's General Strategic Priorities Fund (GSPF) or Innovations Fund (IF)

Applicants are responsible for ensuring full and accurate information is provided in support of an application for funding. Please refer to Gas Tax Agreement (GTA), the Program Guide and other informational resources, available at www.ubcm.ca or by phoning 250.356.5134.

All applications must be submitted electronically though the online application submission website. Please visit www.ubcm.ca

Please ensure that you answer all questions in the application form, secure all required signatures, and provide a Council/Board Resolution.

Applicant Information:

Name Primary Applicant[1]: **The City of Grand Forks**		Name of Co-applicant (if applicable)[2]:
Primary Contact Name: **Sasha J. Bird, Manager of Technical Services**		
Phone: **250.442.416**	Fax: **250.442.8263**	E-mail: **sbird@grandforks.ca**

Grant and Project Identification:

Project Name: Demand Management – Universal Water Metering

Was this project the subject of an application under the 2010-2011 GSPF-IF Intake?

☒ Yes ☐ No Previous Application # **GSPF-22172**

If this project was the subject of an application under the 2010-2011 GSPF-IF Funding Call, please ensure that any revisions or changes to the application, including updates to cost estimates and project outcomes are completed in the appropriate sections below.

Funding Request:

GRANT AMOUNT REQUESTED: **$1,216,800**

1: Must be an eligible local government, GVS&DD, GVWD or TransLink
2: May be another eligible local government or other Eligible Recipient (see GTA, section 1.1)

The project that is the subject of this application is also the subject of another funding program application.

Yes: ☐ No: ☒ If yes, please specify

If Yes: Do you permit the Management Committee and UBCM and its officers, servants, employees or agents access to information contained in the other program application and agree to the use of that information to review, score, and rank this GSPF and/or IF application?

Yes: ☐ No: ☐

Project Description/Abstract: Please keep the description brief, addressing the what, where, when, how and why of the proposed project.

A key goal for the City of Grand Forks is to ensure a healthy and viable community into the future. A critical element in achieving this goal is providing safe drinking water.

The City is implementing a water demand strategy that focuses on the optimization of water system resources and reducing energy requirements. Universal water metering is a major component of this strategy. Although significant investment, water metering provides important benefits including reduced water consumption (and associated peak demands), delaying looming and costly infrastructure upgrades, improving utility decision-making, enabling leak detection, and the equitable distribution of service costs. The desired approach is aligned with the City's long term Asset Management Program, and Sustainable Community Plan, and will allow for more effective information and handling of the City's water supply and distribution system.

This project involves implementation of a universal water metering program in Grand Forks. A unique aspect of this program is building community awareness and support to ensure long term benefits can be maximized right from initial implementation. This project is the next step following the City's Universal Water Meter Program Implementation Framework developed in January, 2010, which was completed subsequent to other studies that support the need for metering (drought management, water conservation, water audit and demand management). Previous studies have indicated clear financial, social and environmental benefits for universal water meter implementation.

Project Details:

One of the following must be included with your application; please indicate which:

☒ Feasibility study, including detailed cost estimates, maps and/or drawings
☐ Design details, including detailed costs estimates, maps, and/or drawings

Please also attach any other relevant information that would assist in the technical review of the application (e.g., detailed project description, including a description of the problem being addressed, pilot study, supporting engineering documents, etc)

Cost and Source of Funding:

Cost and Source of Funding:

Please provide a detailed budget indicating the estimated cost of the project and proposed sources of funding. If this project was the subject of a previous GSPF-IF application, please indicate whether costs have changed and provide cost details.

Estimated Costs:

Total estimated cost: **$1,216,800**

Estimated eligible costs (see GTA Schedule B): **$1,216,800**

Budget breakdown of eligible costs		Class of cost estimate			
Design/ planning	$ 75,000				
Materials	$	Class A	☐	Class B	☐
Construction	$ 1,038,00	Class C	☐	Class D	☒
Contingency	$ 103,800				

Please complete the table below if other sources of funding are being used to complete this project.

PROPOSED SOURCES OF FUNDING:	Amount	Funding Secured?
Gas Tax GSPF/IF request (subject of this application)		
☐ Other Grants and Contributions from other governments: Name of grant		Yes: ☐ No: ☐
☐ Borrowing		Yes: ☐ No: ☐
☒ Other Local Government Contributions		Yes: ☒ No: ☐
☐ Other Contributions (please specify) This could include funding from not-for-profit entity (such as a P3 partner)		Yes: ☐ No: ☐
Total estimated costs:	**1,216,800**	

When and how were these cost estimates determined? **The overall costs were determined as part of the Universal Water Meter Program Implementation Framework, January 2011 (see attached)**

GSPF and IF programs do not have funds for cost overruns. What contingency plans are in place for increases in project costs or if external contributions are less than anticipated? **The City has the ability to fund overrides from surplus and reserves.**

Project Information:

Note: If within the application you make reference to a specific study, please include specific page numbers within the document where referenced material is found.

1. Has the project been started? Yes: ☐ **No:** ☒

Note: the project is started if a purchasing instrument has been issued, construction tender awarded or construction has commenced.

If yes, date started:

If no, date that you expect to start: **May 2012**

When do you expect that the project will be completed? **September 2013**

2. Will a request for the use of own force labour and equipment be submitted for this project?

Yes: ☐ No: ☒

If Yes, please see program guide for how to submit a request for approval.

3. Can this project be phased? Yes: ☐ **No:** ☒

If yes, provide or attach information about how the project could be phased, and provide the estimated cost for each phase along with a description of the timing and other considerations relating to each phase.

4. Alternatives. What alternatives have you assessed?

Over the past ten years, the City of Grand Forks has gathered information and recommendations on how to better handle its water supply and distribution system.

In 2000, the Universal Water Metering Feasibility Assessment by Urban Systems Ltd., indicated that the City would derive significant economic savings and qualitative benefits by implementing a metering program. Subsequent studies by Dobson Engineering (Drought Management and Conservation Plan, 2005) and Kerr Wood Leidal (Water Conservation Plan, 2010) have supported the recommendation to implement a universal metering program (particularly the residential component since metering has been implemented for commercial and industrial operations). Recently, the City completed a water audit and demand management action plan to accomplish real demand reduction results for the City of Grand Forks.

The alternate to universal metering is to continue with the status quo, where customers are charged a flat rate for water use. This is expected to cost the City close to an additional $1 M, and an additional 55,500 kg of CO_{2e} emissions, over the next 10 years compared to metering. These savings are described in the City's Water Meter Implementation Program Framework.

5. Required Outcomes. How does this project contribute to the reduction of greenhouse gas (GHG) emissions, cleaner air or cleaner water?

Water is a limited and valuable resource. A water conservation program represents an opportunity for the sustainable use of the City's water resources. Implementing a demand management program will also in turn help to protect water quality and quantity of groundwater.

The City of Grand Forks presently pumps water to a reservoir located to the east of the community. The electricity costs associated with pumping as well as the wear on the pumps would be reduced if water demands could be reduced up to 25%.

This reduction in water consumption would also result in a decreased volume of sewage requiring treatment. Reduced sewage generation would enable the City to delay future upgrade to the sewage treatment plant. Smaller volumes of sewage requiring treatment result in more efficient operation of the City's sewage treatment facility. This reduction would decrease treatment costs for both water produced and sewage treated.

Population to be served directly by the infrastructure: 4,000

Explain: The City's water system services the entire community. This would be the population that would be directly affected by the implementation of demand management universal water metering.

6. Measuring outcomes. Please provide an estimate of the GHG, cleaner air or cleaner water outcome and the methodology (including calculations) used for determining the outcome. (For example, was the BC ghg emission guide used for calculating the lower GHG outcome?)

The implementation of a universal water metering program has been shown to reduce water consumption by approximately 25%. This decrease in water use will assist the City in implementing the water conservation goals in its Sustainable Community Plan.

The project will also result in a reduction in the annual power consumption for all City well pumps. The amount of power utilized by the City for well pumps, measured in kilowatt-hours (kW-hr) for 2010, 1,014,217 kW-hrs.

Assuming a 25% reduction in the water use, it is reasonable to expect a 25% reduction in the amount of power utilized by the well pumps. A 25% reduction in water use in 2010 could have resulted in a savings to the City of $17,750, and 253,555 kW-hrs of power. The relationship between kW-hr and kg's of CO_{2e} emissions is 45.7 kW-hr per 1 kg of CO_{2e} emissions.

If this project was the subject of a 2010-2011 Application, please clarify how project outcomes

have improved (provide attachment if necessary).

This results in a savings of almost $1 M and 55,500 kg of CO_{2e} emissions over the next 10 years and, assuming an optimum age of 15 years per meter, this means additional savings over the life of the meter.

7. **Public and Environmental Health.** How does this project improve public or environmental health protection standards?

Hot, dry climate couples with sand and gravel soils create a situation which encourages high outdoor water use, both for domestic lawn and garden use and for agricultural use. Although demand management practices to date, have reduced water consumption rates, lack of better data prevents more targeted demand management approaches. Universal water metering coupled with more appropriate rate structures has proven to be an effective way of reducing water system demands. Reduced water demand will ensure availability for future generations by assisting in protecting and maintaining the health of the groundwater supply.

High levels of water consumption create huge volumes of wastewater, which increases maintenance and operation costs of sewage treatment plants. Therefore, by reducing water consumption, water metering helps to reduce the amount of chemicals required for both water and sewage treatment.

8. **Other Benefits.**
Installing water meters at all connections will ensure the continued safety and reliability of the Grand Forks water supply.

Equity – Users pay for the water they consume.

Water Efficiency and Environmental Stewardship – represents an opportunity to provide for stewardship and wise use of the City's water resources.

System Management – allows for the introduction of a leak detection and repair program and utility decision making.

Economic Management Benefits – reducing or deferring costs of maintaining and expanding both water and sewage delivery, treatment and disposal systems.

9. **Collaboration and Coordination.** How does this project support inter-jurisdictional collaboration and coordination?

The Living Water Smart Plan, released by the BC Government, calls for a new way to utilize and manage community water resources. One of the quantitative action items is a 33% reduction in water use by 2020. The implementation of a universal water metering program supports this initiative.

10. **Integration.** In what ways will your project be linked to broader planning initiatives?

The water meter implementation program and resulting reduction in water use is consistent with the water conservation goals outlined in the City's Sustainable Community Plan (section 7.3.4).

The Asset Management Program emphasizes the importance of renewing the City's assets. It also encourages new capital works to be evaluated for their immediate and long term benefits, including the initial capital costs and ongoing operations, maintenance and renewal. Water meters will enable the City to support important environmental objectives. In addition, the approximate 15 year lifespan of a typical water meter provides sufficient time for the City to recover costs for the ongoing renewal of such water meter assets as part of the Grand Forks' Asset Management Program, meaning that once initially installed water meters can be renewed in a self-sustaining manner.

11. Sustainability Principles. What sustainability principles will be used in development, construction and implementation of the project?

The triple bottom line of measuring sustainability success are social, economic and environmental benefits.

Social – the residents of Grand Forks will benefit from a long term safe, reliable supply of water.

Economic – the reduction in water consumption will delay costly infrastructure upgrades, provide for operational savings and provide a mechanism for equitable distribution of costs to service beneficiaries.

Environmental – the project will support water efficiency and environmental stewardship.

This project will lead to sustainable community outcomes, particularly regarding the ability for meters to enable water demand management consistently across the community.

12. Implementation. Describe operating and maintenance plans and costs, along with long-term capital replacement plans for this project.

The City's Asset Management Program is well underway, and involves examining the life cycle of each asset, determining appropriate levels of service, and establishing an approach to asset renewal/replacement. Water meters, once installed, will be added to the City's 20 year Asset Management Investment Plan to ensure renewal as needed. The City can begin to collect and set aside funds for the renewal of these water meter assets once the accuracy of the meters declines to the point where it is cost effective to replace them. Furthermore, water meters will have a significant benefit in reducing or deferring costs of maintaining and expanding both water and sewage delivery, treatment and disposal systems.

Meters improve utility water use data and allow for the introduction of a leak detection and repair program to reduce operation and maintenance costs.

The operation, maintenance and replacement of the water meters will be funded through the water utility via the updated water and sewer rate restructuring.

In addition, water meters and batteries generally include a 20 year warranty.

The City is taking the steps necessary to address immediate asset renewal needs to address the sustainability gap which is growing with each year. Given the limited funds available, the community approved (through a referendum) borrowing for undertaking the highest priority capital needs. Borrowing was an important decision, and is unlikely to be supported again in the near future. The benefits of this project are significant; however, the costs are prohibitive for the City to fund alone given asset renewal needs and recent actions to address these needs. As such, the City requires support from this grant program to implement universal water meters in a timely manner and is well positioned to carry forward with the renewal of these assets in the future.

13. Larger in Scale or Regional in Impact. Describe how this project is large in relation to the size of your community and how this may be considered regional in nature.

The proposed water metering program supports the BC Government Living Water Smart Plan by conserving water resources which in turn protects water quality and quantity of groundwater for all residents of the watershed.

14. Innovation. Describe any innovative research, planning, testing, technology, methodology or approaches that will be used, and how these innovative elements may be transferable to other jurisdictions.

Building community support for implementing water meters and development of a water conservation mind set is a process that doesn't happen overnight. It requires a strong consistent message that resonates with constituents and is sustained over time. Building a communication plan that employs the right vehicles across multiple channels to communicate the message can support the efforts to implement these goals. The communications approach will investigate the option of including:

- **Both traditional mediums and online and digital mediums.**
- **Viral and word of mouth marketing tactics.**
- **Integrate water conservation into internal operational processes.**

The communications approach will utilize the most effective aspects from this list to communicate the message.

The communications plan and leak detection and repair program can be transferred to other jurisdictions.

The City has been one of the first jurisdictions in the Province to communicate the importance of Asset Management, and build awareness around understanding and effectively managing existing assets. Through this process, a wide cross-section of community representatives were engaged, from Staff to Council to the public. This project is an opportunity to take the

successful communications approach a step further by utilizing additional tools during the water meter implementation process. The City's innovative approach to communications will directly support strategic infrastructure investment decisions both now and into the future.

15. Innovative to BC. Describe where this innovation has been used and what were the results.

The City of Grand Forks has undertaken an innovative approach to conveying the importance of Asset Management to stakeholders across the community, by engaging diverse groups in meaningful awareness initiatives within a very tight timeframe. The result was support for implementation of ongoing asset management initiatives, along with two major (and successful) borrowing referendums to support the renewal of existing assets and new capital works to protect the community. Given the growing interest in social media as a method for engaging a broader cross-section of community stakeholders, there is an opportunity to take further steps through this project to utilize additional communication tools (e.g. Telephone forums). The intention is to proactively create awareness by engaging stakeholders in important discussions up-front, thereby improving the efficiency of implementing water meters and reducing concerns/resistance due to lack of information.

16. Risk. Describe the risk associated with the innovative aspects of this project, if any.

Not applicable.

17. Benefits to BC. Describe how the innovation could improve best practices in other jurisdictions, including how transferable the innovation is to other jurisdictions.

This innovative approach to community engagement is directly transferable to other jurisdictions across the Province. It can improve best practices in communities where universal water meter implementation is being undertaken, to improve successful implementation. It can also be adapted for other similar projects where community acceptance is integral to a positive outcome.

Application authorization and sign-off:

Primary Applicant:

The information provided above and accompanying this application is, to the best of my knowledge, correct and complete and has been submitted with Council/Board concurrence (**attach certified copy of resolution**).

Project Manager Name	Signature	Date
Financial Officer Name	Signature	Date

Co-applicant (if applicable):

The information provided above and accompanying this application is, to the best of my knowledge, correct and complete and has been submitted with the concurrence of the Council/Board (include resolution) or, in the case of any other Eligible Recipient, an authorized official (include written evidence).

Project Manager Name	Signature	Date
Financial Officer Name	Signature	Date

To submit your completed application form online please visit
www.ubcm.ca
Go To - Funding Programs > Gas Tax Fund > 2012-Applications
Or click here

APPLICATION DEADLINE: MAY 31, 2012

THE CITY OF GRAND FORKS
REQUEST FOR COUNCIL DECISION

DATE	:	**September 6, 2012**
TOPIC	:	**Joint Fibre Optic Community Network with School District 51 Boundary**
PROPOSAL	:	**Approval of the Fibre Optic Cable Network Joint Use Agreement**
PROPOSED BY	:	**City Staff / School District Staff**

SUMMARY:
As Council is aware, Staff has been working with the School District Staff for several years on the installation and operation of the fibre optic network, which initially connected school district facilities and City facilities with high speed fibre optic network capability. The Project has been made possible with funding provided by the School Connectivity Program, and by Western Economic Diversification funding, as well as capital contributions from the School District and the City in the amount of $250,000 each. The construction of the project, the stringing of the fibre optic cable on city owned electrical poles was completed in 2010. In December of 2010, after a presentation made jointly to the then Council and the then Board of Education, the Mayor and the Board of Education signed a Memorandum of Understanding which outlined the fundamental principles of the project and that the School District and the City would continue to work cooperatively regarding the planning and development of the project as well as discussing how the network would be managed jointly. A copy of the Staff report, including the Memorandum of Understanding, dated November 29, 2010, is attached for reference.

The MOU contemplated the formation of a Steering Committee, which was done in 2011. The Steering Committee consists of the Chief Administrative Officer and the Chief Financial Officer of the City of Grand Forks, and the Superintendent of Schools and the Secretary/Treasurer of School District 51 Boundary. As a Steering Committee we have worked cooperatively to get the fibre optic network up and running over the past 18 months and as such both the City and the School District are enjoying the high speed capability of fibre as well as our new Voice Over IP phone systems. This venture has allowed the School District and the City to share computer knowledge, as our IT professionals work together, as well as sharing email, phone system, and backup servers. As a Steering Committee we are discussing the sharing of a new back-up server as well as document storage facilities. This project has been a true sharing of resources, saving taxpayers money.

The Steering Committee believes that there is marketable potential for the fibre optic network, which will benefit taxpayers. While some of this potential has been discussed with other government agencies the potential market is far more reaching. To this end, the Steering Committee has engaged the services of an independent communications firm to determine the potential revenue that may be realized in selling services to other clients.

The time has come for a more formalized agreement to be in place going forward. The agreement is intended to outline the governance structure, the ownership of assets, the operation and maintenance issues, as well as revenue generation and sharing in the future. Inasmuch as both the City's CAO and

CFO will be leaving the employ of the City in a couple of months, and the School District Superintendent will be retiring in the spring of 2013, the approval and signing of the joint agreement has become urgent.

Attached to this report, is a copy of the draft Fibre Optic Cable Network Joint Use Agreement. The Agreement has been in development for the past several months and has been reviewed by legal counsel both for the School District and for the City.

Council is being requested to provide the authorization for the signing of this Fibre Optic Cable Network Joint Use Agreement at this time.

STAFF RECOMMENDATIONS:

Option 1: Council approves the Fibre Optic Cable Network Joint Use Agreement and adopts the following resolution:

WHEREAS the City and the School District wish to enter into an agreement to operate and maintain the Joint Community Fibre Optic Network to serve the City, the School District and others:

NOW THEREFORE, Council for the City of Grand Forks hereby resolves:

a) **To approve the Fibre Optic Cable Network Joint Use Agreement in the form presented and authorizes the signing of the agreement; and**
b) **Confirms its commitment to operating the project to the mutual advantage of the City and the School District**

OPTIONS AND ALTERNATIVES:

Option 1: Council approves the Fibre Optic Cable Network Joint Use Agreement: This option approves the Fibre Optic Cable Network Joint Use Agreement which has been negotiated with School District 51 Boundary.

Option 2: Council declines to approve the Fibre Optic Cable Network Joint Use Agreement. This option would allow for the status quo.

BENEFITS, DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: The advantage to this option is formalizing the intent of the operation of the project going forward. While the two organizations, mainly management Staff, have worked cooperatively for the past several years to the benefit of both organizations, it was felt that this relationship needs to be formalized. This agreement was envisioned in the Memorandum of Understanding that was signed by Council and the Board of Education in December, 2010. Further to the MOU, the Joint Agreement outlines the Purpose of the Agreement, Governance, Ownership, Repair, Maintenance, Network Expansion, Licencing, Utilization of City and School District Infrastructures and Termination. Realizing the potential of the fibre optic network will be a priority for the Steering Committee in the near future. The only disadvantage to this option is the commitment for the City to work cooperatively with the School District. However it should be noted that the fibre optic network has been installed and is currently operating for the benefit of both parties. This agreement assumes that both the City and the School District will commit the resources required for the operation of the network.

Option 2: There is no advantage in declining to approve the Fibre Optic Cable Network Joint Use Agreement. Declining to approve the Agreement will allow for the status quo, and a missed opportunity to move forward cooperatively with School District 51 Boundary for the benefit of the public. There is some risk in determining not to move forward inasmuch as the infrastructure has been installed and is

some risk in determining not to move forward inasmuch as the infrastructure has been installed and is currently operating. Without an agreement in place, there is uncertainty going forward as to the responsibilities of each party.

COSTS AND BUDGET IMPACTS – REVENUE GENERATION:
The Fibre Optic Cable Network Joint Use Agreement outlines that costs for shared facilities will be jointly funded on a fair and reasonable basis as determined by the Steering Committee. The capital cost of the installation of the infrastructure has been funded by grants, including a commitment of $250,000 in capital funding from both the City of Grand Forks and School District 51 Boundary.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:
The Community Charter provides the authority for the City to enter into agreements for the provision of services for the benefit of the public.

Department Head or CAO

Reviewed by Chief Administrative Officer

THE CITY OF GRAND FORKS
REQUEST FOR COUNCIL DECISION

DATE : **November 29, 2010**

TOPIC : **Joint Fibre Optic Community Network with School District 51 Boundary**

PROPOSAL : **Approval of the Memorandum of Understanding for the Operation of Fibre Project**

PROPOSED BY : **City Staff/Council**

SUMMARY:

As Council is aware, Staff has been working with the School District Staff for many months on the installation of the fibre optic network, which is due to initially connect school district facilities and City facilities with high speed fibre optic network capability. The Project has been made possible with funding provided by the School Connectivity Program, and by Western Economic Diversification funding, as well as capital contributions from the School District and the City in the amount of $250,000 each. Early this summer Council awarded the contract for stringing the fibre optic cable on city owned electrical poles to Martech Electric Systems Ltd. The contractor has been hard at work for the past several months and the project is coming to a completion with just a couple sites left to be connected.

As this is a joint project, Council and Board of Education recently met to hear a presentation from respective Staff on the status of the project and to determine how we move forward cooperatively. At this presentation, it was determined that a Memorandum of Understanding will be jointly signed by Council and the Board of Education that outlines the obligations and responsibilities of each party going forward for the project. The MOU outlines the commitment for further discussions. As we get up and running on this new high speed system, we will need to determine its governance in the future. The MOU contemplates the formation of a Steering Committee and the Establishment of a source of funds for the project, and is based on underlying principles of the project being, capital commitments, operating issues, future expansion, obligations and responsibilities.

Council is being requested to provide the authorization for the signing of the Memorandum of Understanding at this time.

STAFF RECOMMENDATIONS:

Option 1: Council approves the Memorandum of Understanding and adopts the following resolution:

WHEREAS the City and the School District wish to enter into an agreement to develop a Community Fibre Optic Network to serve the City, the School District and others and have secured grants to fund portions of this project:

NOW THEREFORE, Council for the City of Grand Forks hereby resolves:

a) To approve the Memorandum of Understanding in the form presented and authorizes the Mayor and the Corporate Officer to execute same on behalf of the City of Grand Forks; and

b) **Confirms its commitment to pursuing the project to the mutual advantage of the City and the School District**

OPTIONS AND ALTERNATIVES:

Option 1: Council approves the Memorandum of Understanding: This option approves the Memorandum of Understanding which has been negotiated with School District 51 Boundary.

Option 2: Council declines to approve the Memorandum of Understanding. This option would allow for the status quo.

BENEFITS, DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: The advantage to this option is formalizing the intent of the operation of the project going forward. While the two organizations, mainly management Staff, have worked cooperatively for the past several years to the benefit of both organizations, it was felt that this relationship needs to be formalized. While there is much work to be done, prior to a formal agreement and the establishment of a formal governance model going forward, the MOU commits the parties to continue to work cooperatively for the good of all taxpayers.

Option 2: There is no advantage in declining to approve the Memorandum of Understanding. Declining to approve the MOU will allow for the status quo, and a missed opportunity to move forward cooperatively with School District 51 Boundary for the benefit of the public. There is some risk in determining not to move forward inasmuch as the infrastructure has been installed and will be connected shortly.

COSTS AND BUDGET IMPACTS – REVENUE GENERATION:

The Memorandum of Understanding outlines that costs going forward will be equally shared. The capital cost of the installation of the infrastructure has been funded by grants, including a commitment of $250,000 in capital funding from both the City of Grand Forks and School District 51 Boundary.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:

The Community Charter provides the authority for the City to enter into agreements for the provision of services for the benefit of the public.

Department Head or CAO

Reviewed by Chief Administrative Officer

COPY

MEMORANDUM OF UNDERSTANDING

This Agreement dated for reference the 15 day of December, 2010

BETWEEEN:

THE CITY OF GRAND FORKS
Box 220
Grand Forks, B.C.
V0H 1H0

(The "City")

AND:

SCHOOL DISTRICT NO. 51
1021 Central Avenue
Box 640
Grand Forks, BC
V0H 1H0

(the "School District")

A. WHEREAS the City is a local government pursuant to the Community Charter SBC 2003 c.26 having jurisdiction and authority over governance within its geographic area;

B. WHEREAS the School District is a school district pursuant to the School Act RSBC 1996 c. 412 with responsibility for matters as set out in the School Act within its jurisdiction;

C. WHEREAS the City entered into an agreement with Her Majesty the Queen in right of Canada, as represented by Western Economic

Diversification (WED) pursuant to which funding was obtained for development of a community fibre optic network to serve the City, the School District and potentially other users, institutional and others, along the main distribution system and other regional local governments and jurisdictions (the "Project");

D. WHEREAS the Project is intended to be funded by way of a grant of $405,000 pursuant to the WED agreement referred to in recital C, a grant received by the School District in the amount of $125,000, plus each of the City and the School District committing an additional $250,000 in cash;

NOW THEREFORE the parties hereto agree in return for the mutual promises as follows:

PART A PLANNING AND DEVELOPMENT PROCESS

1.0 Further Discussions

1.1 The parties agree that a fundamental purpose of this MOU is to establish the underlying principles of the Project, including capital commitments, operating issues, staffing and future expansion possibilities and the respective obligations and responsibilities of the parties in working towards implementation of same.

1.2 The City and School District agree to continue their discussions regarding the planning and development of the Project and the financing, operation and maintenance of the Project, so as to identify and understand the many issues involved in the Project. Once those issues have been clarified to the satisfaction of both parties, this MOU may either be amended or replaced with a new MOU.

1.3 Each party will appoint a staff representative or representatives to meet, as needed, and discuss issues relating to the planning and development of the Project and to resolve differences or uncertainties arising from this

MOU. If a difference or uncertainty relating to this MOU can not be resolved by the representatives, the City Administrator and the School District Superintendent will meet in an attempt to resolve the issue.

1.4 In order to facilitate implementation of the Project and to assist in future governance and transition to the Society referred to hereafter, the parties shall establish a network steering committee to be comprised of the Superintendent of Schools and Secretary Treasurer, representing the School District and the Chief Administrative Officer and Chief Financial Officer representing the City. The Steering Committee shall operate informally on a consensus model to oversee establishment, maintenance and issues associated with day to day operations and long term plans for the network.

2.0 Further Investigations

2.1 The parties will undertake further inspections, tests and assessments of the Project and the existing improvements that will be utilized in connection with the Project.

2.2 The City and School District will each provide to the other and their staff, contractors and consultants with access to all portions of their property at all reasonable times to carry out such tests, inspections, assessments and other preliminary work as may be necessary or advisable in connection with the Project.

3.0 Design Issues

3.1 The Project design, drawings and specifications contained in the City's Proposal to WED will form the basis for further discussions between the parties regarding the design of the Project.

3.2 The parties agree to work co-operatively to address mutually agreed changes to the design plans and to resolve any problems or differences between the parties regarding the Project.

4.0 Ownership and Maintenance of the Project

4.1 The City and the School District agree that pursuant to the contract with WED, referred to in recital C, the ownership of the capital assets must remain in the name of the City but despite that, the City acknowledges and agrees that pursuant to this MOU, it is the mutual intention of the parties to work together for their mutual benefit and that of the community and region generally in completion of the Project and that despite that ownership requirement, the parties will continue to work together jointly on the Project.

5.0 Financing and Additional Capital Contribution Requirements

5.1 The City and the School District acknowledge and agree that it is their mutual intention that the funds referred to in Recital D shall constitute all of the capital cost requirements for the Project but if, for any reason, additional capital funding is required, the parties shall contribute equally to same.

6.0 Staffing and IT Support

6.1 As the School District has an IT department, it is the intention of the parties to ultimately have the School District, through its IT department, provide technical support to the Project, so as to avoid duplication.

6.2 It is also anticipated that the Steering Committee to be established hereunder shall have the authority, subject to ensuring appropriate funding is in place, to retain consultants for technical, workload needs or other purposes in connection with the Project

7.0 Utilization of School District's Back-Up Server Room

7.1 In order to complete the Project it will be necessary to have a back up server room and such room shall be located in the School District's office at Grand Forks Secondary School.

8.0 Utilization of City Infrastructure

8.1 As the City is the owner of an electrical utility, including existing power poles, transmission lines and pole networks, where available, the Project will be completed using existing City power poles for the fibre optic network.

9.0 Implementation of Project by Tender

9.1 The City and School District each acknowledge and agree that despite the date of completion of this MOU, the tender has been issued by the City and the fibre optic cable installation has been completed in accordance with the terms of the Project and to the mutual satisfaction of the parties.

10. Licensing Issues

10.1 To the extent any CRTC licensing is required, such licensing shall be completed by the City in its name, as part of the Project.

11.0 Additional Capital Funding

11.1 The parties shall work cooperatively towards exploring, to their mutual benefit and to further the objectives of the Project, seeking future additional capital grants from senior governments, their agencies and other analogous entities.

12.0 Termination of Project

12.1 If at any point the Project terminates, by mutual agreement of the City and the School District (and subject to any terms and conditions which may be imposed by WED) the intention of the parties is that the City would retain ownership of the fibre optic cable strung on City poles and the School District would retain ownership of any equipment installed within the server room.

12.2 The parties agree that any such termination shall require two years or such longer period as is reasonably required to allow each party to make transitional arrangements and replace necessary services.

13.0 Operation Issues and Creation of Society

13.1 Once the Project has been physically constructed, it is the intention of the City and the School District that operational issues would be dealt with by a Society or other separate legal entity to be created by the City and the School District, by mutual agreement, and at their joint cost, in order to allow for some arms' length operation.

13.2 It is the intention of the parties that they would work cooperatively to create a governance model for the Society allowing both the City and the School

District to appoint an equal number of directors to manage, operate and maintain the Project.

13.3 The intention of the parties is that the Project will ultimately generate sufficient revenues to cover operating costs and to create a capital replacement fund. Until that point, any operating costs not covered by revenues will be shared by the parties jointly through a formula to be agreed upon through the Steering Committee.

14.0 Future Expansion of Project

14.1 It is the intention of the City and the School District that once the Project is physically complete and operational, that they will explore opportunities for the Project to provide service to other analogous users, such as other local governments in the region or other institutional users.

14.2 Ultimately, the parties will explore the expansion of service to other institutional users as a way to generate additional revenue sources and to provide greater economic advantage to the community.

14.3 The parties shall also through the Steering Committee, work cooperatively with respect to future equipment needs such as VOIP, backup software, firewalls, spam filters, email software and servers, and web servers, to determine if working together as part of the Project is to their mutual advantage in connection with such items, with costs to be shared on a formula to be agreed upon on, on a case by case basis.

14.4 If either party has a significant number of new infrastructure sites that it wishes to bring online to the network as part of the Project and the needs are exclusive or specific to one or the other party, that party shall be

responsible for all costs of expansion of the Project to incorporate same, unless otherwise agreed upon.

PART B GENERAL MATTERS

15.0 General

15.1 Term

This MOU shall commence on the date first written as and shall terminate when the Project is implemented or such other date as may be agreed to by the parties in writing by way of addendum hereto. It is the intention of the parties that although this MOU may ultimately be replaced by additional agreements, that in the event of any disputes or uncertainty, this MOU may be referred to as reflecting the intention of the parties in commencing the Project.

15.2 Costs

Each party shall be responsible for their respective costs incurred in fulfilling their obligations under this MOU, except that the parties shall share equally the legal costs incurred for the preparation of this MOU.

15.3 Dispute Resolution

If either the City or the School District have a dispute arising out of, or in connection with this MOU, the parties agree that the designated representatives will first try to resolve the dispute themselves. The parties shall work cooperatively, through the Steering Committee, to develop an alternative dispute resolution process in order to resolve future disputes, should they occur.

15.4 Community Involvement

The City and the School District believe that it is important that the community be involved in the planning, implementation and operation of the Project, in order to maximize the benefits to all residents, businesses and government bodies or agencies of the region, who could utilize or benefit from the Project.

15.5 Further Agreements

It is anticipated that as the Project proceeds, additional agreements will be required between the City and the School District including capital contribution issues and operational agreements, including creation of a society to assume operational control of the works created under the Project when fully complete. The parties shall act reasonably when negotiating with each other such additional agreements as may be required.

15.6 No Joint Venture or Partnership

Nothing contained in this MOU shall be construed to place the parties in the role of partners or joint venturers or agents and no party shall have the power to obligate or bind any other party in any manner whatsoever.

15.7 Assignment

Neither party may assign all or part of its interest in this MOU to any other party without the prior written consent of the other party.

15.8 Further Assurances

The parties agree to execute and deliver such additional documents and shall provide such additional information as may be required to carry out the terms of this MOU.

15.9 Governing Law

The parties agree that this MOU shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada.

15.10 Notices

Any notices or other communication which may be or is required to be given or made pursuant to this MOU shall, unless otherwise expressly provided herein, be in writing and personally delivered to or sent by facsimile to either party at its address set forth below:

(a) If to:

THE CITY OF GRAND FORKS
Box 220
Grand Forks, B.C.
V0H 1H0
Attention: CAO

(b) If to:

SCHOOL DISTRICT NO. 51
1021 Central Avenue
Box 640
Grand Forks, BC
V0H 1H0
Attention: Superintendent

15.11 Entire MOU

This MOU is the entire agreement and understanding between the parties with regard to the proposed development and approval process for the Site and to the extent possible by law supersedes all prior discussions, understandings and agreements or expressions of opinion.

THE CITY OF GRAND FORKS by its authorized signatories:

BRIAN TAYLOR
Print Name:

DIANE HEINRICH
Print Name:

SCHOOL DISTRICT NO. 51
by its authorized signatories:

TERESA REZANSOFF
Print Name:

MICHAEL STRUKOFF
Print Name:

FIBRE OPTIC CABLE NETWORK
JOINT USE AGREEMENT

(this "**Agreement**") dated for reference the ____ day of _____, 2012,

BETWEEN: THE CITY OF GRAND FORKS
7217 4th Street
Box 220
Grand Forks, B.C.
V0H 1H0

(the "**City**")

AND: THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 51 (BOUNDARY)
1021 Central Avenue
Box 640
Grand Forks, BC
V0H 1H0

(the "**School District**")

WHEREAS:

A. The City is a local government established pursuant to the *Community Charter* SBC 2003 c.26 having jurisdiction and authority over governance within its geographic area; and

B. The School District is a school board established pursuant to the *School Act* RSBC 1996 c. 412 with responsibility for matters as set out in the *School Act* within its jurisdiction; and

C. Section 98(2) of the School Act authorizes a school board to enter into an agreement with a local government for the purposes of constructing, maintaining, operating or using jointly, or contributing to the cost of construction, maintenance or operation of facilities for joint school board and community use; and

D. In August 2009 the City entered into an agreement (the "**WED Contract**") with Her Majesty the Queen in right of Canada, as represented by Western Economic Diversification ("**WED**"), for WED Network No.: 6981, pursuant to which funding was obtained for development of a community fibre optic cable network to serve the City, the School District and potentially other users along the main distribution system in Grand Forks and in other regional jurisdictions (the "**Network**"); and

E. The City and the School District (collectively, the "**Parties**" and individually a "**Party**") entered into a Memorandum of Understanding dated December 15, 2010 (the "**MOU**") regarding the planning and development of the Network; and

F. The Network has been developed and is operational, funded in part by a grant pursuant to the WED Contract, grants received by the School District, plus each of the City and the School District contributing additional funds;

NOW THEREFORE, in consideration of the foregoing and the mutual promises in this Agreement, the Parties hereto agree as follows:

PART A
OPERATION OF THE PROJECT

1.0 Purposes

1.1 The purpose of this Agreement is to provide for the Parties to share their available resources and expertise to efficiently and economically develop and operate a fibre optic cable network for joint school board and community use, to leverage capacity and improve internet speed, access and internal communication services.

1.2 The Parties confirm that they have each contributed to the capital costs of the Network as previously agreed, that they will make future contributions to capital costs of the Network as may be agreed pursuant to this Agreement, and that they will each contribute to the operating costs of the Network on a fair and reasonable basis determined as provided in this Agreement.

1.3 The Parties intend to offer Network access to third party users to generate revenue to offset Network costs and eventually cover operating expenses and create a capital replacement fund. The Parties do not intend to profit from each other's use of the Network.

1.4 The Parties intend that the Network be jointly managed and operated by the Parties on a consensus basis.

2.0 Governance of Relationship

2.1 Pursuant to the MOU, the Parties established a Steering Committee for the Network (the "**Steering Committee**"), comprised of the Superintendent of Schools and Secretary Treasurer representing the School District, and the Chief Administrative Officer and Chief Financial Officer representing the City. The Steering Committee shall continue to operate on a consensus model to oversee and resolve issues associated with day to day operations and mutual long term plans for the Network. As those mutual plans may change over time, this Agreement may either be amended or replaced with a new agreement. The Steering Committee may from time to time by consensus determine and document its own governing rules and procedures, subject always to the provisions of this Agreement.

2.2 If an issue relating to the Network or this Agreement remains unresolved for more than 90 days after one of the Parties has notified the Steering Committee of the issue in writing, then either Party may refer the issue in writing (the "**Executive Referral**") to the Chair of trustees of the School District and the Mayor of the City, or their designates, for resolution by agreement. If either Party requests mediation of the issue at that stage, then the Parties shall participate in mediation in good faith. It is the mutual intention of the Parties to resolve any issues without recourse to adverse publicity or court proceedings. If an issue is still not resolved within 60 days after an Executive Referral, then either Party may refer the issue to arbitration under the B.C. *Arbitration Act*, the appointing authority will be the British Columbia International Commercial Arbitration Centre (the "**BCICAC**"), the process will be governed by the Shorter Rules for Domestic Commercial Arbitration of the BCICAC, and both Parties will be bound by the arbitration decision.

3.0 **Future Governance**

3.1 Either Party may request that the Network be governed by a separate legal entity to be created by the Parties, by mutual agreement and at their joint cost, in order to allow the Network to be operated at arm's length from the Parties. In that event, the Parties will work co-operatively in good faith to determine whether it would be in their mutual benefit to create a separate legal entity to govern the Network, and the terms on which the Network would be governed.

3.2 If the Parties agree to establish a separate legal entity to govern the Network, then each of the Parties shall have the right to appoint an equal number of governors, directors or trustees, as the case may be, to manage, operate and maintain the Network.

4.0 **Ownership, Repair and Maintenance of the Network Components**

4.1 The Parties agree that:

(a) the Network is comprised of fibre optic cable and equipment that is located on or about lands owned by the City, and equipment located on or about lands owned by the School District, all of which will be used jointly by the Parties while this Agreement is in effect;

(b) the City owns and will retain ownership of the fibre optic cable, any equipment used jointly by the Parties for the Network that is located on or about City lands, and any equipment used jointly by the Parties for the Network that is located on or about School District lands and that the School District has acknowledged in writing is exclusively owned by the City (collectively, the "**Fibre and Joint Equipment**");

(c) the City owns and will retain ownership of any equipment used exclusively by the City that is located on or about School District lands and that the School District has acknowledged in writing is exclusively owned by the City (the "**City Equipment**");

(d) the School District owns and will retain ownership of all other equipment located on or about School District lands that is used jointly by the Parties for the Network (collectively, the "**School District Joint Equipment**"), or that is used exclusively by the School District; and

(e) the School District further acknowledges that the WED Contract imposes ownership requirements on the City and agrees that to the extent anything set out in this Section 4.1 is inconsistent with the WED Contract, the WED Contract shall apply, provided that:

(i) the School District shall not be required to transfer ownership of any property to the City unless the property is listed on Schedule A attached hereto and the transfer is specifically requested by WED to comply with the WED Contract;

(ii) any requirement to transfer property listed on Schedule A shall apply only to the original property acquired prior to the date of this Agreement, and shall not apply to any replacement property acquired after the date of this Agreement; and

(ii) notwithstanding any such transfer of ownership, while this Agreement is in effect, the City shall not transfer or otherwise dispose of any such transferred property and each of the City and the School District shall continue to be entitled to access and use all components comprising the Network including, without

limitation, such transferred property, and all provisions of this Agreement other than the ownership provisions shall continue to apply in respect of such transferred property as if it had not been transferred.

4.2 The City will be responsible for insuring the Fibre and Joint Equipment and the City Equipment to its full replacement value. The School District will be responsible for insuring the School District Joint Equipment to its full replacement value.

4.3 The City will be responsible for the proper and timely repair and maintenance of the Fibre and Joint Equipment. The School District will be responsible for the proper and timely maintenance and repair of the School District Joint Equipment. Each of the Parties will prepare and forward to the Steering Committee an annual budget for repairs and maintenance of its Network components.

4.4 The Parties will contribute to each other's costs to insure, repair and maintain shared components of the Network on such fair and reasonable basis as may be determined by the Steering Committee in advance from time to time, having regard to the relative needs and resources of the Parties.

4.5 The Parties will each provide to the other and their staff, contractors and consultants access to all portions of their lands and buildings at all reasonable times to carry out such inspections, repairs and maintenance as may be necessary or advisable in connection with the Network, subject always to such reasonable rules regarding safety, security and insurance coverage as each Party may set and communicate from time to time regarding access to its lands and buildings.

4.6 The Steering Committee will establish a contingency fund for Network repairs and maintenance to reduce the risk of Network service interruptions. The Parties will determine annually by agreement what contributions they will each make to the contingency fund. Contributions will also be made from any available Network revenue. Withdrawals from the contingency fund will require approval of the Steering Committee.

5.0 Capital Contributions and Network Expansion

5.1 The Parties agree that, except as may be expressly agreed in writing, neither Party is obligated to contribute to future capital costs for expansion of the Network.

5.2 The Parties will work co-operatively towards exploring, to their mutual benefit and to further the objectives of the Network, seeking future additional capital grants from senior governments, their agencies and other analogous entities.

5.3 The Parties will consider opportunities for the Network to provide service to other analogous users, such as other local governments in the region or other institutional users, to generate additional revenue to offset Network operating costs and contribute to a capital replacement fund. Except as may otherwise be agreed in writing, all revenue from users other than the Parties will be considered joint revenue to be applied to joint expenses or divided equally between the Parties.

5.4 The Parties will also through the Steering Committee work cooperatively with respect to future Network equipment needs such as VOIP, backup software, firewalls, spam filters, email software and servers, and web servers, to determine if working together as part of the Network is to their mutual advantage in connection with such items, with costs to be shared on a formula to be determined by the Steering Committee, on a case by case basis.

5.5 If either Party has a new site that it wishes to bring online to the Network, and the needs are exclusive or specific to that Party, then that Party shall be responsible for all costs of that expansion of the Network, unless otherwise agreed in writing.

6.0 **Staffing and IT Support**

6.1 The School District will through its IT department provide technical support to the Network, subject to the Steering Committee determining a fair and reasonable basis for the School District to be compensated for that support.

6.2 The Steering Committee will have the authority, subject to ensuring appropriate funding is in place, to retain consultants for technical, workload needs or other purposes in connection with the Network.

7.0 **Utilization of School District's Back-Up Server Room**

7.1 The back-up server room for the Network is located in the School District's office at Grand Forks Secondary School. Equipment owned by the School District and located in the back-up server room that is not jointly used by the Parties in the Network shall not be considered part of the Network, and any revenue or costs associated therewith shall not be subject to sharing under this Agreement.

7.2 If any additional back-up rooms are required for the Network, then the Parties will consider locating them in School District buildings. The costs associated with any additional back-up rooms will be shared equally by the Parties, unless agreed otherwise.

8.0 **Utilization of City Infrastructure**

8.1 As the City is the owner of an electrical utility, including existing power poles, transmission lines and pole networks, the Network has been completed using existing City power poles for the fibre optic network. The City power poles, transmission lines and ancillary equipment not directly required for fibre optic signal transmission shall not be considered part of the Network, and any revenue or costs associated therewith shall not be subject to sharing under this Agreement.

9.0 **Licensing**

9.1 To the extent that any license is required, from the CRTC or any other regulatory authority, for the lawful operation of the Network, the City shall obtain such licensing in its name, on behalf of the Network.

10.0 **Termination of Joint Use of the Network**

10.1 Either Party may terminate these arrangements for joint use of the Network, on at least two years' prior written notice, or such longer period as is reasonably required to allow each Party to make transitional arrangements and replace necessary services.

10.2 Upon any termination of the Parties' joint use of the Network:

(a) the City will retain ownership and exclusive use of the fibre optic cable strung on City poles and of any equipment located on or about School District lands that the School District has acknowledged in writing is exclusively owned and used by the City; and

(b) the School District will retain ownership and exclusive use of any other equipment on or about lands owned by the School District;

in either case without any compensation or adjusting payment between the Parties. Prior to such termination, the City shall at its own risk and expense remove from School District lands any of its equipment referenced in subsection 10.2(a) above and make good any damage caused thereby.

10.3 The City represents and warrants that it is not in default of its obligations under the WED Contract, including those relating to ownership and use of capital assets. If any provision of this Agreement conflicts with any obligation of the City under the WED Contract, then the City shall at its own expense obtain such consent from WED, or procure replacement equipment for the School District at the City's expense, to the extent required to give effect to this Agreement without violating the requirements of the WED Contract.

PART B
GENERAL MATTERS

11.0 General

11.1 Term

This Agreement shall commence on the date first written above and shall terminate as provided herein or as may be agreed to by the Parties in writing by way of addendum hereto.

11.2 Costs

Each Party shall be responsible for their respective costs incurred in fulfilling their obligations under this Agreement, except that the Parties shall share equally the legal costs incurred for the preparation of this Agreement.

11.3 Community Involvement

The Parties believe that it is important that the community be involved in the development and operation of the Network, to maximize the benefits to all residents, businesses and government bodies or agencies of the region, who could utilize or benefit from the Network.

11.4 No Joint Venture, Partnership or Trust

Nothing contained in this Agreement shall be construed to place the Parties in the role of partners or joint venturers or agents or trustee and beneficiary, and neither Party shall have the power to obligate or bind the other Party in any manner whatsoever.

11.5 Assignment

Either Party (the "Assignor") may assign all but not less than all of its interest in this Agreement to a successor by statutory reorganization or amalgamation or a wholly owned corporate subsidiary of the Assignor, upon that successor or subsidiary agreeing with the other Party in writing to be bound by the terms of this Agreement, provided that the successor or subsidiary owns or has the right to use all the assets required to fulfil the obligations of the Assignor hereunder. Neither Party may otherwise assign any or all of its interest in this Agreement except with the prior written consent of the other Party, not to be unreasonably withheld.

11.6 **Further Assurances**

The Parties agree to execute and deliver such additional documents and shall provide such additional information as may be required to carry out the terms of this Agreement.

11.7 **Governing Law**

The Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada.

11.8 **Notices**

Any notices or other communication which may be or is required to be given or made pursuant to this Agreement shall, unless otherwise expressly provided herein, be in writing and personally delivered to or sent by facsimile to either Party at its address set forth below:

(a) If to:

THE CITY OF GRAND FORKS
7217 4th Street
Box 220
Grand Forks, B.C. V0H 1H0

Attention: Chief Administrative Officer

(b) If to:

THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 51 (BOUNDARY)
1021 Central Avenue
Box 640
Grand Forks, B.C. V0H 1H0

Attention: Superintendent of Schools

119 **Entire Agreement**

This Agreement is the entire agreement and understanding between the Parties with regard to the Network and to the extent possible by law supersedes all prior discussions, understandings and agreements or expressions of opinion.

THE CITY OF GRAND FORKS)
by its authorized signatories:)
)
_____)
Name and Title:) C/S
)
_____)
Name and Title:)
)

THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 51 (BOUNDARY)
by its authorized signatories:

_____
Name and Title:

_____
Name and Title:

C/S

SCHEDULE A

Property Owned by School District, Jointly Used with City
and Subject to Transfer if Required by WED

THE CORPORATION OF THE CITY OF GRAND FORKS

COUNCIL INFORMATION SUMMARY FOR SEPTEMBER 17TH, 2012

Date: September 11th, 2012
Agenda: September 17th, 2012
Proposal: To Receive the Items Summarized for Information
Proposal By: Staff

Staff Recommendation:
That Information Items numbered 11(a) to 11(i) be received and acted upon as recommended.

	ITEM	SUBJECT MATTER	RECOMMENDATION
CORRESPONDENCE TO/FROM MAYOR AND COUNCIL			
11(a)	From Ministry of Transportation & Infrastructure	Highway 3 Corridor Economic Impact Study	Receive for information
11(b)	Petition from the Grand Forks BMX Society	Petition asking for access to the Washroom Facility adjacent to the campground	Refer to Staff to bring back a detailed report to Council with regard to the request from the Grand Forks BMX Society
11(c)	Reach A Reader Campaign for Grand Forks on October 10th, 2012	Asking for members of Council for time commitments for that day	Council to advise Diane where and what time(s) they will be able to participate in the campaign
CORRESPONDENCE TO/FROM STAFF			
11(d)	Correspondence from the Visitor Information Centre	Writing with regard to the positive feedback and guestbook comments they have received this year	Receive for information
11(e)	Thank-you letters and card from summer students who worked at the City	-Madeline Williams -Annalise Rezansoff -Maya Wold -Lauren LeSergent	Receive for information
GENERAL INFORMATION			
11(f)	Copy of Letter from Barry Brandow to Ministry of Health	Regarding Cattle and Water Management	Receive for information
11(g)	Memo from Environment Committee and Poster on Lung Health & Air Quality	Poster and note advising of a public forum on Sept 21 from 6-9 PM at Selkirk College GF Campus	Everyone is welcome to attend the forum
UBCM, FEDERAL AND PROVINCIAL GOVERNMENT			
11(h)	From the Parliamentary Officer	Re: Federal Motion regarding financial support program on waster water management	Receive for information
MINUTES FROM OTHER ORGANIZATIONS			
11(i)	Sept 4th Task List	List of Completed and In-Progress Tasks	File

BRITISH COLUMBIA
The Best Place on Earth

August 23, 2012

Mayor Brian Taylor
City of Grand Forks
PO Box 220
Grand Forks BC V0H 1H0

Re: Highway 3 Corridor Economic Impact Study

Dear Mayor Taylor,

Please find enclosed a copy of the Highway 3 Corridor Economic Impact Study. The Ministry has commissioned this report as part of the provincial commitment made to the Highway 3 Mayors and Chairs Committee.

The findings of this report were presented to the committee in Castlegar on June 15, 2012. If you have any questions or concerns, please contact me at 250.828.4285 or by email at Shawn.Grant@gov.bc.ca.

Sincerely,

Shawn Grant, P. Eng.
Regional Manager, Programming and Partnerships

Enclosure

Ministry of Transportation and Infrastructure

Southern Interior Region
Planning and Programming

Mailing Address:
342 – 447 Columbia Street
Kamloops BC V2C 2T3
Telephone: 250 828-4285
Fax: 250 828-4229

cc: Mayor Lawrence Chernoff, City of Castlegar
Mayor Stu Wells, Town of Osoyoos
Mayor Greg Granstrom, City of Rossland
Mayor Fred Thomas, Town of Princeton
Mayor Mary Giuliano, City of Fernie
Mayor Ron Toyota, Town of Creston
Mayor Ron Hovanes, Town of Oliver
Mayor Joe Danchuk, Village of Montrose
Mayor Brian Taylor, City of Grand Forks
Mayor Dan Ashton, City of Penticton
Mayor Ann Hendersen, Village of Salmo
Mayor Patricia Cecchini, Village of Fruitvale
Mayor Dieter Bogs, City of Trail
Mayor Bert Crockett, Village of Warfield
Mayor Randy Kappes, Village of Midway
Mayor Nipper Kettle, Village of Greenwood
Mayor Wayne Steski, City of Cranbrook
Mayor Ron McRae, City of Kimberley
Mayor Dean McKerracher, District of Elkford
Mayor Lois Halko, District of Sparwood
Mayor Manfred Bauer, Village of Keremeos
Mayor John Dooley, City of Nelson
Mayor Decoux, Municipality of Crowsnest Pass
Chair Rob Gay, Regional District of East Kootenay
Chair Dan Ashton, Regional District Okanagan - Similkameen
Chair John Kettle, Regional District Central Kootenay
Chair Larry Gray, Regional District of Kootenay Boundary
Norm Parkes, Executive Director, Highways Operations
Glenn Olleck, District Manager, Transportation
Murray Tekano, District Manager, Transportation
Jack Bennetto, District Manager, Tranportation

Highway 3 Corridor Economic Impact Study
Final Report
June 20, 2012

Davies Transportation Consulting Inc.
Wave Point Consulting Ltd.
S5 Services

Contents

Table of Figures

1 Executive Summary

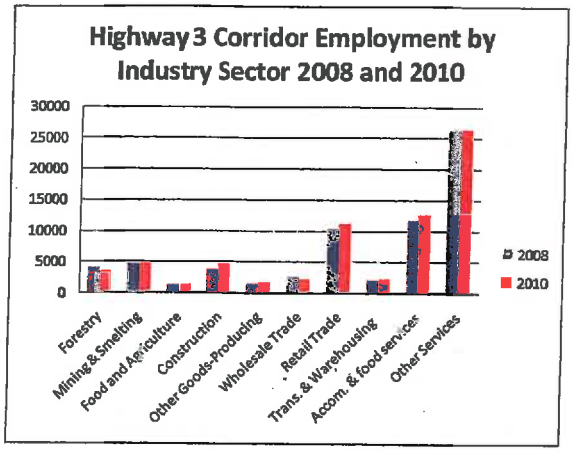
This report summarizes the results of the Economic Impact Study of the Highway 3 commissioned by the BC Ministry of Transportation and Infrastructure. For purposes of this study, the Highway 3 Corridor includes approximately 840 km of highway between Hope and the Alberta Border plus sections of Highway 3A and 3B for a total length of approximately 1,120 km. The study scope includes two major components:

- Assessment of current and future economic opportunities within the economic catchment areas of the Highway 3, 3A and 3B corridors.
- Assessment of the economic impacts of a proposed package of highway corridor investments based on anticipated travel timesaving estimates developed by the Ministry.

Members of the consulting team for this project include Philip Davies of Davies Transportation Consulting Inc.; Darryl Anderson of Wave Point Consulting Ltd.; and Steve Hayto of S5 Services. The research for this project was conducted from July to September 2011.

1.1 Current and Future Economic Opportunities

A detailed profile of economic activity along the Highway 3 Corridor has been developed based on BC Stats Community Profiles, data from other available sources, and information obtained from stakeholder interviews. Employment data from BC Stats was supplemented by a detailed analysis of Business Points data on employment by firm for 2008 and 2010, which enabled a more comprehensive assessment of employment patterns through inclusion of firms located outside of the communities profiled by BC Stats. Based on this analysis, we identified the following patterns:



- The largest major industrial sector in terms of employment is Mining and Smelting. Activity is concentrated around the Trail Smelter and the Teck coal mines in the Crowsnest Pass area. Highway 3 plays a major role in these operations but is not the primary transportation corridor, as most inputs and/or products are transported by rail.
- Global trade opportunities may provide opportunities for expansion of mining activity in the Highway 3 Corridor. The major recent development in this sector is reopening of the Copper Mountain mine located 15 km south of Princeton on Highway 3. Production at this site began in 1927 and continued (with some interruptions) until the mine was closed in 1996 due to low copper prices and rising costs. Copper prices have risen from the 1996 level of US$1.09 per lb.[1] to a current price of over $4.00 per lb. The Copper Mountain mine was financed under the assumption of a price of $1.60 per lb.[2] A number of the exploration and development projects currently under way in the Highway 3 Corridor are similar in that they are re-examining historic mining properties to determine if redevelopment is possible based on higher metals prices and reduced costs through new technology.

[1] Source: Copper by Daniel Edelstein ; US Geological Survey 1998. http://minerals.usgs.gov/minerals/pubs/commodity/copper/240798.pdf
[2] Canada's Newest Major Copper Producer Copper Mountain Mining Corporation July 2011 http://www.cumtn.com/sitemanager/_pdf_presentation/cumtn_PP.pdf

- The second largest major industrial employer is the forest industry. Activity is more widely distributed along the corridor, and the forest industry is the largest generator of industrial truck traffic. Major traffic generators include the Mercer Celgar pulp mill at Castlegar and the Tembec pulp mill at Skookumchuck north of Cranbrook, which on an annual basis generate approximately 70,000 truckloads of fibre inputs (wood chips, pulp logs) as well as significant volumes of other inputs, by-products and final products. The forest sector will be a major beneficiary of highway improvements but reduction in travel times is unlikely to result in increased production.

- The Retail Trade and Accommodation and Food Services sectors account for a major share of employment along the Highway 3 Corridor. These sectors are major beneficiaries of tourism activity. The tourism sector has the highest potential for expansion of activity due to travel time savings on the Highway 3 Corridor.

The distribution of economic activity along the Highway 3 Corridor is a function of community history, natural resources, and climate and other natural attributes which have made the area desirable as a tourist destination.

1.2 Economic Impacts

Economic impact studies analyze the effects a project on the economy of a designated area, measured in terms of changes in employment, business sales or other similar measures. Economic impacts are generated from a number or sources, such as businesses, households and commercial vehicle operating costs, induced land development and increased tourism. In all cases, economic impacts arise because a series of transportation investments cause a change in prices, a change in household behaviour, or a change in business behaviour that can impact business retention, expansion or investment attraction. This economic impact study will address how the Highway 3 economy is likely to change as a result of travel time savings resulting from proposed highway improvement projects.

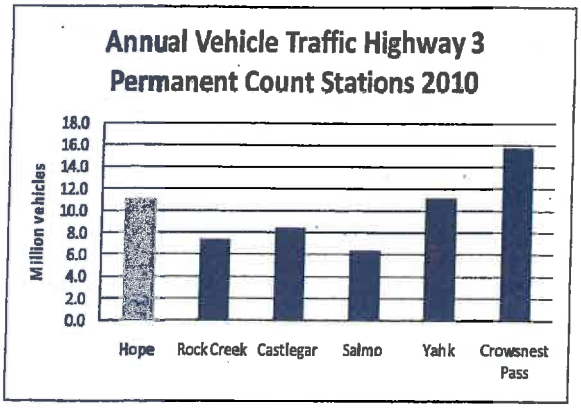
The analysis of economic impacts of specific projects proposed by the Mayors and Chairs Coalition has been conducted in two stages. The first is a detailed assessment of direct user benefits using a methodology consistent with BC MOTI MicroBENCOST methodology and parameters for project evaluation. The second is an assessment of the potential for additional economic impacts due to increases in traffic induced by travel time improvements resulting from the projects.

1.2.1 Direct User Benefits

Results of the direct user benefits evaluation are shown below. Traffic along the corridor has stagnated over the last 5 years, with the exception of Hope-Princeton section which showed a slight decline. Consequently the benefits have been estimated based on a low growth scenario.

Direct User Travel Time Benefits ($ Millions)			
	Assumed Annual Growth Rate in Traffic		
Project	No Growth	1% per year	2% per year
Sunday Pass	$36.1	$42.7	$50.7
Cranbrook – Alberta Passing Lanes	$12.4	$14.4	$16.7
Creston Hwy 3 Re-route	$6.0	$6.7	$7.5
Elko Chicane	$5.4	$6.3	$7.3
Total	$59.9	$70.1	$82.2
Model Parameters: Discount Rate 6%;			
Value of time (persons in private vehicles): $12.17 per hour;			
Private vehicle average occupancy: 1.3 persons;			
Value of time commercial vehicle (6.0 – 12.5 m): $32.41 per hour;			
Value of time commercial vehicle (12.5 m and over): $46.94 per hour.			

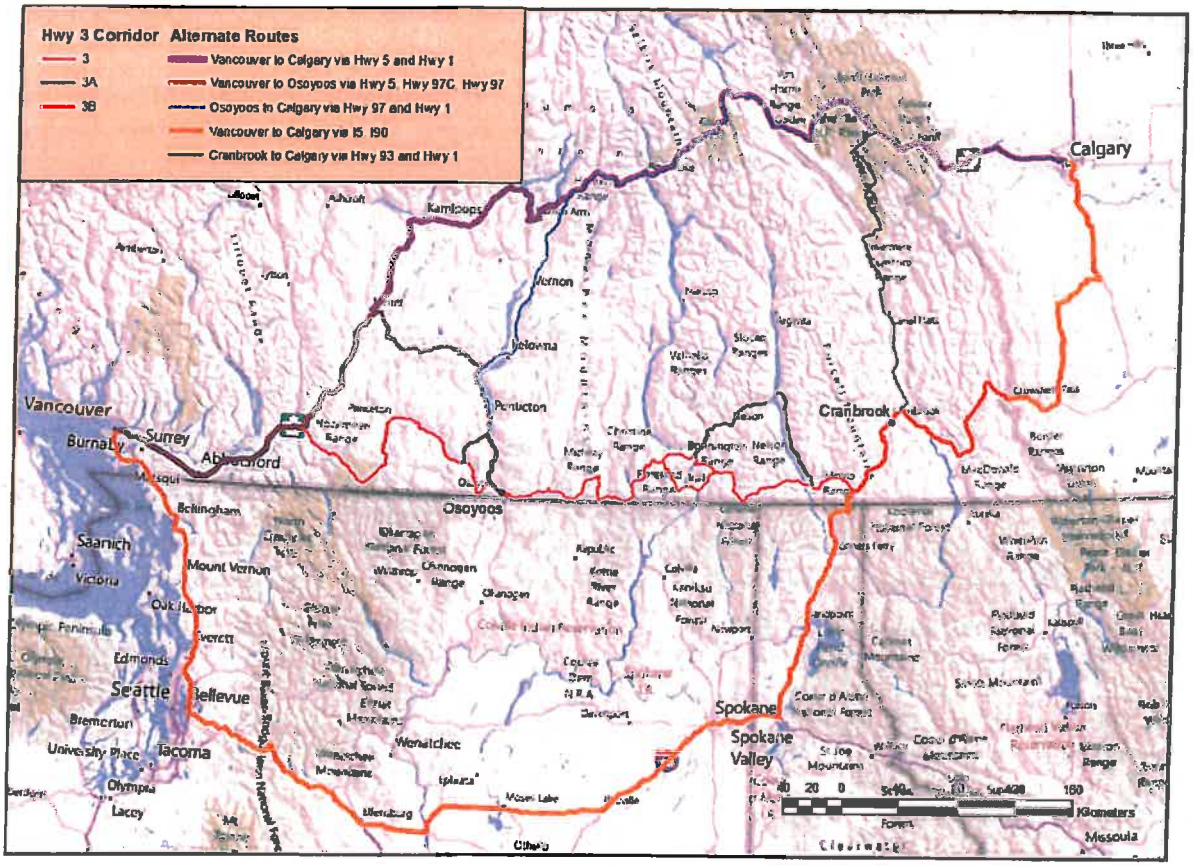
1.2.2 Additional Impacts of Induced Traffic Growth



The potential for growth in traffic along the Highway 3 Corridor has been analyzed for through traffic and for traffic related to economic activity located along the corridor.

Analysis of traffic patterns suggests that the primary function of the Highway 3 Corridor is in serving origin and destination traffic within the corridor, rather than through traffic. Traffic is concentrated on the eastern and western ends of the corridor, and our analysis suggests that travel on these sections is oriented toward the major population centres of Calgary and the Lower Mainland. The exception to this pattern is the section of Highway 3 from the Alberta border to the Kingsgate border crossing, which serves as the most direct route to export markets in Idaho, Washington State and Oregon for Alberta exports. This traffic accounts for approximately half of the heavy commercial truck traffic on this section of the corridor.

The traffic pattern is a reflection of the availability of alternative routes to bypass the Highway 3 Corridor for east-west travel to the north on the Trans-Canada Highway or to the south via U.S. highways, for traffic between the major centres of the Lower Mainland and Calgary and between the major centres and points within the corridor.



For Vancouver to Calgary trips, travel time via Highway 1 is 4.5 hours shorter than the Highway 3 Corridor. Consequently Highway 1 serves as the major through corridor; traffic volumes on Highway 1 are approximately 4 times the volume of Highway 3 at the corridor midpoints.

For trips from the western section of the corridor to Calgary, the Highway 97-Highway 1 route is an hour faster. For travel from the eastern section of the corridor to Vancouver (Cranbrook to Vancouver), the US I-90 route is 1.6 hours faster in spite of longer distance. Highway 3 has a modest travel time advantage at the ends of the corridor, with a travel time advantage of half an hour between Osoyoos and Vancouver, and approximately 50 minutes between Cranbrook and Calgary. Based on these travel time differentials, and the travel time savings estimated for the projects analyzed in this study, the most likely traffic to be influenced is traffic between the eastern and western sections of the corridor and the Lower Mainland and Calgary respectively. In addition to travel time savings, alternative routes traverse more favourable terrain and in the case of the US routing provide access to lower fuel prices. Consequently we have not forecast increases in through traffic resulting from the projects analyzed in this study.

Among the major economic sectors, the tourism sector has the highest potential for expansion of activity due to travel time savings on the Highway 3 Corridor. Construction of the Coquihalla Highway and Okanagan Connector has been widely credited with sparking a boom in tourism activity in Kelowna and Vernon. However, recent experience with incremental travel time improvements on Highway 1 has provided no clear evidence of increases in tourism activity linked to the road improvements.

For purposes of this study, we have analyzed two scenarios, one focused on the Hope to Princeton project and the other focused on the passing lanes and Creston rerouting on the eastern section of the corridor. Based on our analysis of traffic patterns, we have assumed an increase in total auto traffic of 10% at the ends of the corridors, with the effect tapering off with increased distance from the major population centres (the Lower Mainland for the Hope to Princeton project, and Calgary for the projects from the Alberta border to Creston).

For both scenarios, the total annual increase in labour income is estimated at approximately $15 million per year, though the distribution is determined by the location of the projects. Based on the average employment multiplier for tourism in the region of 1.08[3], the increase in total employment income including indirect employment would be approximately $16.2 million per year for each scenario. Over the 25 year life of any highway improvement the present value of the tourism benefits under this scenario would be $207 million. The estimated increase in annual tourism employment of 1,352 employees represents 5.4% of the existing tourism labour force in the study area.

A summary of estimated benefits under the induced traffic growth scenarios is shown below.

Induced Growth Scenarios: Direct and Incremental User Benefits and Tourism Income Benefits ($ Millions)			
	Assumed Annual Growth Rate in Traffic		
Scenario	No Growth	1% per year	2% per year
Sunday Pass	$244.2	$250.9	$259.1
Eastern Kootenay Projects	$231.4	$235.0	$239.2

The travel time improvements analyzed in this study are not likely to be sufficient in themselves to generate significant increases in tourism activity in the short to medium term. Over the longer term the Highway 3 communities will need to develop unique tourism products and services before the full economic impacts of highway improvements can be realized. This is not to suggest that travel time savings will not have some positive economic impact, because incremental reductions in travel time may induce additional trips from existing tourists. Thus, they could play a larger role in tourism business retention efforts than in expansion.

[3] Source: Based on multipliers for the Thompson-Okanagan and Kootenay Regions, British Columbia Local Area Economic Dependencies – 2006 pp. 30-31.

1.3 Stakeholder Perspectives

In the course of this study the consulting team benefited from extensive information provided by Highway 3 Corridor stakeholders in the course of meetings, in person and telephone interviews, and correspondence. In addition to information regarding regional economic activity and the influence of the Highway 3 Corridor, stakeholders identified a number of current issues influencing travel patterns and user needs.

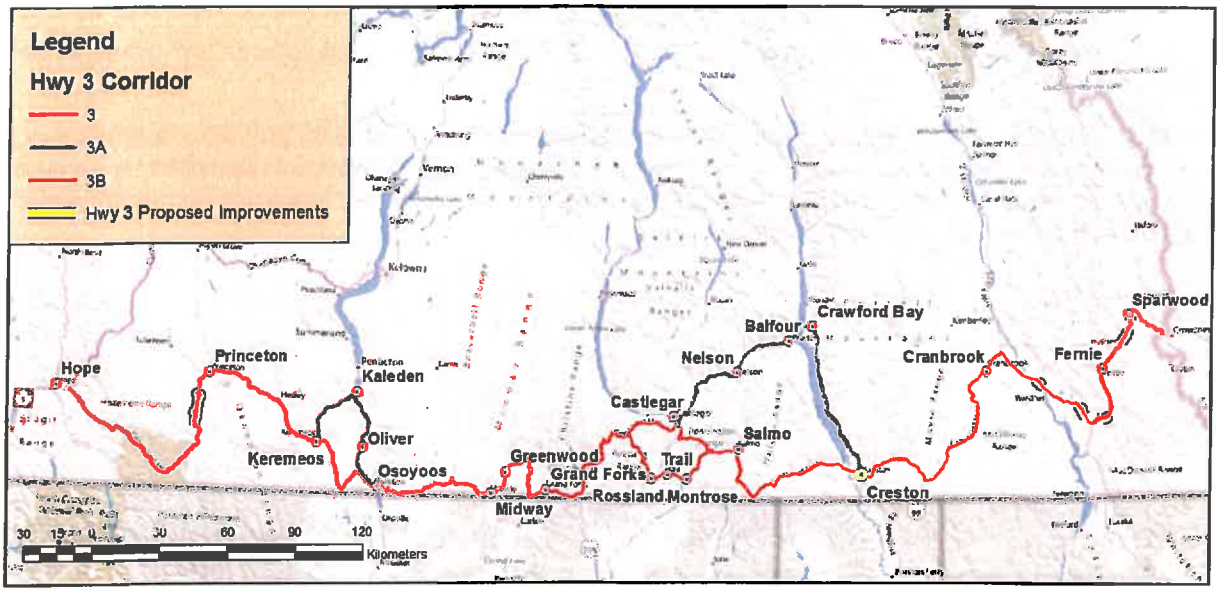
- With the decline in local industrial employment, there has been an increase in long distance commuting along the corridor to access high-paying jobs in the coal mines in the Crowsnest Pass and in the oil and gas industry in Alberta. As an example of the impacts, a new air service operated by Intera Air has begun a small scale scheduled air service linking Cranbrook to Edmonton and Fort McMurray to take advantage of this phenomenon. This may have impacts on highway traffic patterns and user needs in the future.

- The centralization of health services has highlighted concerns over reliability of the highway network. Particularly in the Boundary Region, winter maintenance of the highway network was identified as a major local concern. Winter maintenance was also identified as a more significant issue for access to winter resorts than incremental improvements in travel times.

2 Introduction

This study has been undertaken for the BC Ministry of Transportation and Infrastructure by Davies Transportation Consulting Inc., in cooperation with Wave Point Consulting Ltd. and S5 Services, to evaluate the economic impact of the Highway 3 Corridor. For purposes of this study, the Highway 3 Corridor includes approximately 840 km of highway between Hope and the Alberta Border plus sections of Highway 3A and 3B for a total length of approximately 1,120 km. A map illustrating the corridor is shown below.

Figure 2-1 Highway 3 Corridor



The study scope includes two major components:

- Assessment of current and future economic opportunities within the economic catchment areas of the Highway 3, 3A and 3B corridors.

- Assessment of the economic impacts of a proposed package of highway corridor investments based on anticipated travel timesaving estimates developed by the Ministry.

Proposed highway corridor investments proposed by the Mayors and Chairs Coalition are shown below. The locations are indicated in yellow on the map above.

Figure 2-2 Proposed Highway 3 Corridor Projects

Proposed Projects: Highway 3 Corridor	
Location	**Project**
Hope to Princeton: Sunday Pass	4-Lane Realignment Sunday Pass
Cranbrook to Alberta: Passing Lanes	Directional & 4-Lane Passing Lanes
Cranbrook to Alberta: Realignment	Elko Chicane
Creston Downtown	Reposition Highway 3 to Cook Street

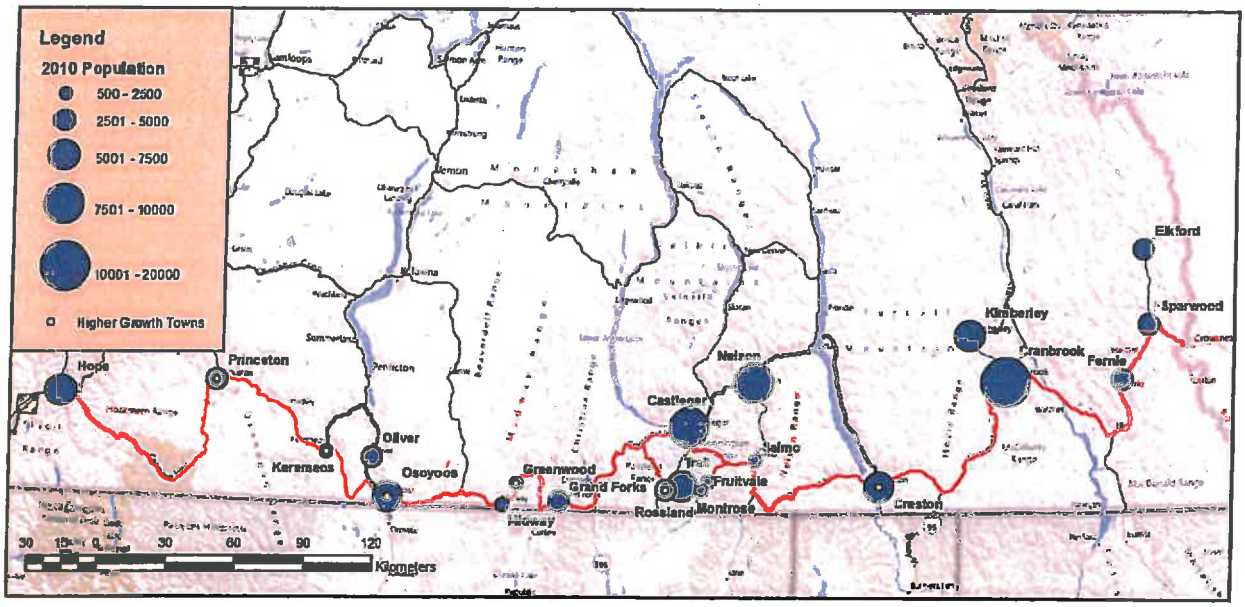
Members of the consulting team for this project included Philip Davies of Davies Transportation Consulting Inc.; Darryl Anderson of Wave Point Consulting Ltd.; and Steve Hayto of S5 Services. The research for this project was conducted from July to September 2011.

3 Economic Overview of the Highway 3 Corridor

3.1 Demographics and Labour Force Participation

Community populations in the Highway 3 Corridor are depicted below. Cranbrook is by far the largest. Cranbrook's population was estimated at 19,123 in 2010. The next largest community is Nelson with an estimated population of 9,794[4].

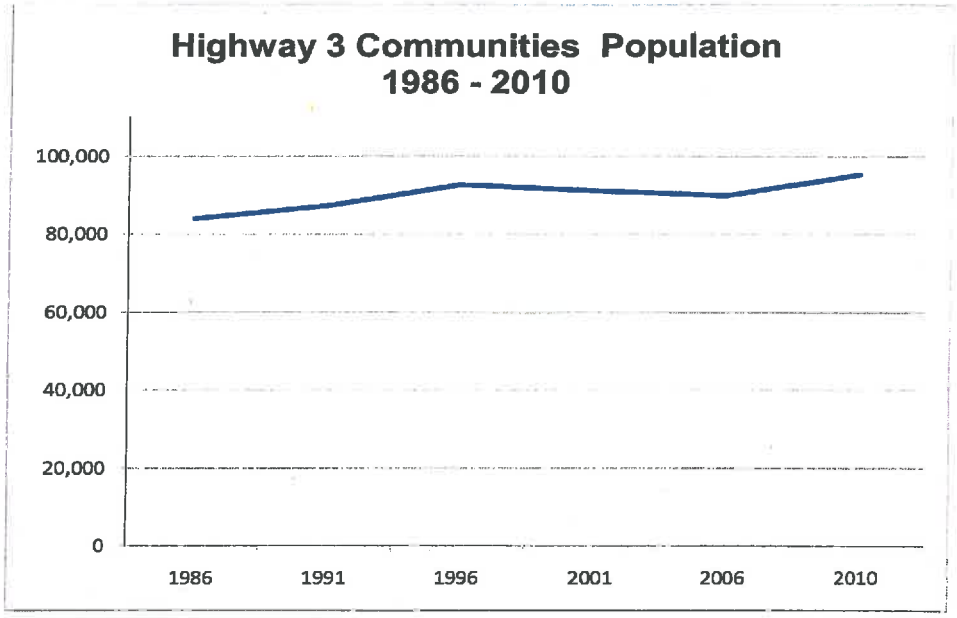
Figure 3-1 Highway 3 Corridor Communities Population 2010



From 1986 to 2010 the population of the main municipalities along the Highway 3 corridor increased from 84,242 to 95,256. The annual average compound growth rate was 0.5% per year over that period. The period from 1986 to 1996 was marked by a period of more robust growth followed by a period of gradual decline and recovery brought about by the increases population in the resource communities of the East Kootenay Rocky Mountain area. Population in the corridor municipalities is expected to remain at about the same level in the coming years. [5]

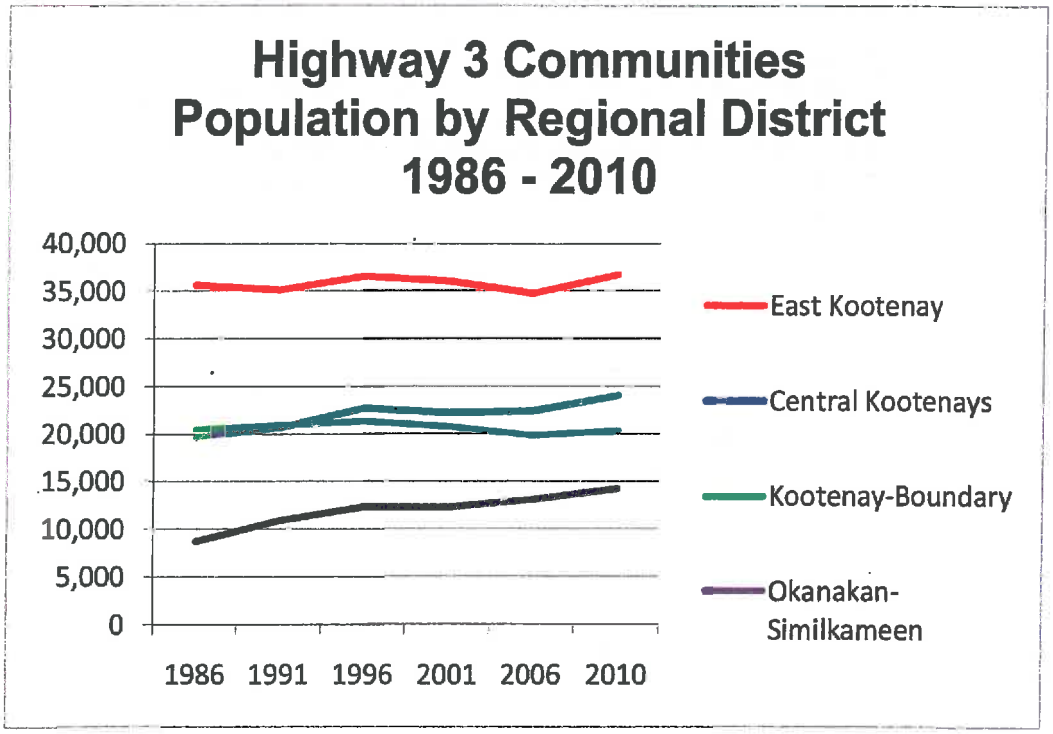
[4] Source: BC Stats Community Profiles.
[5] BC STATS.

Figure 3-2 Highway 3 Communities Population 1986-2010



Population of the Highway 3 communities by Regional District from 1986 to 2010 is shown below.

Figure 3-3 Highway 3 Communities Population by Regional District 1986 - 2010



Average annual population growth rates for Highway 3 communities are shown below.

Figure 3-4 Highway 3 Communities Population Growth Rates 1986 - 2010

Highway 3 Communities Population Growth Rates 1986-2010

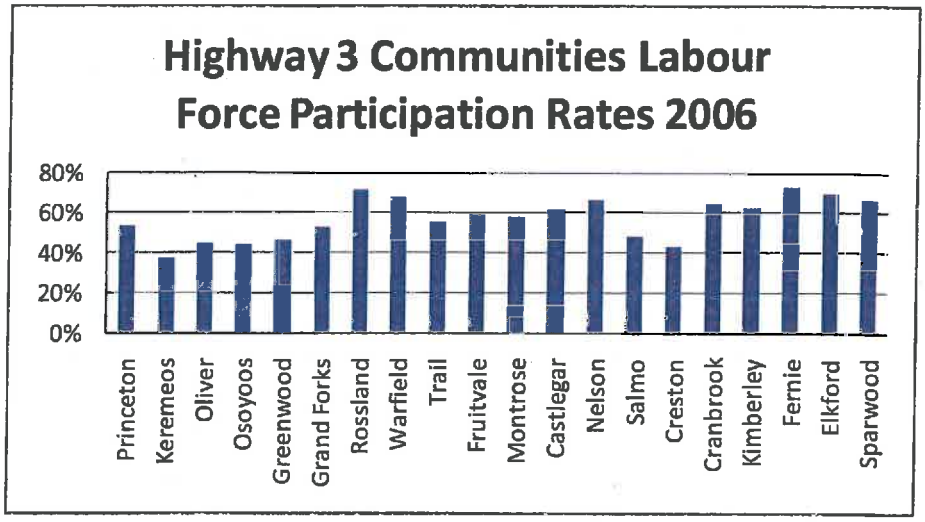
Community	**Annual Average Growth 1986 - 2010**
Princeton	0.1%
Keremeos	2.5%
Oliver	3.6%
Osoyoos	2.4%
Okanakan-Similkameen Total	2.1%
Community	**Annual Average Growth 1986 - 2010**
Greenwood	-0.5%
Grand Forks	0.8%
Rossland	0.1%
Warfield	-0.1%
Trail	-0.4%
Fruitvale	0.2%
Montrose	-0.5%
Kootenay-Boundary Total	0.0%
Community	**Annual Average Growth 1986 - 2010**
Castlegar	0.9%
Nelson	0.8%
Salmo	0.2%
Creston	1.0%
Central Kootenays Total	0.8%
Community	**Annual Average Growth 1986 - 2010**
Cranbrook	0.8%
Kimberley	-0.1%
Fernie	-0.7%
Elkford	-0.7%
Sparwood	-0.8%
East Kootenay Total	0.1%

Labour force participation rates for the Highway 3 corridor are slightly lower than the provincial average. The Thompson Okanagan Region labour force participation rate averaged 66.5% over the period 1995 to 2010. The Kootenay Region rate averaged 66.2% over the same period. The average for the entire province was 69.7%.[6]

[6] BC STATS, *'Labour Force Annual Characteristics BC Development Region'.*

Labour force participation rates for the communities along the Highway 3 Corridor in 2006 are shown below. The provincial average labour force participation rate was 65.6% in 2006.

Figure 3-5 Labour Force Participation Rates Highway 3 Communities 2006



3.2 Industrial Structure

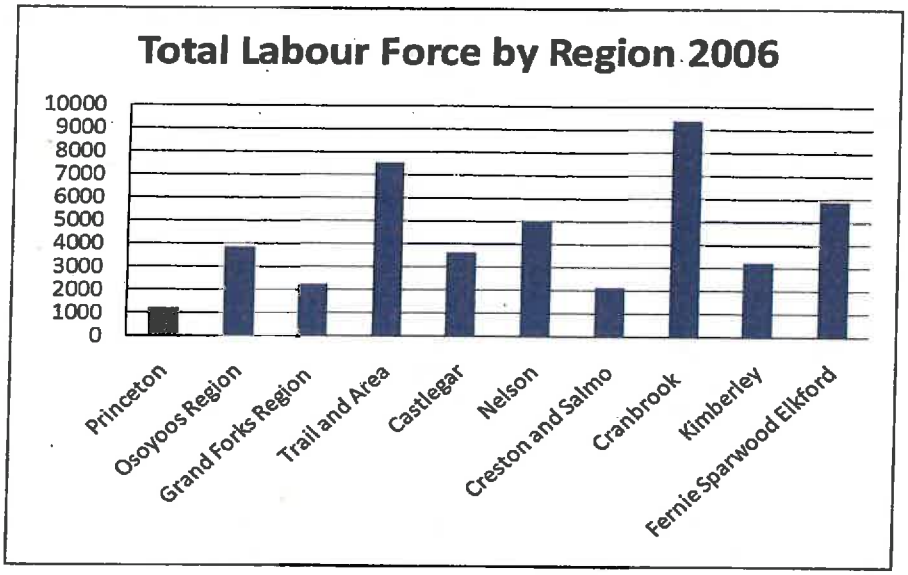
Detailed economic output statistics are not available for sub-provincial regions. For purposes of this study, employment statistics will be used as a proxy to evaluate the contribution of the various industry sectors to local economies along the Highway 3 Corridor. For purposes of this analysis, communities have been aggregated into regional groupings based on location and industrial structure. The groupings include:

- Princeton – primary industrial activities are forestry and mining.
- Osoyoos Region – this includes Osoyoos, Keremeos, and Oliver. In addition to proximity, these communities are similarly dependent on agriculture and tourism activity.
- Grand Forks Region – this includes Grand Forks, Midway and Greenwood. These communities are significantly dependent on the forest industry and other manufacturing activity.
- Trail and Area – this includes Trail, Rossland, Warfield, Montrose and Fruitvale. The primary industrial activity in these communities is associated with the Teck refinery operations at Trail.
- Castlegar – the major industrial sector is the forest industry, and in particular the Celgar pulp mill.
- Nelson – employment is primarily related to service sector activities.
- Creston and Salmo – have a significant economic dependence on forest products and agriculture.
- Cranbrook – is the major commercial service centre along the Highway 3 Corridor.
- Kimberley – Following closure of the Sullivan mine in 2001 Kimberley's economy is primarily dependent on service sector activities.

- Fernie, Sparwood and Elkford – the major industrial activity is coal mining at Teck Resource's five mines in the Crowsnest Pass.

The distribution of the labour force along the corridor essentially follows the same pattern as population.

Figure 3-6 Total Labour Force by Region 2006



3.3 Employment by Industry Sector 2006 and 2010

Analysis of 2006 employment statistics has been undertaken in order to profile the economic structure of communities along the corridor. In order to provide an updated picture of employment in the corridor, we have supplemented the 2006 data with additional data from the 2010 edition of the InfoCanada Business Location File. This is a comprehensive database containing geographic points on over one million businesses located throughout Canada and detailed corresponding information on those businesses. This database provides geocoded points for each record to facilitate mapping and map-based studies of consumers and site location models. This file has 49 variables, including company name, 6-digit NAICS (North American Industrial Classification System) and description, sales and employment for Canadian businesses. The Business Location data is not directly comparable with the data used in the BC Stats Community Profiles. The employment statistics in the Community Profiles are based on unpublished Statistics Canada data according to the NAICS version in place at each census.

A summary highlighting the differences between the two datasets is shown below.

Figure 3-7 Community Profile vs Business Points Employment Data

Community Profile vs Business Points Employment Data		
	Community Profiles	**Business Points**
Data Source	2006 Census unpublished data	Business Points database
Basis	Households	Companies
Data Collection	Census	Self reported
Coverage	Regional districts and municipalities	All locations
Industry Classification	NAICS	NAICS
Employment Measure	Individuals	Jobs

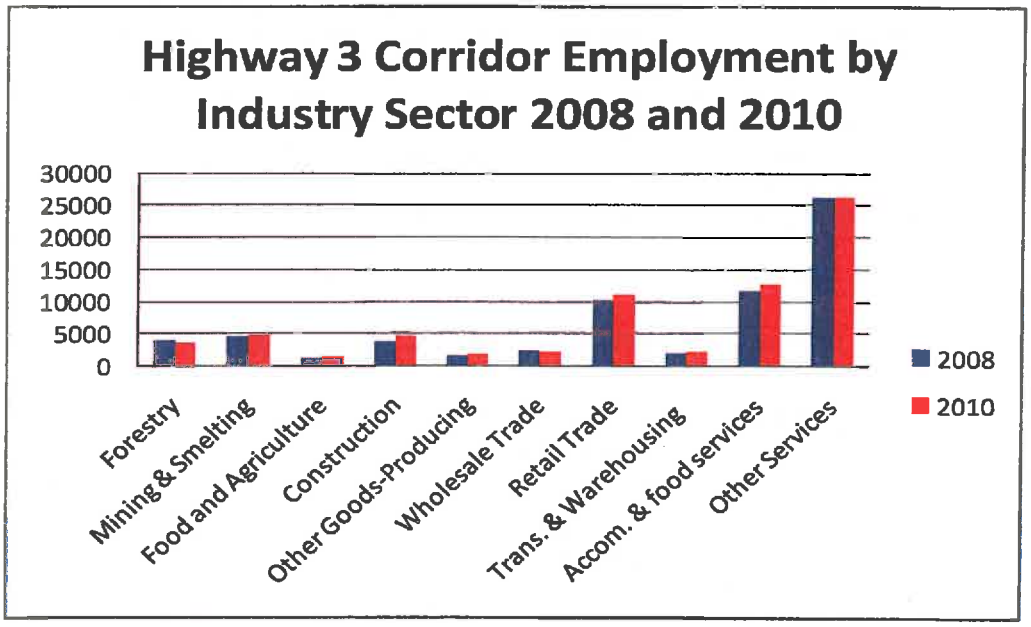
The Business Points database shows a significantly higher level of employment in the Highway 3 Corridor than the Community Profiles due to the inclusion of employers located outside of municipalities profiled by BC Stats. A comparison is shown below.

Figure 3-8 Employment by Category Community Profiles 2006 vs Business Points 2010

Industry Sector	2006 Community Profiles	2010 Business Points	2006 Share	2010 Share
Forestry	2725	3510	6%	5%
Mining & Smelting	3435	4738	8%	7%
Food and Agriculture	705	1212	2%	2%
Construction	3580	4535	8%	7%
Other Goods-Producing	1755	1761	4%	3%
Wholesale Trade	1040	2062	2%	3%
Retail Trade	6045	11008	14%	16%
Trans. & Warehousing	1500	2043	3%	3%
Accom. & food services	3840	12551	9%	18%
Other Services	19330	26261	44%	38%
Total	43955	69681	100%	100%

Total employment estimated in the 2010 Business Points data is 59% higher than the 2006 Community Profile. However, the distribution among industry sectors is relatively consistent. The major difference is in the larger share of Accommodation and Food Services in employment. This differential may be due to differences in the data sources or may reflect growth in the sector; the 2010 Business Points data shows growth in this sector of 7.6% from the 2008 level. Employment estimates by industry sector for the 2008 and 2010 versions of the Business Points database are shown below.

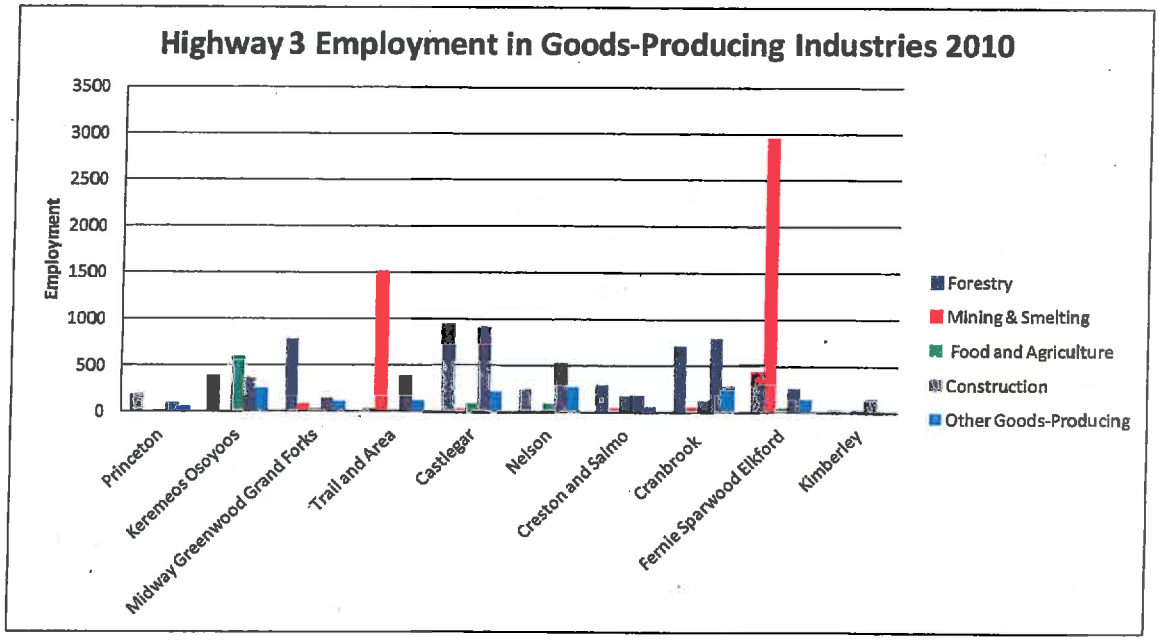
Figure 3-9 Highway 3 Corridor Employment by Industry Sector 2008 and 2010



3.4 Major Industries

The regional distribution of employment in major industries in the goods-producing sector is shown below.

Figure 3-10 Highway 3 Corridor Goods-Producing Industry Employment 2010

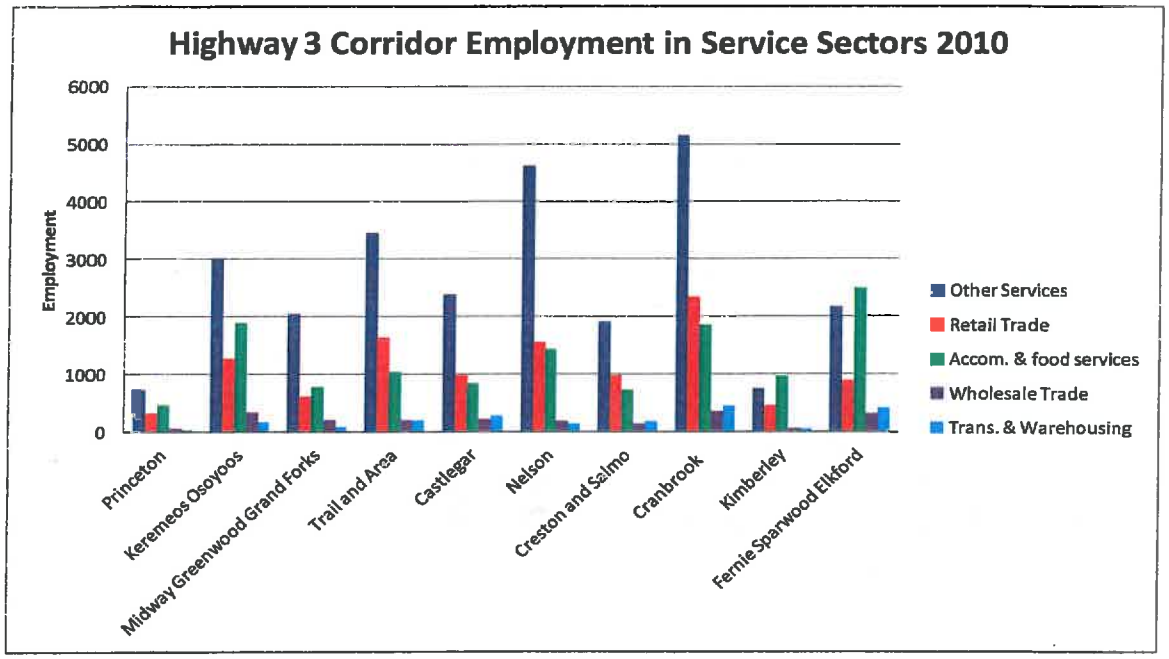


The most striking feature is the concentration of activity in the Trail area related to the Teck smelter and of mining activity in Fernie, Sparwood and Elkford related to the Teck coal mines. Forest products employment is more widely distributed along the corridor. Agriculture is important in the Osoyoos region and to a smaller extent in Creston, the Grand Forks Region and Cranbrook.

3.5 Service Sector

Employment in the services sector essentially follows the same pattern as population. However, the Osoyoos area has a higher than proportional level of employment in the accommodation and food services sector, which is consistent with its role as a tourism destination.

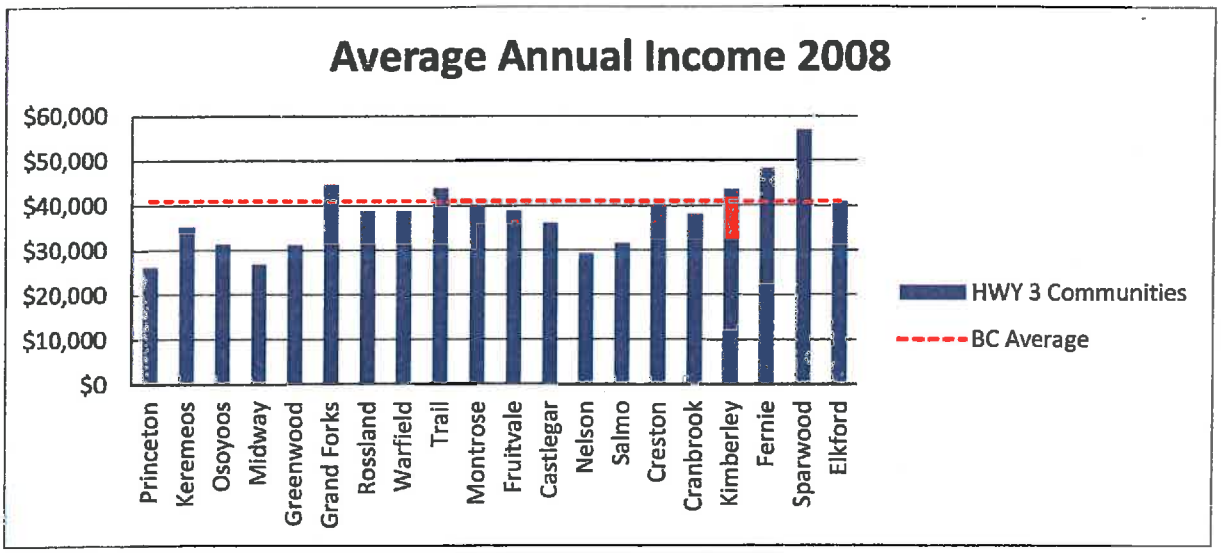
Figure 3-11 Service Industries Employment by Region 2006



3.6 Average Income

The influence of industrial structure on incomes is evident in the figure below. Average annual incomes are highest in the regions with a higher proportion of employment in major industries, in particular the mining and smelting sector.[7]

Figure 3-12 Average Annual Income by Community 2008



[7] Source: BC Stats Community Profiles.

4 Major Industries: Mining and Mineral Processing

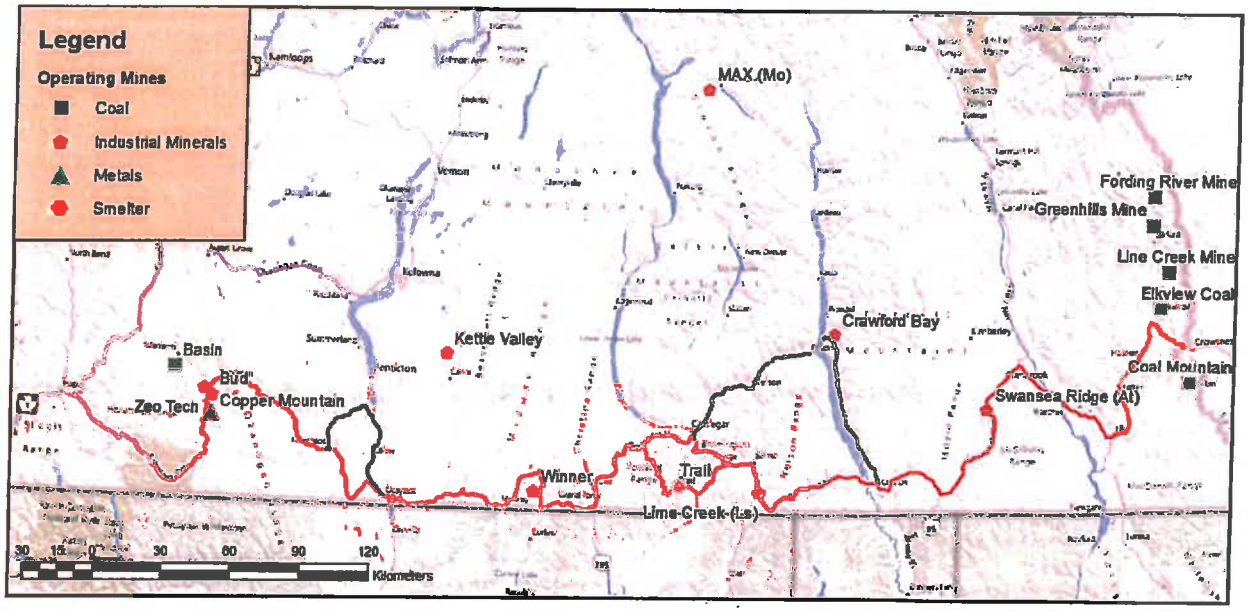
4.1 Operating Mines

As noted in the previous chapter, the Highway 3 Corridor saw rapid development of the mining sector; however most of this activity had ceased by 1920 due to depletion of the mineral resources. There are two surviving clusters of activity from the early development of the mining sector which remain major economic generators for the Highway 3 Corridor: the Trail lead-zinc refinery and the Crowsnest Pass coalfields.

The Trail smelter was constructed in 1896. Taken over by the CPR in 1898, the operation by 1906 had become the Consolidated Mining and Smelting Company of Canada (CM&S), later known as Cominco. Cominco merged with the mining firm Teck Corporation to form Teck Cominco Ltd in 2001, and in 2009 the company changed its name to Teck Resources Ltd.[8]

There are five coal mines in the BC section of the Crowsnest Pass – Fording River, Greenhills, Line Creek, Elkview and Coal Mountain – all majority owned and operated by Teck Coal. Combined total 2010 coal production at Teck's BC coal operations is estimated at 22.4 Mt of clean coal (predominantly metallurgical). This compares with an actual production total of 18.0 Mt in 2009. The mines directly employ 3160 people.[9]

Figure 4-1 Operating Mines and Smelting Operations in the Southern Interior



Production and employment figures for selected operating mines in the Highway 3 Corridor are shown below.[10]

[8] http://wikimapia.org/1172801/Teck-Resources-Ltd-Trail-Operations-smelting-and-refining-complex
[9] Exploration and Mining in BC 2010 Ministry of Forests, Mines and Lands and Ministry of Natural Resource Operations January 2011 p. 104.
[10] Ibid. p. 62, p. 104.

Figure 4-2 Operating Mines in the Highway 3 Corridor 2010

Selected Producing Mines Highway 3 Corridor 2010					
Coal	**Operator**	**Commodity**	**Employment**	**Actual 2009 Production (000 Tonnes)**	**Projected 2010 Production**
Elkview	Teck Coal Limited	Metallurgical Coal	242	2360	2210
Coal Mountain	Teck Coal Limited	Metallurgical Coal	877	4200	5420
Fording River	Teck Coal Limited	Metallurgical Coal	1050	6000	8000
Greenhills	Teck Coal Limited	Metallurgical Coal	564	3400	4200
Line Creek	Teck Coal Limited	Metallurgical Coal	431	2600	2600
Metals					
MAX	Roca Mines Inc.	Molybdenum	80	0.5	
Industrial Minerals					
4J	Georgia - Pacific Canada	Gypsum			
Crawford Bay	Imasco Minerals Ltd.	Dolomite			
Elkhorn	CertainTeed Gypsum Canada	Gypsum	17	389	450
Lime Creek	Imasco Minerals Ltd.	Limestone			
Winner	Roxul West	Mineral Wool	3		80
Kettle Valley	Kettle Valley Stone Company	Stone	40		
Zeotech Bromley Creek	Heemskirk Canada Ltd	Zeolite			

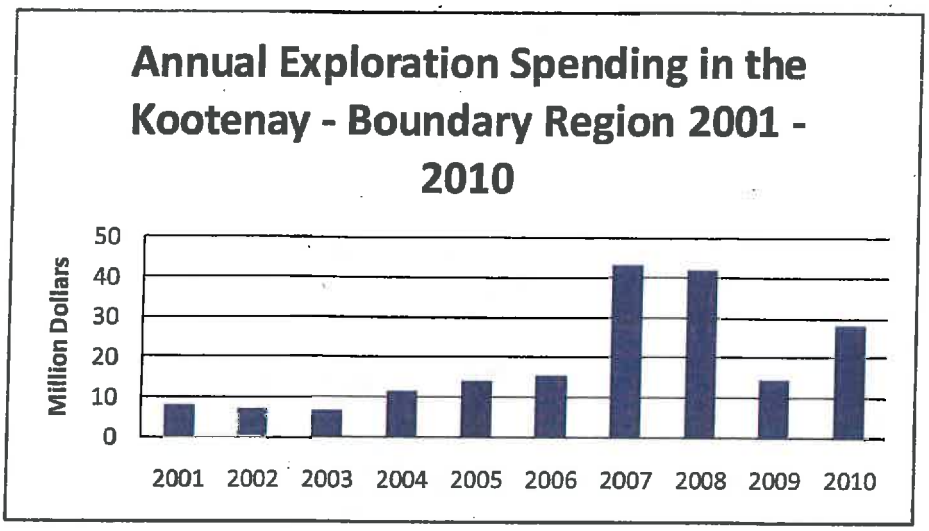
The major recent development in the mining sector is the reopening of the Copper Mountain Mine by Copper Mountain Mining Corporation. The mine is located 15 km south of Princeton on Highway 3. The Copper Mountain mine began production in the 1920's as an underground mine. In 1957 the mine was converted to open pit operations. Copper Mountain Mining Corporation ("CMMC") is a BC resource company that is developing the Copper Mountain Project located 15 km south of the town of Princeton in southern British Columbia. The Project is owned 75% by Copper Mountain Mining Corporation and 25% by Mitsubishi Materials Corporation. The mine is designed to produce approximately 105 million pounds of copper (approximately 48,000 tonnes) per year in copper concentrate. The mine is expected to be in full production by November 2011.

4.2 Mining Projects and Exploration

With the exception of Princeton, the Highway 3 Corridor lies within the Kootenay Boundary Region of the BC Ministry of Forests and Lands and Natural Resource Operations. Activity and output levels for exploration and mining in the region began to rebound in late 2009 from the global economic recession. This trend continued through 2010, though obtaining financing for projects remains a challenge. Annual exploration spending in the region from 2001 through 2010 is shown below. The Revelstoke area was added to the region in 2010, which accounts for a part of the increase in exploration spending.[11]

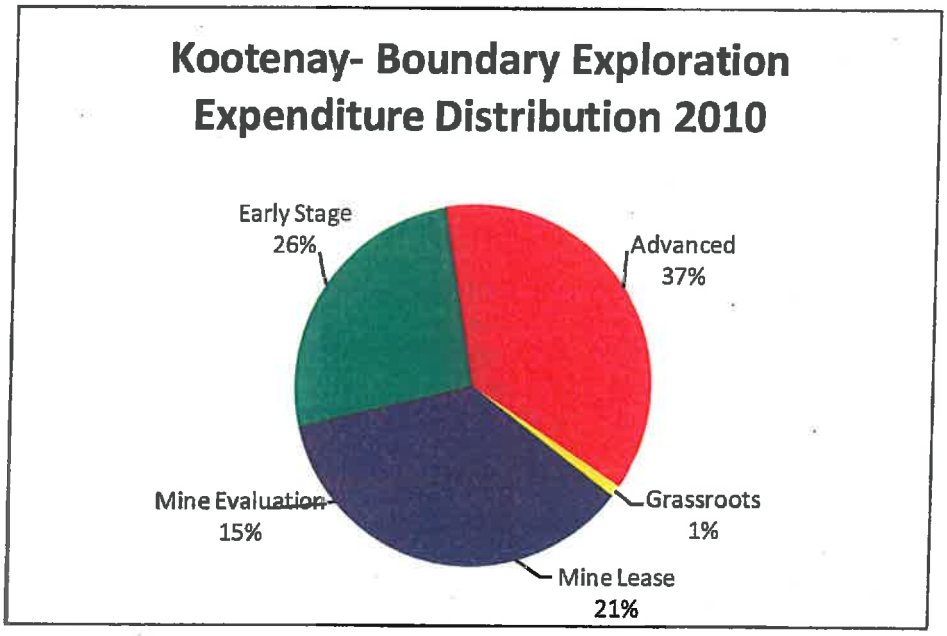
[11] Ibid. p. 103.

Figure 4-3 Annual Exploration Spending in the Kootenay – Boundary Region 2001 – 2010



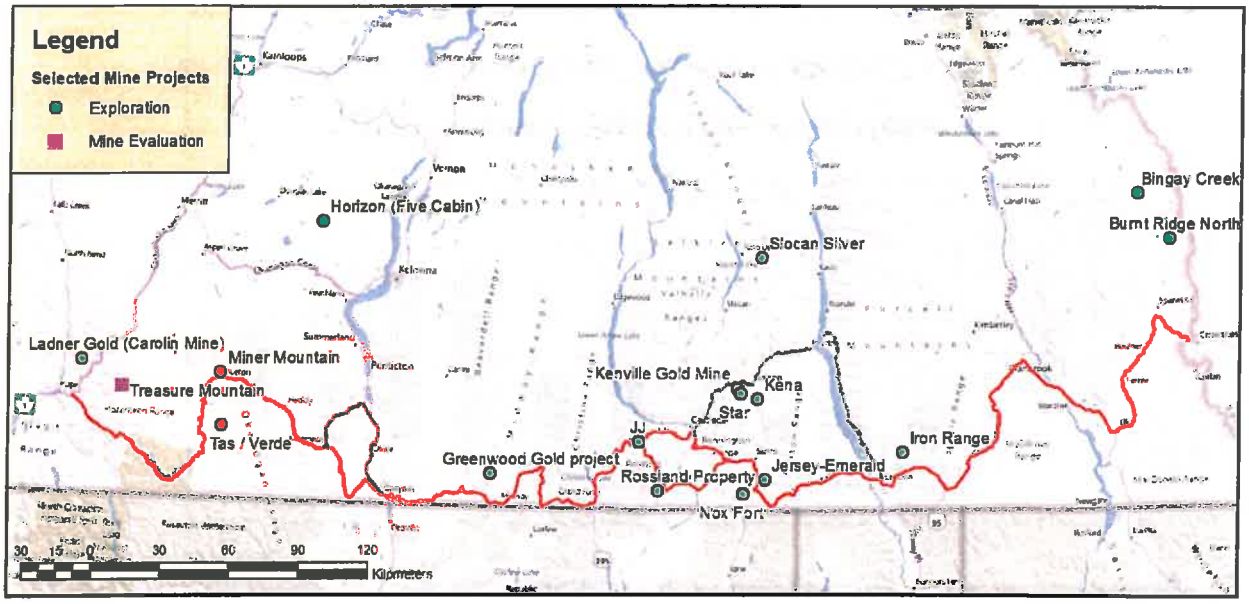
The distribution of spending by development stage is shown below.

Figure 4-4 Exploration Spending in the Kootenay Boundary Region by Development Stage 2010



The locations of selected projects are shown below. With the exception of projected increases in coal production at the Teck mines, none of these prospects seem sufficiently advanced to anticipate potential transportation requirements.

Figure 4-5 Selected Mining Exploration Projects in the Highway 3 Corridor

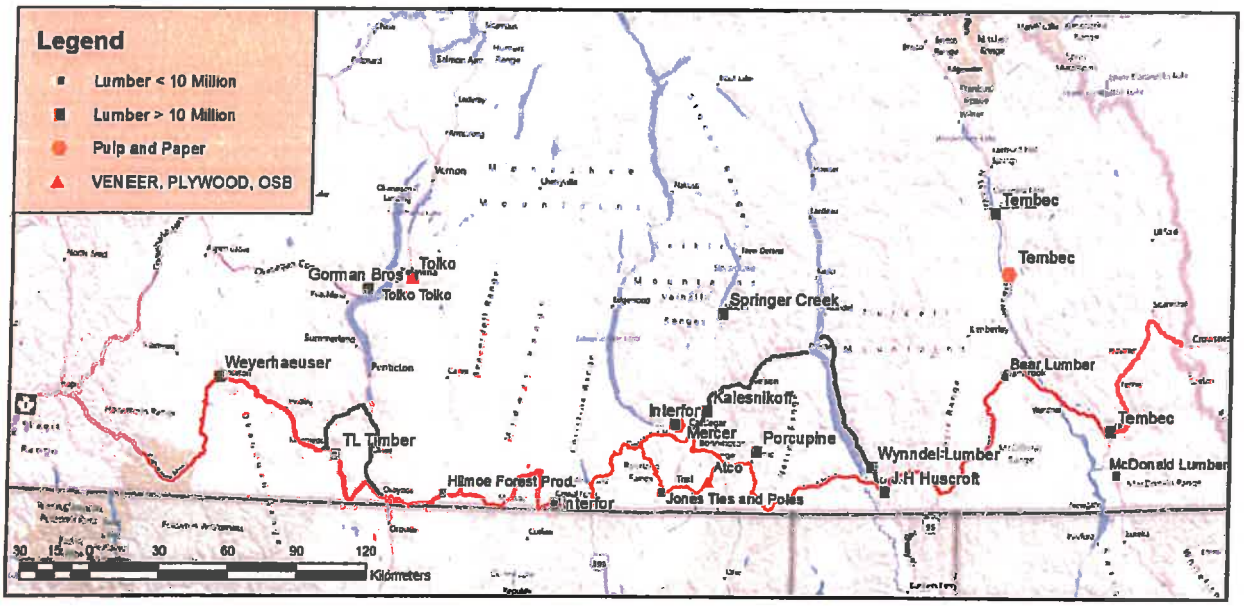


5 Major Industries: Forest Products

5.1 Existing Operations

The locations of major mills (sawmills and pulp mills) on the Highway 3 Corridor are shown below.

Figure 5-1 Major Forest Products Mills on the Highway 3 Corridor



Almost all of the sawmills in the Highway 3 Corridor have been fixtures of the local economy for decades, though many changed hands as a result of the restructuring of the industry that has taken place over the last twenty years. A list of mills and estimated capacities[12] in 1990 and 2006 is shown below.

[12] Capacities are listed in Million Board Feet (mmbfm).

Figure 5-2 Sawmills on the Highway 3 Corridor

Sawmills on the Highway 3 Corridor					
Location	**Company (2010)**	**Annual Capacity 1990 mmbfm**	**Annual Capacity 2008 mmbfm**	**Current Status**	**Previous Ownership**
Princeton	Weyerhaeuser Company Ltd.	108	196	Operating	Same
Okanagan Falls	n/a	96		Closed	Weyerhaeuser Company Ltd.
Cawston	T.L. Timber Ltd.		14	Operating	
Grand Forks	Interfor	108	122	Operating	Pope & Talbot Ltd.
Midway	Boundary Sawmill	136	144	Closed	Pope & Talbot Ltd. - Fox Lumber
Castlegar	Interfor	240	245	Operating	Westar - Pope & Talbot Ltd.
Thrums	Kalesnikoff Lumber Co. Ltd.	22	122	Operating	Same
Slocan	Springer Creek Forest Products	120	118	Indefinite shutdown	Slocan Forest Products - Canfor
Salmo	Porcupine Wood Products Ltd.	n/a	38	Operating	Opened 1993
Wynndel	Wynndel Box & Lumber Co. Ltd.	19	67	Operating	Same
Erickson	J H Huscroft Ltd.	24	50	Operating	Same
Creston	n/a	14		Closed	Crestbrook Forest Industries
Cranbrook	Tembec Industries Ltd.	96		Closed	Crestbrook Forest Industries
Canal Flats	Tembec Industries Ltd.	108	176	Operating	Crestbrook Forest Industries
Elko	Tembec Industries Ltd.	108	188	Operating	Crestbrook Forest Industries
Galloway	Galloway Lumber Co. Ltd.	58	60	Operating	Same

Pope and Talbot was a major producer in the region from 1969 to 2006. The company operated sawmills at Grand Forks and Midway in the Boundary Timber Supply Area, and a mill at Castlegar in the Arrow Timber Supply Area. Following their bankruptcy in late 2007, Interfor acquired the Grand Forks and Castlegar mills. Fox Forest Products Ltd. subsequently acquired the Midway mill for $750k in February 2008. An auction of the property was held in September 18, 2010 due to non-payment of taxes. No bidder was found for the mill.[13] Recently the Village of Midway is leading a plan to reopen the mill through a purchase agreement with Fox Lumber and an operating agreement with Vaagen Brothers, a sawmill operator based in Colville Washington. The plan would see the sawmill reopening in October 2011.

There are two pulp mills located in the Highway 3 Corridor. The largest is the Zellstoff Celgar pulp mill owned by Mercer International. The mill produces approximately 520,000 Air-Dried Metric Tonnes (ADMTs) annually. In 1993, a C$850 million rebuild and modernization transformed Celgar into a high quality, continuous process pulp mill with modern power generation and environmental treatment facilities. When Mercer completed the US$210 million acquisition of Celgar in February 2005, the mill had an annual

[13] "Midway mill fails to sell at auction" Boundary Sentinel Mona Mattei September 20, 2010 http://boundarysentinel.com/node/7196

production capacity of about 430,000 ADMTs. Mercer increased the mill's capacity to 500,000 ADMT's in 2007 through the $28 million "Project Blue Goose" designed to achieve operation efficiencies, increase production and improve environmental stewardship, including reduced consumption of energy and chemicals. Additional process efficiencies have further increased annual production capacity to 520,000 ADMTs. Celgar also became a net exporter of electricity with the potential to fulfill a growing demand for "green" energy. Celgar currently employs approximately 422 people in its operations at Celgar.[14]

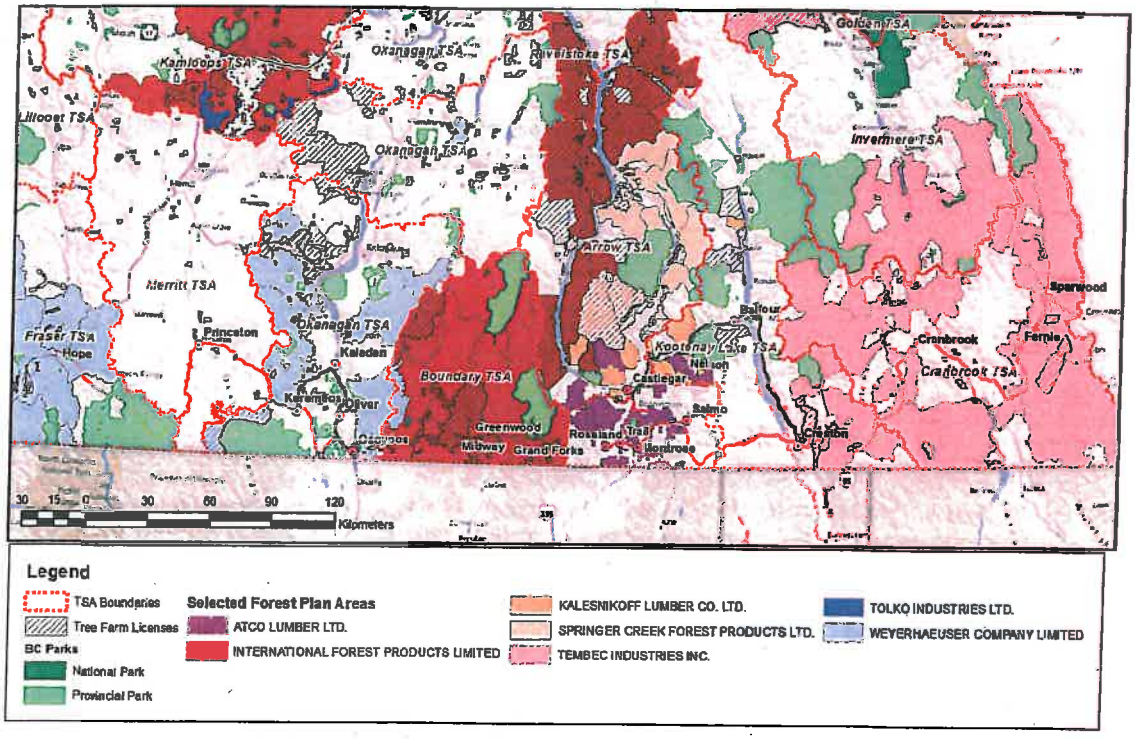
In 2010 Celgar completed its Green Energy Project. The C$64.9 million project included the installation of a second turbine-generator set with a design capacity of 48 MW to increase the mill's installed generating capacity to 100 MW, and upgraded the mill's bark boiler and steam facilities. In connection with the Green Energy Project, Celgar finalized a 10-year Electricity Purchase Agreement with BC Hydro under which it will sell electrical energy at "green' rates.

Tembec operates a pulp mill with a capacity of 250,000 ADMT located at Skookumchuck approximately 50 km north of Cranbrook. Tembec acquired the mill as part of a $275 million takeover of Crestbrook Forest Industries in 1999; the purchase also included sawmills in Elko, Canal Flats, Creston and Cranbrook[15]. The Creston mill was closed in the early 1990's and the Cranbrook mill was closed following the acquisition by Tembec.

5.2 Potential Expansion of the Forest Sector

The potential for new mill construction is constrained by the availability of fibre. It would be difficult for a new entrant to construct a mill of significant size in the absence of a firm timber supply. Timber tenures in the Southern Interior are shown below.

Figure 5-3 Major Timber Tenures on the Highway 3 Corridor



[14] Mercer 10K Annual report, p. 22.
[15] Tembec to buy Crestbrook for $70.4 million in cash, stock creating pulp powerhouse`` March 1999 http://findarticles.com/p/articles/mi_qa3636/is_199903/ai_n8836734/

6 Tourism Overview

6.1 Introduction

The tourism industry plays a significant role in the Highway 3 economy in terms of revenue earned by tourism businesses, valued added to the economy by tourism activities, and creation of employment opportunities. The topography and natural environment along the corridor are defining features that help influence the nature of the tourism industry and activities. Tourism's importance to the Highway 3 corridor communities is evidenced by the fact that four out of the thirteen provincially designated resort municipalities are located in the area. The Highway 3 resort municipalities include Osoyoos, Rossland, Kimberley and Fernie. Cranbrook and Nelson are also centres with significant tourism activity.

In analysing the role that travel time-savings could play in tourism development along the Highway 3 Corridor the study team has used the definition of tourist that is consistent with BC STATS which includes the visitors who are temporarily away from their permanent residence for the following reasons:[16]

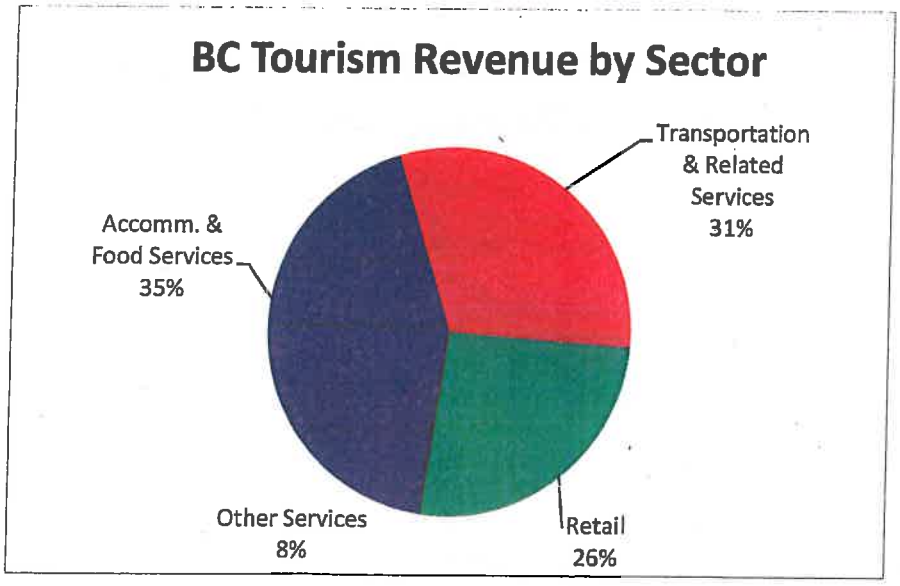
- Leisure travellers;
- Visiting family and friends;
- Visiting a vacation home (provided it is not their usual place of residence, but is visited for the purposes of recreation);
- Travelling to obtain health care; or
- Temporarily away from home for other reasons.

While the definition of tourism is relatively straightforward it is somewhat more difficult to estimate tourism's full economic contribution accurately because the tourism industry draws from parts of several industries and the complete revenue picture and GDP data are not available at a sub-regional level. As a result this report will focus the analysis where possible on revenue generation and the major type of tourism firms and services offered along the corridor.

At a provincial level the share of tourism revenue by activity indicates that the four activities of accommodation, transportation, retail and other services account for the most significant economic contribution.[17]

[16] BC STATS (March 2009), Measuring the Size of British Columbia's Tourism Sector. p.4.
[17] Ministry of Jobs, Tourism and Innovation (April 2011), The Value of Tourism in British Columbia, Trends from 1999 to 2009. p.7.

Figure 6-1 BC Tourism Revenue by Sector



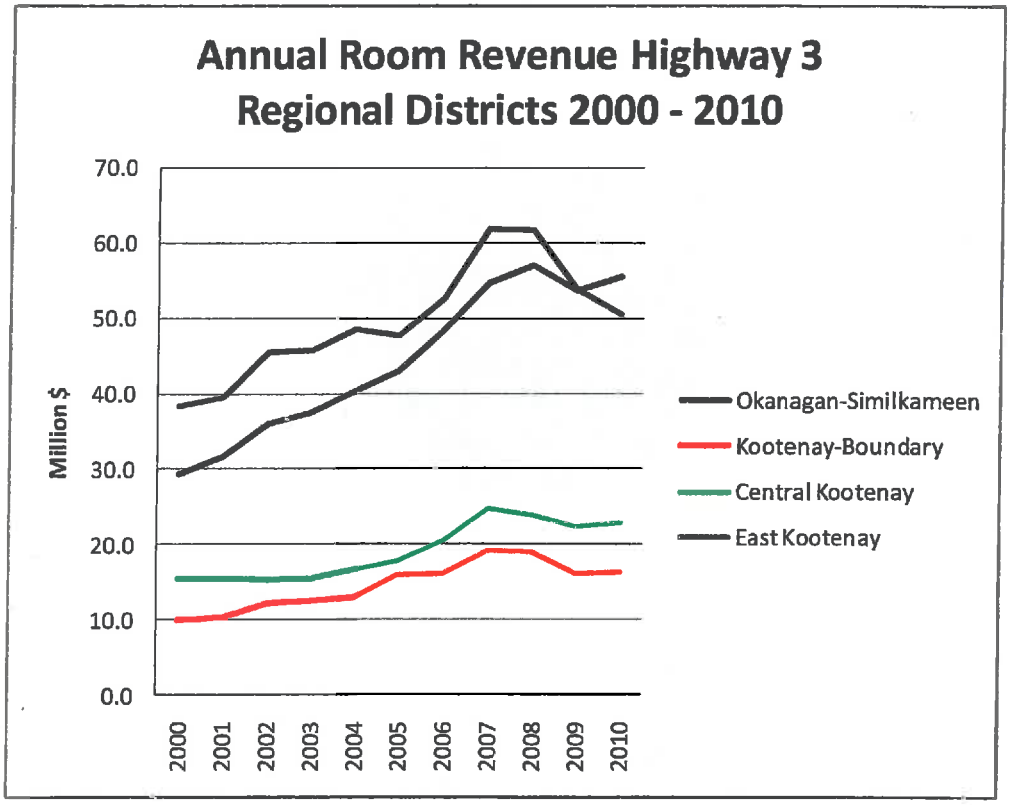
To the extent possible the following sections of the report will use the major components of the economic structure of the tourism industry to provide an overview of the Highway 3 corridor. However, the study team has structured the order of the discussion (Accommodation, Other Services, Retail and Transportation and Related Services) to more accurately reflect the unique attributes of the corridor's tourism industry rather than the specific revenue profile of the tourism industry at a Provincial level of analysis.

Due to data limitations the corridor has been divided into geographic sections. Generally the discussion regarding the analysis corresponds most closely to the political boundaries of the respective Regional Districts. However, some BC STATS data permits the analysis to take place at the level of major urban centres. In other instances, data aggregation at a higher level such as tourism area is required due to confidentiality issues and BC STATS reporting practices.

6.2 Room Revenue

Annual room revenues for the Regional Districts along the Highway 3 Corridor from 2000 to 2010 are shown below. The Okanagan-Similkameen and East Kootenay Regional Districts account for the lion's share of the total room revenue. Close proximity to Vancouver for the Okanagan-Similkameen and Calgary for East Kootenay are the key factors in their dominance of tourism accommodation activity along the corridor.

Figure 6-2 Tourism Accommodation Revenue 2000 to 2010

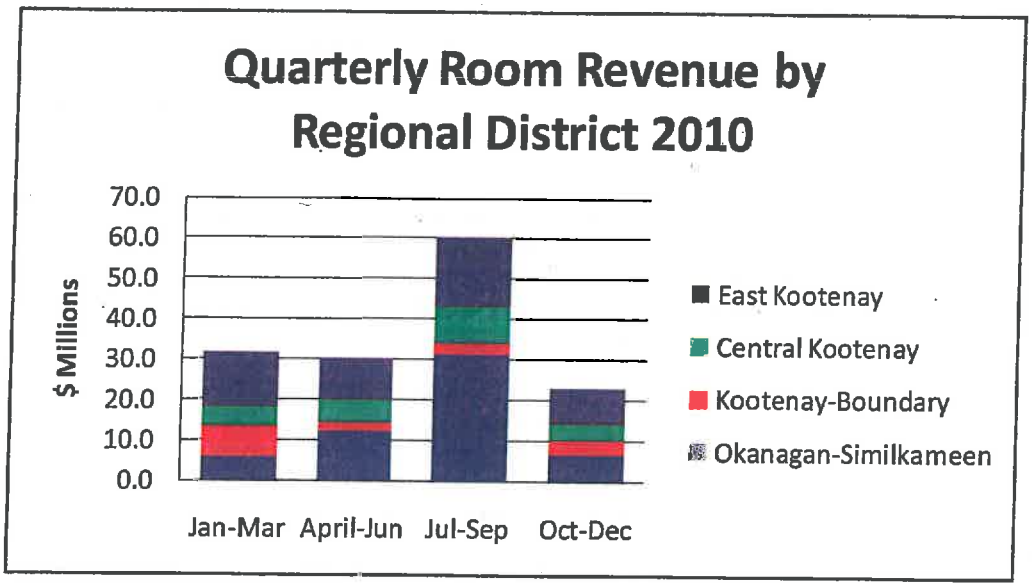


Accommodation revenue in the Highway 3 corridor and related communities totalled $145 million in 2010 for the four Regional Districts. The annual growth rate in total accommodation revenue for these Regional Districts was 4.5% during the last decade. [18] However, the rate of accommodation revenue growth was not uniform in each district. The western portion of the Highway 3 corridor in the Okanagan-Similkameen area experienced robust annual accommodation revenue growth of 6.6% while the East Kootenay Regional District experienced a more modest annual growth rate of 2.8%.

Room revenue along the Highway 3 corridor exhibits a strong seasonal pattern with the peak summer period accounting for 41% of the room receipts. The Okanagan-Similkameen Regional District generates more accommodation revenue in the 3rd fiscal quarter (summer) than the other communities. The presence of winter based destination resorts in the East Kootenay region contributes to a pattern of relatively more balanced seasonal accommodation revenue. However, the last quarter of the year (October to December) accounted for only 16% of room revenue earnings. In other words, 84% of the expected economic impact and employment income resulting from fixed roof accommodation activity occurs during the first nine months of the calendar year.[19]

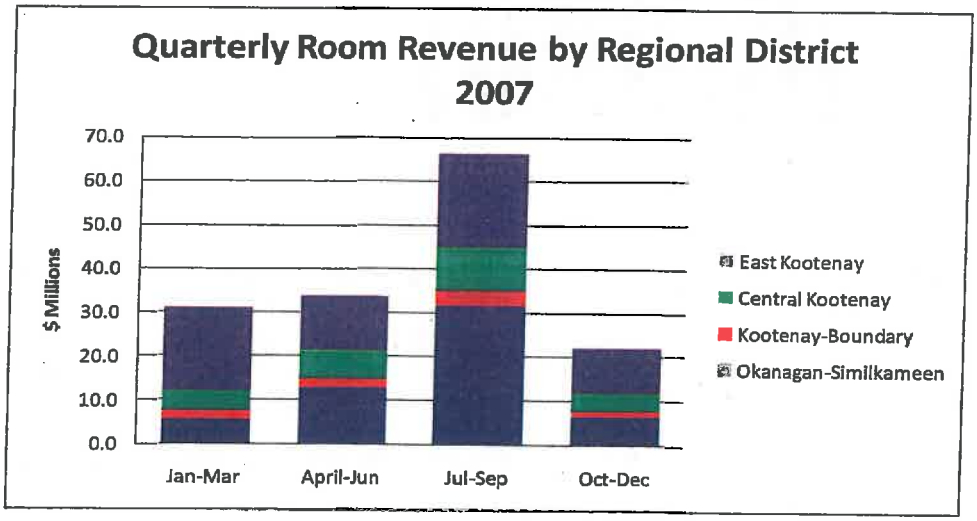
[18] http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp
[19] http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp

Figure 6-3 Quarterly Room Revenue by Regional District 2010



In 2010 the tourism economy of British Columbia was still recovering from the full effects of the last recession and therefore traffic levels and tourism revenue activity may not necessarily be indicative of the peak level of activity experienced on Highway 3. While many factors influence the overall level of tourism demand, the figure below shows the Quarterly Room Revenue for 2007 during a period of very robust economic activity in BC[20]. Fuel prices, another important determinant of travel demand, were similar to current levels.[21] The seasonal pattern of accommodation revenue remained essentially unchanged between 2007 and 2010.

Figure 6-4 Quarterly Room Revenue by Regional District 2007



[20] http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp
[21] http://climate.uvic.ca/people/ewiebe/gasoline_prices.php

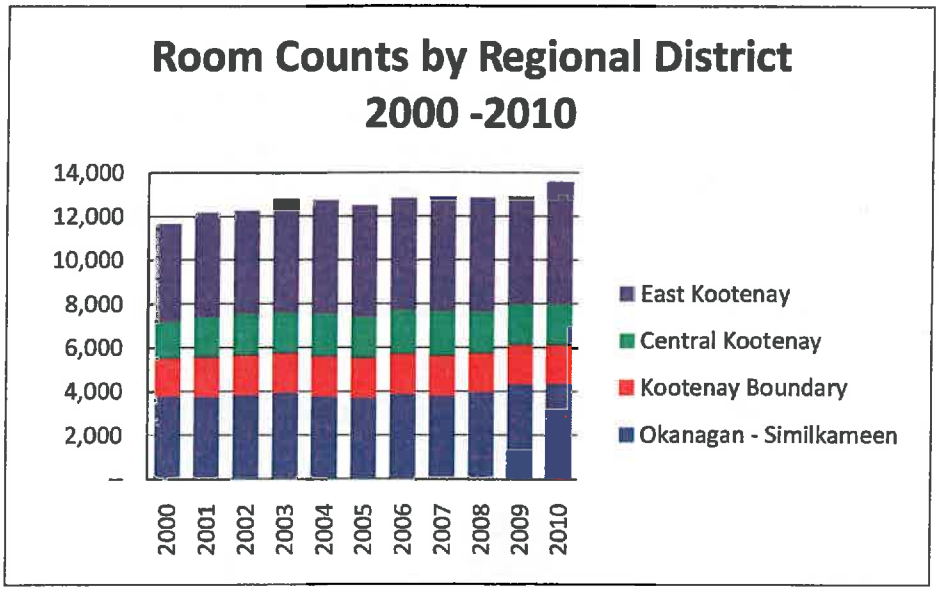
The market share of room revenue in the East Kootenay Regional District increased compared to the other Highway 3 communities. While not conclusive this comparison does suggest that a stronger economy does not necessarily impact the distribution of activity among the Regional Districts; tourism activity was concentrated at the eastern and western ends of the corridor in both 2007 and 2010 and the combined market share of the Kootenay- Boundary and Central Kootenay Regional Districts revenue remained constant at 27%.

6.3 Accommodation Supply

The annual growth rate in total accommodation for the Regional Districts was 4.5% during the last decade.[22] However, the rate of growth in accommodation supply was not uniform among the Regional Districts. The western portion of the Highway 3 corridor in the Okanagan-Similkameen area experienced robust annual accommodation revenue growth of 6.6% while the East Kootenay Regional District experienced a more modest annual growth rate of 2.8%.

Room counts by Regional District are shown below. The share of total accommodation for the Okanagan Similkameen increased from 31% to 38% between the years 2000 and 2010. Conversely the Eastern Kootenay's share of accommodation revenue fell from 41% to 35%.

Figure 6-5 Room Counts 2000 to 2010



Major highway improvements alone would not be sufficient to generate increased accommodation revenue in periods of slow seasonal or weak tourism demand. Few of the firms in the present mix of nature based tourism, commercial and retail establishments in the region lend themselves to supporting other forms of tourism development such as large-scale meetings, conferences and conventions. This type of tourism development often takes place in close proximity to larger communities with good access to air service and large meeting facilities. Some form of new tourism product offering or service innovation would be required in the Highway 3 communities to generate demand from outside the region to significantly alter the present volume and pattern of highway traffic.

[22] http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp

Nevertheless, certain communities along the corridor where government services such as Regional Hospitals have been centralized such as Cranbrook and Trail may serve as a base for regional meetings and conferences, or medical related tourism accommodation needs. Travel time savings arising from road improvements for drivers within the region may be more important than for tourists coming from outside the corridor.

Vacation rental tourism related properties make a contribution to the health of the economy along the Highway 3 corridor.[23] Evidence (from the age of the buildings, style of construction and the spatial pattern of development) would suggest that there may have been an increase in vacation rental tourism during the period of rapid economic growth which ended with the recession in 2008.

However, the full extent of tourism revenue earned from this segment of the market is difficult to capture due to data limitations. Based on observations of the consulting team it appears that a spate of development projects undertaken prior to the 2008 recession may have created a short-term glut of recreational property in a number of communities. For example a receiver is marketing a secondary home community adjacent to a new golf course development in Cranbrook. Highway improvements that reduce the travel time from major centres may help to make the communities at either end of the corridor more attractive markets because owners could access their property more quickly. Improved travel time from major markets may allow the existing stock of vacation property to be fully built out.

Large scale leapfrogging of vacation investment property development activity along the corridor to areas more distant from major population centres is less likely to occur when there is an existing supply of properties available in closer proximity to the major markets. Many tourism stakeholders indicated to the study team that a location within four hours drive of a major market generally represents the upper bounds of distance that vacation property owners prefer. Other studies have suggested that a three-to-four hour driving range would stimulate growth into BC from Alberta residents along the Trans-Canada Highway.[24]

It is important to note that vacation property tourism is less likely to be influenced by any form of effort to divert traffic from Highway 1 because property owners have already made a decision to visit and invest in a community. Rather, road improvements may entice the existing vacation property owners to use their secondary homes on a more frequent basis and thus contribute to an increase in repeat visitors. The incremental use of vacation property may result in a relatively small increase in local retail sales and the purchase of other services in Highway 3 communities. However, it is not possible to quantify the extent of this effect.

6.4 Parks & Camping

Outdoor recreation opportunities are an important tourism product for many of the Highway 3 communities and generate a demand for highway travel along the corridor. Based on BC Parks data there has been little growth in camping activity over the last decade.

Camping attendance over the last decade for the Kootenay and Okanagan areas is shown below. Attendance has dropped following the 2008 recession. From 2002/03 to 2010/11 attendance at parks in the

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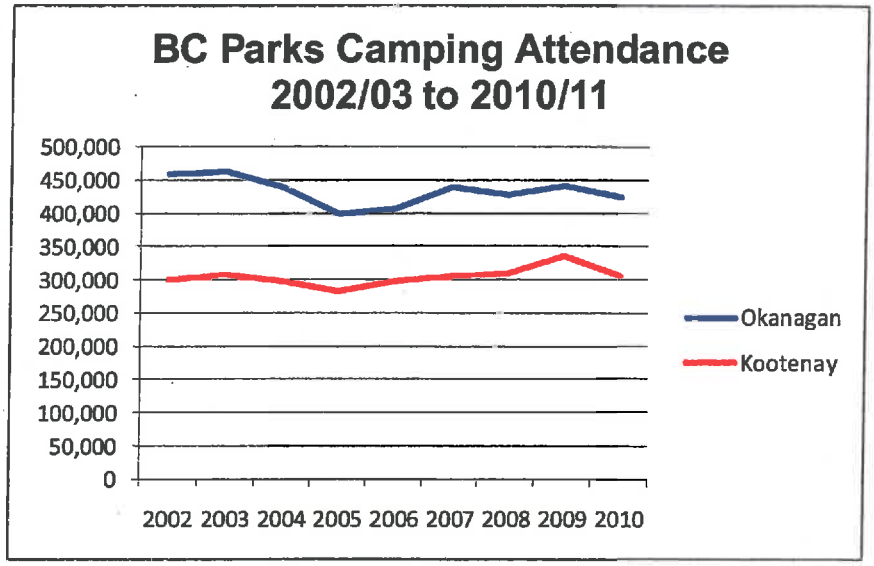
[23] Note: Vacation rentals provide temporary or longer-term accommodation, which, for the period of occupancy, may serve as a principal residence. The basic types are pure vacation rentals, temporary rental (that are owner-occupied sometime during the year, work camps, and rental agencies that arrange for accommodation on behalf of a client. In BC STATS accommodation revenue data properties with three or fewer rooms, and room rentals exceeding one month in duration are not included. Thus, the reporting of the statistics depends is not dependent on whether it is a pure vacation rental or secondary residence. Source: BC STATS Tourism Sector Monitor Explanatory Notes BC STATS T12

[24] The Conference Board of Canada (May 2006), Economic Impact of Reducing Travel Times to Southeastern B.C. Tourist Destinations (Second Draft).

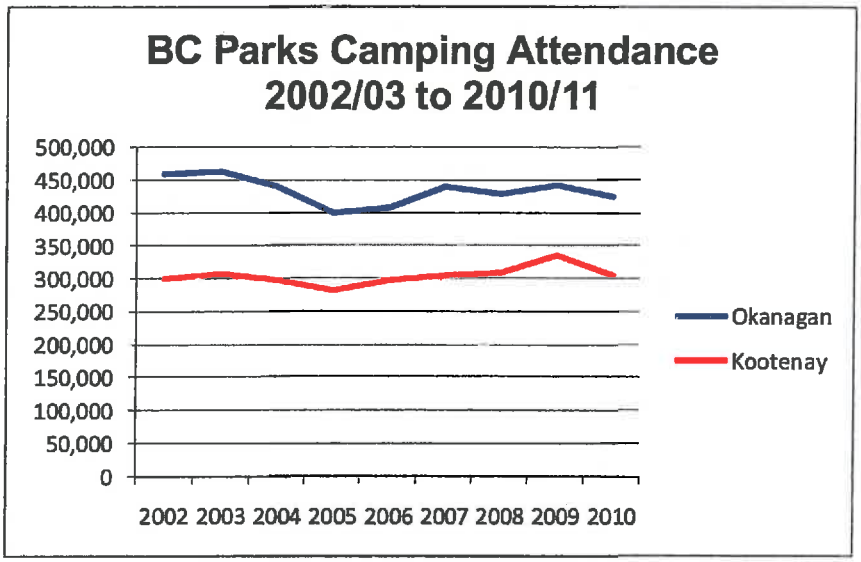
Kootenay area grew at an average annual rate of .2%. Attendance at BC Parks in the Okanagan declined, with an average annual growth rate of -.8%.[25]

Figure 6-6 BC Parks Camping Attendance Okanagan and Kootenays 2002/03 to 2010/11



Day use attendance at BC Parks in both the Kootenay and Okanagan areas declined over the same period. Average annual growth in the Kootenay area was -3.6%; in the Okanagan the average annual growth rate was -0.2%.

Figure 6-7 BC Parks Day Use Okanagan and Kootenays 2002/03 to 2010/11



[25] BC Parks 2010/11 Statistical Report.

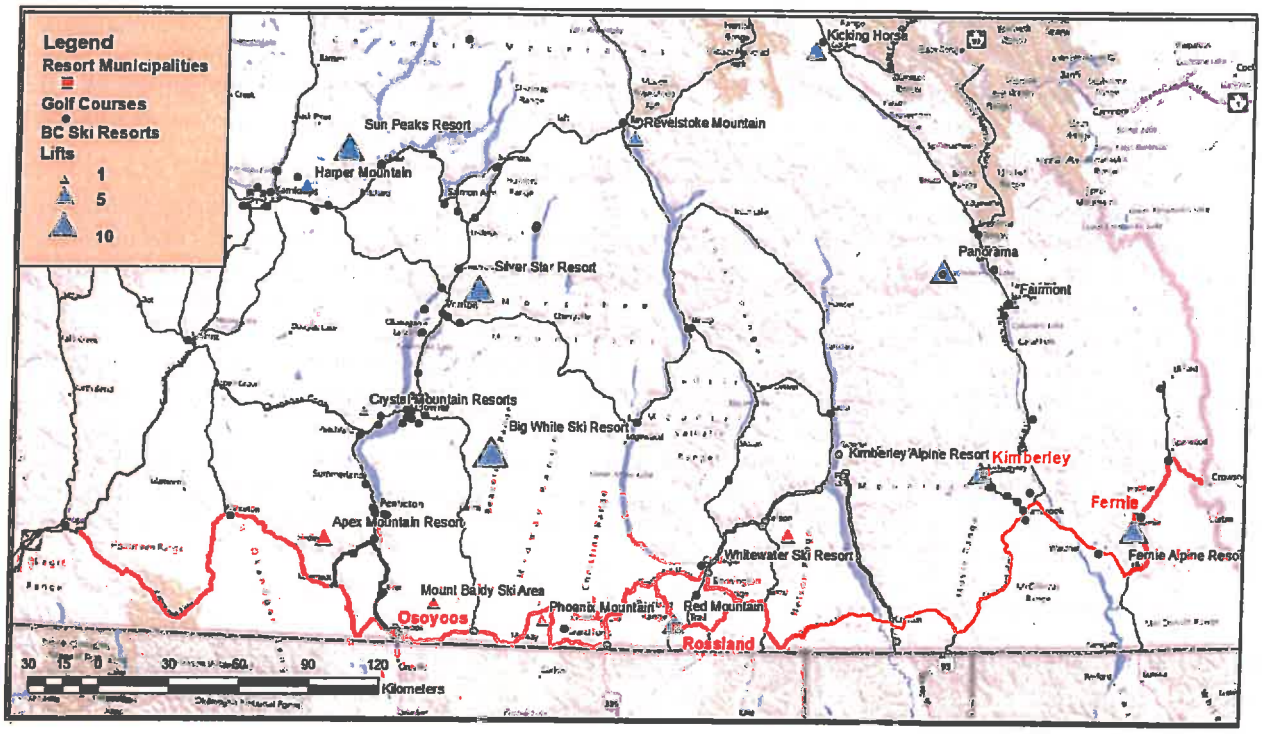
Information from the British Columbia Lodging & Campground Association indicates that there are a number of factors which influence tourism activity. Factors identified include weather in the spring and fall; the strength of the Canadian dollar which influences foreign travel; the price of fuel; and the high fuel consumption of large RV's and trucks pulling trailers.[26] While outdoor recreation and camping will continue to generate demand for highway travel along the corridor it appears unlikely that small reductions in travel times will be sufficient to generate substantial growth.

6.5 Other Services

To the extent that Highway 3 improvements and any savings in travel time allow tourists to experience unique products or services along the corridor there is the potential for a net increase in economic activity. The eastern portion of the corridor's close proximity to the Alberta market, and its existing share of accommodation revenue, demonstrates the area's ability to attract tourism revenue from customers outside of BC marketplace. Revenue from this customer base represents an increase in provincial tourism economic activity. However, if the tourist product and services being offered is similar to other tourism products in the various Tourism Regional Profiles highway improvements may just result in a shift in economic activity from one community to another area of British Columbia. While this may be an attractive local economic development option for some communities it would nevertheless not result in an increase in economic benefits from a provincial perspective.

Current winter (ski hills) and summer (golf courses) recreational facilities are depicted below.

Figure 6-8 Southern Interior Resort Municipalities, Ski Hills and Golf Courses

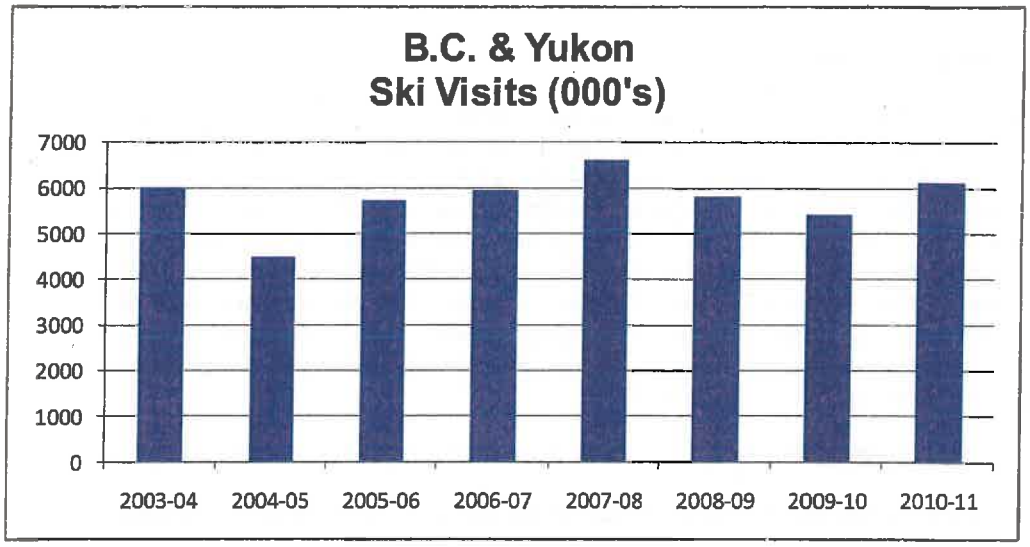


In assessing the potential for ski areas to generate increased demand for highway transportation along the full length of the Highway 3 corridor it is important to note that it is the current practice of the Ministry of Forest Lands and Natural Resource Operations Resort Development Branch to encourage the full build-out

[26] British Columbia Lodging & Campground Association, '*June_Occupany_Survey_Results_2011.pdf*'.

of existing ski areas.[27] This practice is perhaps not surprising given the fact that the number of ski visits to the province has been not shown a strong growth trend as shown below[28].

Figure 6-9 BC & Yukon Ski Visits



Since many of the ski areas have phased expansion plans that may have been impacted by changing market conditions it is unlikely that reductions in travel time will see the leapfrogging of ski area development. Government policy and market conditions would suggest that the present pattern of ski tourism activity and highway traffic at existing facilities will continue as the economy recovers; and new ski resort developments are likely to be delayed until existing resorts are full built out.

Canada West Ski Areas Association data indicates that in 2010 the average ski hill generated 131,065 visits per resort and the average Heli-ski operation generated 2,125 visits. Given the relatively large number of ski hills and small local population it is perhaps not surprising that the average number of runs per ski hill at 58 in the Kootenay Rockies Tourism Region is lower than the Thompson Okanagan Tourism Region average of 64.[29] This suggests that overall resort size may act as an upward limit on the amount of traffic that would be generated on the highway system and act to reduce the influence on local traffic volume generated by peak period travel demand. Nevertheless continued growth in resort development and the tourism trend towards all season destination, or lifestyle communities, within a four hour drive of a major urban centre will accentuate the demand for peak travel on weekends and other holiday periods. As such, the tourist visitor experience of the Highway may be considerable different than average annual traffic counts used by traffic engineers to plan service levels. In addition, local residents may comment on the increase in traffic demand on the highway during certain periods.

6.6 Retail Services

The location of tourism specific related retail expenditure along the Highway 3 corridor is not available from existing data sources but it is probable that it closely follows the location pattern of accommodation and major attractions revenue.

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[27] Personal communications with Executive Director of Resort Development August 2011.
[28] Personal communications with the Canada West Ski Areas Association.
[29] Kootenay Rockies Regional Profile - Building Tourism with Insight, January 2010 and the Thompson Okanagan Regional Profile – Building Tourism with Insight, January 2010.

6.7 Transportation

For the tourism industry, roads and highways represent one of the most significant ways for people to access a market.

Depending on the types of tourism products available, the locations of major markets and the entrepreneurial resources available to adapt to new opportunities in communities where road improvements have occurred it could reasonably be expected that tourism activity will generally follow new or improved highway infrastructure. However, in cases where alternative routes exist, highway improvements can lead to some diversion of tourists from one part of the region to another.[30] Alternatively the topographical features of the road network may make it attractive to some forms of tourism development and not others. Thus, while tourism activity on the whole may increase given a sufficient time period, it may not do so everywhere or in a uniform manner.

Highway improvements (winter maintenance levels, signage and some capital improvements) may help contribute to the retention of existing tourism-based firms and help promote business expansion during the periods where there is demonstrated demand for local tourism products and services. However, savings in travel time may not be the most important consideration for rubber tire based tourism along the Highway 3 corridor, especially for those firms located farther from the major population centres. Clients coming to resort communities such as Rossland in the winter months choose the destination based on existing reputation and knowledge of the tourism product. The existence of effective destination marketing through the Internet and the use of social media mean that many of the clients choose a Highway 3 community because it offers an alternative experience. Consequently these firms are less reliant on drive-by traffic. Firms operating in this region are likely to have different marketing plans and customer basis is different than those located in close proximity to Highway 1.

For other tourism related business in the middle of the Highway 3 corridor travel time savings may also be less important than the quality of the visitor and highway driving experience. For example, a 2004 Visitor Information Study entitled the *Value of Grand Forks Visitor Info Centre-Summer 2003* revealed that the majority of travelers (65%) to the Visitor Information Centre were very flexible in the activities they participated in while in the area, and 46% indicated that they were very flexible in the amount of time they spend in the area. Overall, travellers planned to spend an average of 19 days away from home, 11 days in BC and 2 days in the Boundary area.

[30] Economic Impact of Reducing Travel Times to Southeastern B.C. Tourist Destinations (Second Draft), Conference Board of Canada, May 2006.

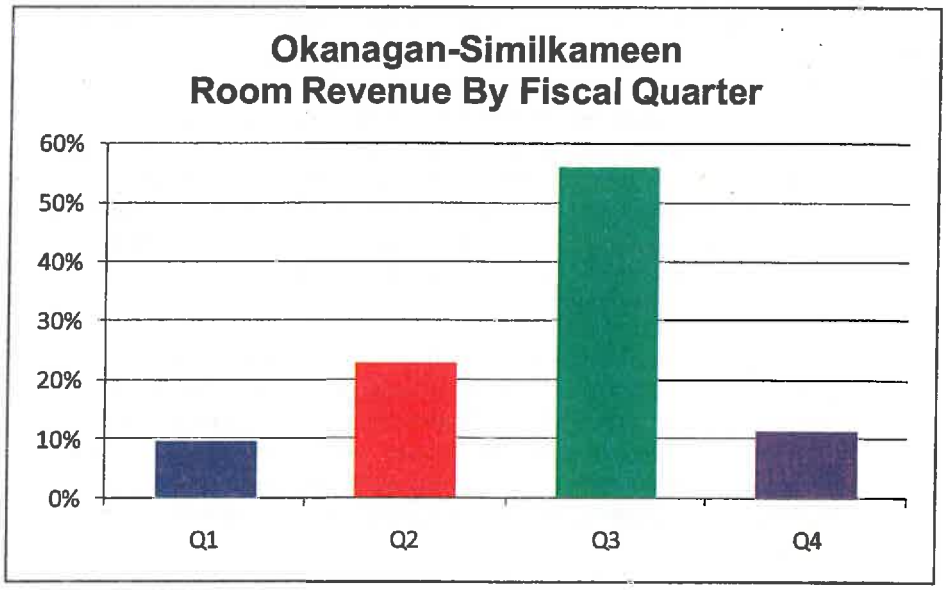
7 Tourism - Okanagan-Similkameen

7.1 Room Revenue

In 2010 the annual room revenue generated in the Okanagan-Similkameen Regional District was $55.5 million, or $152,098 per day. The Okanagan Falls/Oliver to Osoyoos urban centres accounted for 30% of the Regional District's accommodation revenue ($16.9 million) but had 38% of the accommodation units. [31]

The Okanagan-Similkameen area exhibits a strong seasonal pattern of fixed-roof accommodation revenue with summer revenues accounting for 56% of the annual total. This is substantially higher than the 42% share for the Thompson Okanagan Region as a whole. [32]

Figure 7-1 Okanagan Similkameen Room Revenue by Quarter 2007



If highway improvements led to improved travel times for tourists it is unclear whether it would generate a more balanced demand for hotel accommodation throughout the year in line with the regional average, or whether it would further drive the trend for increased seasonal demand.

Individuals who visit vacation homes are considered to be tourists. Direct observation, discussions with stakeholders and a review of various web sites by the study team members indicate that development of recreational residences is occurring to some extent along the Highway 3 corridor. For example in Osoyoos the WaterMark Beach Resort is presently marketing vacation homes on the basis that they will enable purchasers to "take advantage of a true four-season playground".[33] BC STATS data indicates vacation rental properties contributed to $3.8 million in the Okanagan-Similkameen Regional District in 2009.[34]

Highway 3 travel time-savings to this segment of the tourism market in the Oliver-Osoyoos area may be important given the fact that vacation property developments are competing with Highway 97 and these communities are in close proximity to large population centres in Southwest British Columbia.

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[31] http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp
[32] Thompson Okanagan Regional Profile - Building Tourism with Insight, January 2010 p. 5.
[33] http://www.watermarkbeachresort.com/real-estate
[34] http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp

The geographical extent of this type of tourism development appears to be limited to the willingness of vacation homeowners to travel on a Friday or Sunday night. Discussions with knowledgeable tourism stakeholders suggest that a four-hour drive time for individuals to access their vacation property is an industry benchmark for assessing the size of the market opportunities against the amenity values that tourists seek.

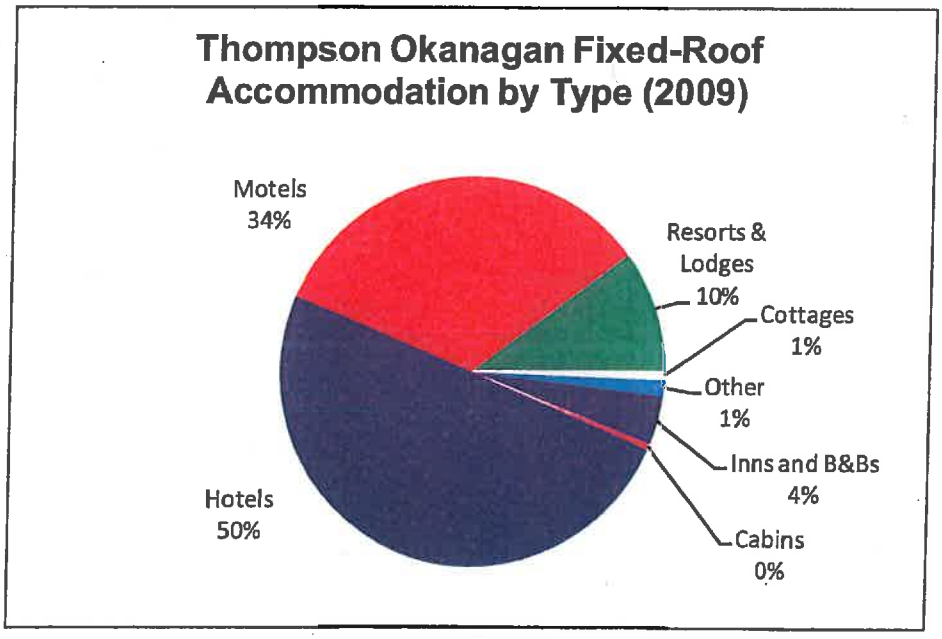
The ability of highway improvements to reduce travel-time in the Hope to Princeton section of the corridor to generate additional demand for vacation properties will be tempered by the overall state of the economy and range of existing alternative products both within Canada and the US. Discussions with industry stakeholders active in the Osoyoos market indicated that since the 2008 recession the area is now competing for tourism investment opportunities south of the border as US vacation property asset values have fallen in price as a result of the sub-prime mortgage crisis.

7.2 Accommodation Supply

Analysis of accommodation types and other services are presented at a regional tourism level for two reasons. The first is that due to confidentiality issues associated with BC STATS data there are some limitations to the presentation of accommodation data at a specific community or Regional District level, especially in the smaller communities. The second reason is that a regional perspective helps to identify the type of tourism products being offered in the wider market and perhaps indicate the type of accommodation activity that would be influenced by shifts in economic activity as a result of travel timesaving.

There are 548 accommodation establishments in the Thompson Okanagan Tourism Region offering a total of 17,255 units for overnight guests.[35] A profile of these fixed-roof accommodation establishments is contained below. The chart shows that hotels and motels account for 84% of the units available for occupancy.

Figure 7-2 Thompson Okanagan Region Accommodation by Type



[35] Thompson Okanagan Regional Profile - Building Tourism with Insight. November 2010 p.4.

Highway 3 communities do compete with some of these properties given the prominence of the Okanagan Connector (97C) and Highway 97 linking the region to the Lower Mainland of British Columbia.

The Thompson Okanagan Region's hotels have an average of 103 units per property, and motels have an average of 31 units. If highway improvements led to increased market demand for accommodation in the Highway 3 communities it remains to be seen whether this would lead to an increase in the size of the hotel properties being developed, or whether it would lead to an increase in the variety of types of accommodation establishments available to tourists. Given the distinctive nature of the region's tourism assets along Highway 3 the profile of accommodation development in a resort community such as Osoyoos and the area from Okanagan Falls to Oliver may be significantly different than the rest of the tourism region.

7.3 Other Services

There are 241 major commercial nature based tourism in the Thompson Okanagan Tourism Region. The four main tourism products and activities are land-based summer activities (20.3%), freshwater fishing (14.5%), guest ranches (10%) and land-based winter activities (8.7%). These top four activities account for 54% of the firms operating in the region.

Land-based summer includes cycling tours (other than Mountain Biking), ATV experiences, bird-watching, Nature-based cultural tourism, education, hang gliding, hiking/backpacking, horseback riding, rock-climbing, day sailing, and wildlife or nature observation, including photography. Land-based winter includes backcountry ski touring, cross country skiing, winter education, snowmobiling, and cat skiing/snowboarding.[36]

[36] Kootenay Rockies Regional Profile - Building Tourism with Insight, Kootenay Rockies Tourism January 2010 p. 7.

Figure 7-3 Number of Commercial Nature-Based Tourism Businesses - Thompson Okanagan[37]

Description	Thompson Okanagan	% of Regional Total	BC	% of BC Total
Lodge-Based				
Destination Lodges	13	5.4%	95	13.7%
Guest Ranches	24	10.0%	71	33.8%
Guide Outfitters	21	8.7%	236	8.9%
Freshwater (FW)-Based				
FW Fishing Lodges	35	14.5%	145	24.1%
FW Fishing (No-Lodge)	16	6.6%	116	13.8%
River Rafting	9	3.7%	79	11.4%
FW Kayaking/Canoeing	11	4.6%	40	27.5%
Marine/Saltwater (SW)-Based				
SW Fishing Lodges	1	0.4%	132	0.8%
SW Fishing (No Lodge)	0	0.0%	71	0.0%
SW (Ocean) Kayaking	4	1.7%	137	2.9%
Boat Charters (most SW)	12	5.0%	298	4.0%
Scuba Diving	2	0.8%	54	3.7%
Marine Wildlife Viewing	0	0.0%	41	0.0%
Sail Cruising	5	2.1%	85	5.9%
Pocket Cruising	1	0.4%	10	10.0%
Land-Based				
Land-Based Summer	49	20.3%	407	12.0%
Mountain Biking	7	2.9%	44	15.9%
Land-Based Winter	21	8.7%	100	21.0%
Heli-Skiing	10	4.1%	32	31.3%
Total	241	100.0%	2,193	11.0%

[37] Source: Characteristics of the Commercial Nature-Based Tourism Industry in British Columbia Tourism British Columbia.

The potential for ski facilities to generate demand increased for highway transportation in the western section of the Highway 3 corridor appears to be limited. The area has only one small facility, Mount Baldy, which is located 45 kms from Oliver and Osoyoos. The Mount Baldy Ski area has 35 ski runs. This is significantly less than the competing ski hills in the Thompson Okanagan Region that have an average of 64 runs per ski hill.[38]

Figure 7-4 Thompson Okanagan Ski Facilities 2008

2008 Thompson Okanagan Ski Facilities

Ski Hill	Total Runs	% of Thompson Okanagan	% of Province
Apex Mountain Resort	67	13%	3.7%
Big White Ski Resort	118	23%	6.5%
Crystal Mountain Resort	23	4%	1.3%
Harper Mountain	16	3%	0.9%
Mount Baldy Ski Area	35	7%	1.9%
Phoenix Mountain	16	3%	0.9%
Silver Star Mountain	115	22%	6.4%
Sun Peaks Resort at Todd Mountain	122	24%	6.8%
Subtotal	512	100%	28.3%
All Thompson Okanagan	512	100%	28.3%
All of BC	1,806		100.0%
Highway 3 Ski Hills Subtotal	35	7%	2%

Given the large scale of ski hill development and on mountain amenities in other communities in the Thompson Okanagan it seems likely that the Mount Baldy facility will continue to serve a local market in the near to mid term. This is perhaps consistent with the information on the Mount Baldy web site where its states that the facility offers "an authentic winter experience far from the crowds of other ski areas with our relaxed pace, family-friendly atmosphere and down-to-basics simplicity".[39]

7.4 Retail

The location of tourism related retail expenditure along the Highway 3 corridor is not available from existing data sources. It is anticipated that retail activity related to tourism closely follows the pattern of accommodation revenue and major attractions.

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[38] Source: Kootenay Rockies Regional Profile - Building Tourism with Insight p.9.
[39] http://www.skibaldy.com/default.asp?node=About%20Baldy

7.5 Transportation

Based on stakeholder interviews, most visitors to the Osoyoos area are dependent on the road network to reach the community. The rubber tire traffic arrives via the border crossing at Oroville, Washington, Highway 97 and Highway 3. Highway 3 transverses only the southern portion of the Thompson Okanagan Tourism Region. Tourism exhibits a spatial pattern of development with a strong concentration of activity along the Highway 97 route.

Development of tourism market development strategies involving motor coaches and charter bus services, or other forms of ground transportation, are in their infancy. The Town of Oliver is currently undertaking an airport planning exercise to assess the potential for scheduled or charter air service for the area to support tourism growth. Based on the observations of team members during a visit to the area at the peak of the 2011 tourist season, there appears to be minimal motor coach traffic. This suggests that expenditures on the air and motor coach segments of the transportation industry in this region are less than the provincial average.

8 Tourism - Kootenay Rockies

8.1 Room Revenue

In 2010 the annual room revenue generated in the Kootenay Boundary Regional District was $16.4 million, or $44,813 per day. The Kootenay-Boundary Regional District has the smallest regional share of accommodation revenue at 11%. [40]

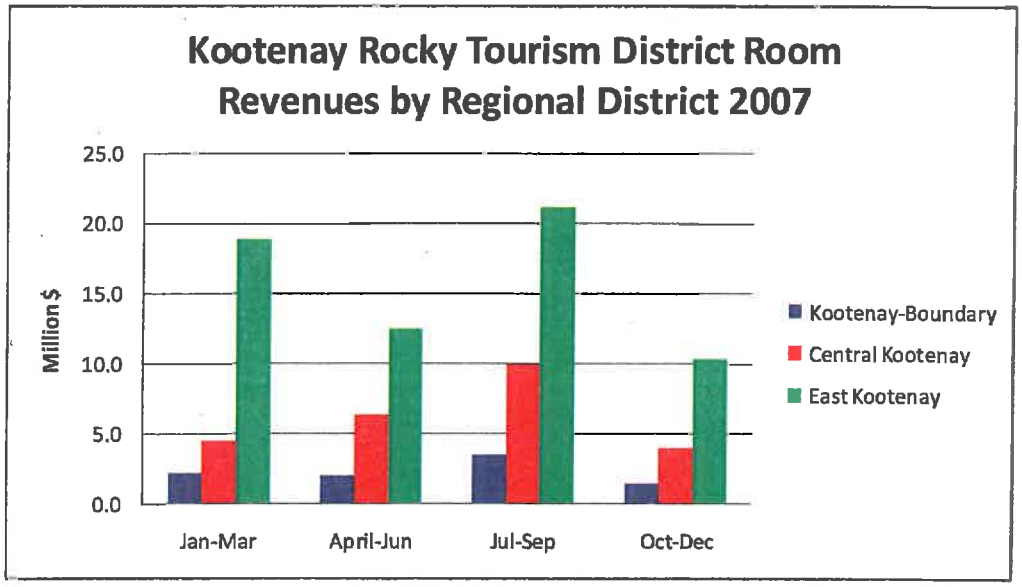
In 2010 the annual room revenue generated in the Central Kootenay Regional District was $22.8 million, or $62,471 per day. The Central Kootenay Regional District has a larger share of regional share of fixed-roof accommodation revenue at 16%. The summer season accounts for 40% of the annual accommodation revenue, slightly higher than the Kootenay Rockies average.

In 2010 the annual room revenue generated in the East Kootenay Regional District was $50.5 million, or $128,433 per day. The East Kootenay Regional District has the second largest regional share of accommodation revenue at 35%. The distribution of revenue by fiscal quarter is evidence of the presence of a strong resort-based and destination lifestyle or leisure tourism industry.

While the East Kootenay Regional District has the second largest regional share of accommodation revenue the Highway 3 communities account for only 35% of this revenue in the Regional District down from a 46% market share in the year 2000.

The western portion of the Kootenay Rockies Tourism Region exhibits a mild seasonal pattern to the fixed-roof accommodation revenue. Communities in the Kootenay-Boundary Regional District are slightly more dependent on revenue earned from the summer period (39% of their revenue) compared to the region's average of 36%.

Figure 8-1 Kootenay - Rocky Tourism District Room Revenue 2007



[40] Data in this section is taken from BC Stats tourism statistics accessible at http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp

Direct observations, discussions with stakeholders and a review of various web sites by the study team members indicate that vacation property rental tourism activity is occurring to some extent along the Highway 3 corridor.

Examples of this type of tourism activity in the Boundary Region include Christina Lake. In fact, BC Tourism's web site indicates that Christina Lake "has been established as a local summer retreat for many decades, the lakeshore is lined with generations-old cottages and newer vacation homes"[41]. BC STATS indicate that $8.9 million in vacation rental revenue was generated in the Kootenay-Boundary Regional District in 2010.[42]

In the Central Kootenay Regional District, Red Mountain Resort at Rossland is another example of a firm offering vacation property real estate opportunities.[43] BC STATS indicate that $898,000 in vacation rental revenue was generated in the Central Kootenay Regional District in 2010.[44]

The East Kootenay Regional District has the highest level of activity associated with vacation property room rental. BC STATS data indicates that $12 million in revenue was generated from this type of activity in 2010. This has risen from $8.9 million in 2000. In addition, the consistent annual reporting of this type of revenue in the BC STATS data suggests that the type of tourism industry activity is a consistent and ongoing feature of the East Kootenay Regional economy.

An example of this type of tourism activity in the East Kootenays includes the Boulder Creek Resort at Wildstone in Cranbrook which is presently marketing vacation properties indicating that "if you're a fan of authentic Rocky Mountain adventure, we don't need to tell you that Cranbrook - with soaring peaks and untamed wilderness sprawling untold miles in every direction - is the ultimate base camp". [45]

Other examples of vacation property tourism development along the corridor are associated with the ski resorts and resort municipalities.

The impact of travel time savings to the vacation segment of the tourism market in the Cranbrook to Fernie area may be high given the fact that vacation property developments are competing with Highway 1 developments and these communities are in close proximity to large population centres in Alberta. Safety, signage and the condition and maintenance of the road during the winter months may be more important than travel time savings for vacation properties such as Red Mountain in the middle sections of the Highway 3 corridor because their customer base is drawn from a wide geographic area with significant customer base coming from the Okanagan and Alberta.

The ability of highway improvements to reduce travel-time in the eastern section of the corridor and help generate additional demand for vacation properties will be tempered by the overall state of the economy and range of existing alternative products both within Canada and the US. For example, the Boulder Creek properties in Cranbrook are currently being marketed under the direction of a receiver to clear an inventory of unsold units.

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[41] http://www.hellobc.com/en-CA/RegionsCities/ChristinaLake.htm

[42] Note: BC STATS data indicates large changes in the total accommodation revenue from vacation rental properties in the Kootenay Boundary Regional District from year to year..
http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp

[43] http://www.liveatred.com/index.php/experience/

[44] Note: BC STATS data indicates large changes in the total accommodation revenue from vacation rental properties in the Central Kootenay Regional District from year to year.
http://www.bcstats.gov.bc.ca/data/bus_stat/busind/tourism.asp

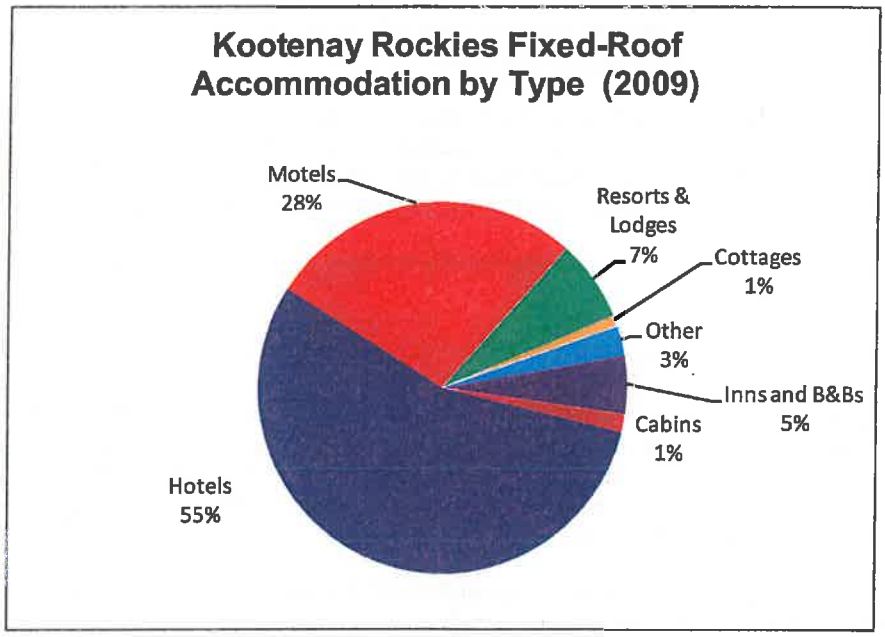
[45] http://www.whyboulderCreek.com/the-keeper

8.2 Accommodation Supply

Analysis of accommodation types and other services are presented at a regional tourism level for two reasons. The first is that due to confidentiality issues associated with BC STATS data there are some limitations to the availability of accommodation data at a specific community or Regional District level, especially in the smaller communities. The second reason is that a regional perspective helps to identify the type of tourism products being offered in the wider market and perhaps indicate the type of accommodation activity that would be influenced by shifts in economic activity as a result of travel timesaving.

There are 298 accommodation establishments in the Kootenay Rockies Tourism Region offering a total of 7,387 units for overnight guests.[46] This represents 9.6% of BC's total fixed roof accommodation. A profile of the fixed-roof accommodation establishments is shown below. The chart shows that hotels and motels account for 83% of the units available for occupancy.

Figure 8-2 Kootenay Rockies Region Accommodation by Type 2009



The Kootenay Rockies Region's hotels have an average of 70 units per property, motels 23 units, and resorts and lodges 48 units. Thus, while the pattern of fixed roof development is similar to the Thompson Okanagan, individual properties are of a significantly smaller scale. Consequently it is probable that the level of employment associated with this segment of the tourism sector would be comparatively smaller for each property type.

8.3 Other Services

There are 225 major commercial nature based tourism businesses in the Kootenay Rockies Tourism Region. The four main tourism products and activities are land-based summer activities (25.3%), land-based winter activities (19.6%), guide outfitters (13.8%) and river rafting (9.8%). These top four activities account for 69% of the firms operating in the region.

[46] Kootenay Rockies Regional Profile - Building Tourism with Insight, January 2010 p.4.

Figure 8-3 Number of Commercial Nature-Based Tourism Businesses - Kootenay Rockies[47]

Description	Kootenay Rockies	% of Regional Total	BC	% of BC Total
Lodge-Based				
Destination Lodges	17	7.6%	95	17.9%
Guest Ranches	4	1.8%	71	5.6%
Guide Outfitters	31	13.8%	236	13.1%
Freshwater (FW)-Based				
FW Fishing Lodges	1	0.4%	145	0.7%
FW Fishing (No-Lodge)	21	9.3%	116	18.1%
River Rafting	22	9.8%	79	27.8%
FW Kayaking/Canoeing	4	1.8%	40	10.0%
Marine/Saltwater (SW)-Based				
SW Fishing Lodges	0	0.0%	132	0.0%
SW Fishing (No Lodge)	0	0.0%	71	0.0%
SW (Ocean) Kayaking	1	0.4%	137	0.7%
Boat Charters (most SW)	3	1.3%	298	1.0%
Scuba Diving	1	0.4%	54	1.9%
Marine Wildlife Viewing	0	0.0%	41	0.0%
Sail Cruising	2	0.9%	85	2.4%
Pocket Cruising	0	0.0%	10	0.0%
Land-Based				
Land-Based Summer	57	25.3%	407	14.0%
Mountain Biking	5	2.2%	44	11.4%
Land-Based Winter	44	19.6%	100	44.0%
Heli-Skiing	12	5.3%	32	37.5%
Total	225	100.0%	2,193	10.3%

[47] Kootenay Rockies Regional Profile - Building Tourism with Insight, p. 7.

The potential for ski facilities to generate increased demand for highway transportation in the eastern section of the Highway 3 corridor appears to be stronger than other portions of the Highway corridor. The immediate Highway 3 communities have 53% of the total runs and Highway 3 can be used to access ski hills in the region that are not in the immediate vicinity of the Corridor. However, it is important to note that for Alberta based tourism access to some of these areas via Highway 1 and the Golden area represents an alternative route.

Figure 8-4 Kootenay Rockies Ski Facilities 2008

Kootenay Rockies Ski Facilities 2008

Ski Hill	Total Runs	% of Kootenay Rockies	% of Province
Fairmont Hot Springs	13	2%	0.7%
Fernie Alpine Resort	114	18%	6.3%
Kicking Horse Mountain	106	17%	5.9%
Kimberley Alpine Resort	80	13%	4.4%
Panorama Resort	120	19%	6.6%
Revelstoke Mountain Resort	52	8%	2.9%
Red Mountain Resort	88	14%	4.9%
Salmo Ski Hill	5	1%	0.3%
Summit Lake Ski Area	8	1%	0.4%
Wapiti Ski Area	8	1%	0.4%
Whitewater Ski Resort	46	7%	2.5%
	640	100%	35.4%
All Kootenay Rockies	640	100%	35.4%
All of BC	1806		100.0%
Highway 3 Ski Hills Subtotal		53%	19%

8.4 Retail

The location of tourism related retail expenditure along the Highway 3 corridor is not available from existing data sources but it would be expected to closely following the pattern of accommodation revenue and major attractions.

8.5 Transportation

The Highway 3 communities in the Kootenay Rockies Tourism Region include the larger commercial centres serving the region. This is in contrast to the Thompson Okanagan region where the larger centres such as Kelowna, Vernon and Penticton are located to the north of the Highway 3 Corridor, and are served by the Coquihalla Highway, the Okanagan Connector and Highway 97. Consequently tourism activity in the Kootenay Rocky district is likely to include a larger share of business-related tourism activity, though the extent is difficult to determine from the official tourism statistics.

Air service to the region accounts for a small portion of tourism traffic in the region. Scheduled capacity is low and origin-destination pairs are limited. Many stakeholders noted issues regarding the reliability of air service to Castlegar and Nelson airports due to weather conditions. The Red Mountain Resort in Rossland offers a shuttle service for guests from the Spokane airport.

Motor coach activity along the Highway 3 corridor appears to be minimal, based on stakeholder interviews and observation by the consulting team. The study team was unable to identify significant tour-based activity by local transport firms in the eastern portion of the corridor. Since Calgary is a major origin for ski tourism in the region it seems probable that most of the economic benefits from motor coach or bus charter service to the ski resorts would flow to Calgary – based firms.

9 Highway 3 Corridor Transportation History

The majority of the communities along the Highway 3 Corridor were initially developed to take advantage of the local mineral deposits, with mineral exploration spurred on by the discovery of gold in many regions of BC in the mid 1800's. The influx of settlers to the Southern Interior was sparked by the discovery of gold at Rock Creek around 1860. Substantial deposits of other minerals were discovered, including coal, copper, lead, and zinc. By the 1890's several mines were in production, but the scale of operations was severely restricted by the transportation system, which consisted of wagon trails.

9.1 Rise and Decline of the Railway System

Growing traffic from mining operations spurred a lively competition in railway construction. The driving force was competition between the Canadian Pacific Railway (CPR) and J.J. Hill's Great Northern Railway. In 1899 the CPR line from Lethbridge through the Crows Nest Pass to Kootenay Landing was opened for traffic, securing access to the coalfields of Southeast BC. This was built with subsidies afforded by the Crows Nest Pass Agreement of 1897, which also set fixed rates on grain traffic.

The CPR (Columbia and Western Railway) reached Phoenix, the site of the largest mine, in 1900; the Great Northern in 1904. Smelters were constructed at Grand Forks, Greenwood, Boundary Falls and Trail. With the exception of the Trail refinery, the smelters were closed by 1920[48]. Some of the larger mines were worked as open pit operations from 1955 to 1978[49]. The granulated slag produced as waste from the Granby smelter at Grand Forks, which closed in 1919, is now processed and sold as an abrasive by Pacific Abrasives.

By 1916 the railway network included linkages eastward to the CP network via Castlegar and Nelson, westward to the Lower Mainland and the CP mainline at Spences Bridge via the Kettle Valley Railway, and southward to the Great Northern network at Spokane and Wenatchee. Local operations were also carried on to transport ore to the smelters. As the mining traffic waned and the highway system developed, the network was progressively dismantled.

- The section of the Kettle Valley Railway linking Hope and Princeton through the Coquihalla Pass was abandoned in 1959, severing the direct link between the Boundary region and the Lower Mainland.

- The line between Midway and Penticton was abandoned in 1972.

- CP's Princeton subdivision linking Penticton and Okanagan Falls to the CP Mainline at Spence's Bridge via Princeton and Merritt was abandoned in 1989.

- The section of CP's Boundary subdivision linking Grand Forks to Castlegar was abandoned in 1991, leaving the BNSF line through Kettle Falls the only remaining direct rail linkage to the North American mainline rail network. The Grand Forks Railway (GFR) purchased 3.7 miles of former CP track in 1993. GFR provides local switching services to Grand Forks shippers and receives a rate division from BNSF. GFR is now owned by Interfor.

- The Oroville-Wenatchee line, built by the GN in 1914, was sold by the BNSF in 1996 and now operates as the Cascade and Columbia River Railroad (CSCD).

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[48] THE BOUNDARY MINING CAMP History of Discovery and Development 1859 –1925 G.R Peatfield, Ph.D., P.Eng, Minerals South, Oct. 2009 http://www.ekcm.org/files/ms2009/presentations/Peatfield-web.pdf

[49] Mining History of the Boundary Country The Greenwood Heritage Society http://www.greenwoodcity.com/greenwoodheritage/History-Info/mining.html

- In 2004, Omnitrax took over operation of the BNSF lines in the Grand Forks area. The section of track from West Kettle Falls to San Poil was purchased, and the section from Chewelah to Columbia Gardens via the border crossing at Boundary was leased from BNSF. Omnitrax formed a subsidiary, the Kettle Falls International Railway (KFR), to operate the lines.

- KFR was granted permission for abandonment of the section of track from Danville to San Poil (mile 49 to mile 77) in 2006.

- A section of BNSF track from Columbia Gardens to Salmo was purchased by International Rail Road Systems (IRRS) in 1998. The section from Park Siding to Salmo was abandoned in 1998. IRRS was sold to ATCO Wood Products in May 2010. ATCO will continue operating IRRS from Fruitvale to Columbia Gardens to maintain direct rail service to their panel plant in Fruitvale.

- KFR advertised their intention to sell or abandon the line from Danville to the Laurier border crossing (mile 34 to mile 47) on September 22, 2010.

Rail service remains critical to major industry in the Highway 3 Corridor. The coal mining operations in the Crowsnest Pass generate 11 unit trains per day destined for offshore export markets via the Port of Vancouver. East of Cranbrook service is provided as far west as Castlegar and Trail by the Kootenay Valley Railway, an "internal shortline" railway created by agreement between CP and its unions in 1997. The Trail smelter relies on its connection to BNSF via the KFR shortline railway for the bulk of its inbound concentrates and outbound products transportation requirements.

9.2 Development of the Highway 3 Corridor

Highway 3, the Crowsnest Highway, was officially established in 1932, mainly following a mid-19th century gold rush trail originally traced out by an engineer named Edgar Dewdney. It takes its name from the Crowsnest Pass, the location at which the highway crosses the Continental Divide between British Columbia and Alberta. Development of the highway also took advantage of existing railway rights of way along portions of the route.

In the 1960s, the first major obstacle on Highway 3 was overcome when the road section from Christina Lake to Castlegar opened in October 1962. This 74-kilometre highway replaced the mountain gravel road that had been the old Cascade route and its alternative, a 118-kilometre trip through the United States via Kettle Falls. Other work on Highway 3 included widening and paving portions of the Hope-Princeton Highway and installing passing lanes on long grades.

In 1964 the Salmo-Creston section of Highway 3 was completed. This 67-kilometre section attains the highest elevation of any arterial highway in Canada, an altitude of 1,769 metres. This is a "short cut" in the truest sense of the word and provides an alternative to the 160-kilometre route through Nelson and along Kootenay Lake.

In 1965, the new Richter Pass route from Keremeos to Oliver was opened, shortening the trip through Kaleden and Okanagan Falls by 32 kilometres. Other sections of Highway 3 were also rebuilt from Greenwood to Grand Forks, Kitchener to Cranbrook, and several areas between Cranbrook and the Alberta boundary at Crowsnest Pass. Highway 3A between Castlegar and Nelson was completely rebuilt and a new route from Castlegar to Thrums, including bridges across the Columbia and

Kootenay Rivers, was also finished. This route enabled motorists to bypass the Castlegar - Robson Ferry. The completion of the Highway 3/Highway 22 interchange in 1999 further improved traffic flow on the two highways[50].

Over the past 10 years the Ministry has invested approximately $190 million in highway and bridge improvements in the study area. There is an ongoing focus on pavement resurfacing along with bridge rehabilitation and replacements to ensure that the condition of key infrastructure is maintained. Many structures along the corridor were constructed in the 1960s and are at that point in their lifecycle when attention is required in terms of preservation and/or replacement.

Capacity improvements have focused on the provision of passing and climbing lane sections in the eastern end of the corridor at Steamboat/CPR Hill, Motts Hill and Hosmer. A major realignment was completed at the Moyie Bluffs between Cranbrook and Yahk, while the Nelson WB passing lane was constructed in the west Kootenays.

Intersection and access management upgrades were undertaken throughout the corridor at locations such as the Fernie Ski Hill intersection access, along the Cranbrook arterial, Erickson, Yahk Weigh Scale and the junction of Highway 93, the Route 395 intersection and in Grand Forks.

[50] Information on development of the Highway 3 corridor is taken from Frontier to Freeway A short illustrated history of the roads in British Columbia BC Ministry of Highways http://www.th.gov.bc.ca/publications/frontiertofreeway/frontiertofreeway.pdf

10 Traffic Patterns on the Highway 3 Corridor

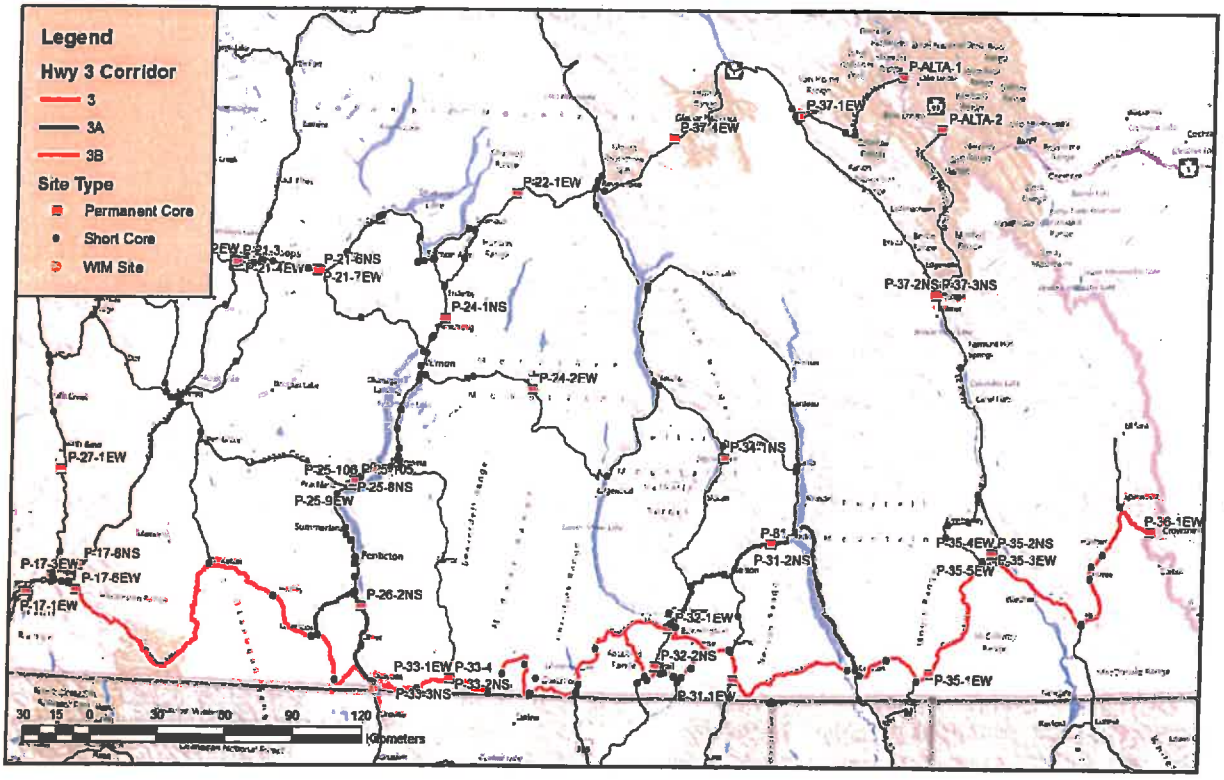
10.1 Data Sources and Methodology

The primary source of data on traffic volumes is the BC Ministry of Transportation and Infrastructure Permanent Count Stations. These are electronic sensors that automatically record data as vehicles pass over them. A limited number of these stations have the ability to classify traffic by vehicle length. Data is allocated to five separate "bins" by overall vehicle length. In the Highway 3 Corridor, there are 7 permanent count stations; all except two (Rock Creek and Wasa) are equipped to classify vehicles by length. A list and locations are shown below.

Figure 10-1 Highway 3 Permanent Count Stations with Classification

Highway 3 Permanent Count Stations with Classification		
Name	**Designation**	**Location**
Nicolum (Hope)	P-17-6EW - N	ROUTE 3, AT NICOLUM CREEK BRIDGE, AND 4.3 KM EAST OF ROUTE 5, EAST OF HOPE
Rock Creek	P-33-2NS - N	ROUTE 33 N&S/B THRU TRAFFIC, JUST NORTH OF ROCK CREEK CUT OFF ROAD, ROCK CREEK JCT
Castlegar	P-32-1EW - N	ROUTE 3, 5.1 KM WEST OF ROUTE 3A, CASTLEGAR
Salmo	P-31-1EW - N	ROUTE 3, 0.21 KM EAST OF ROUTE 6, SOUTH OF SALMO
Yahk	P-35-1EW - N	ROUTE 3/95, 2.4 KM EAST OF MOYIE RIVER BRIDGE, YAHK
Wasa (Cranbrook)	P-35-3EW - N	ROUTE 3/93 THRU TRAFFIC, JUST EAST OF ROUTE 93/95, EAST OF CRANBROOK
Crowsnest Pass	P-36-1EW - N	ROUTE 3, 2.0 KM WEST OF THE BC/ALBERTA BOUNDARY

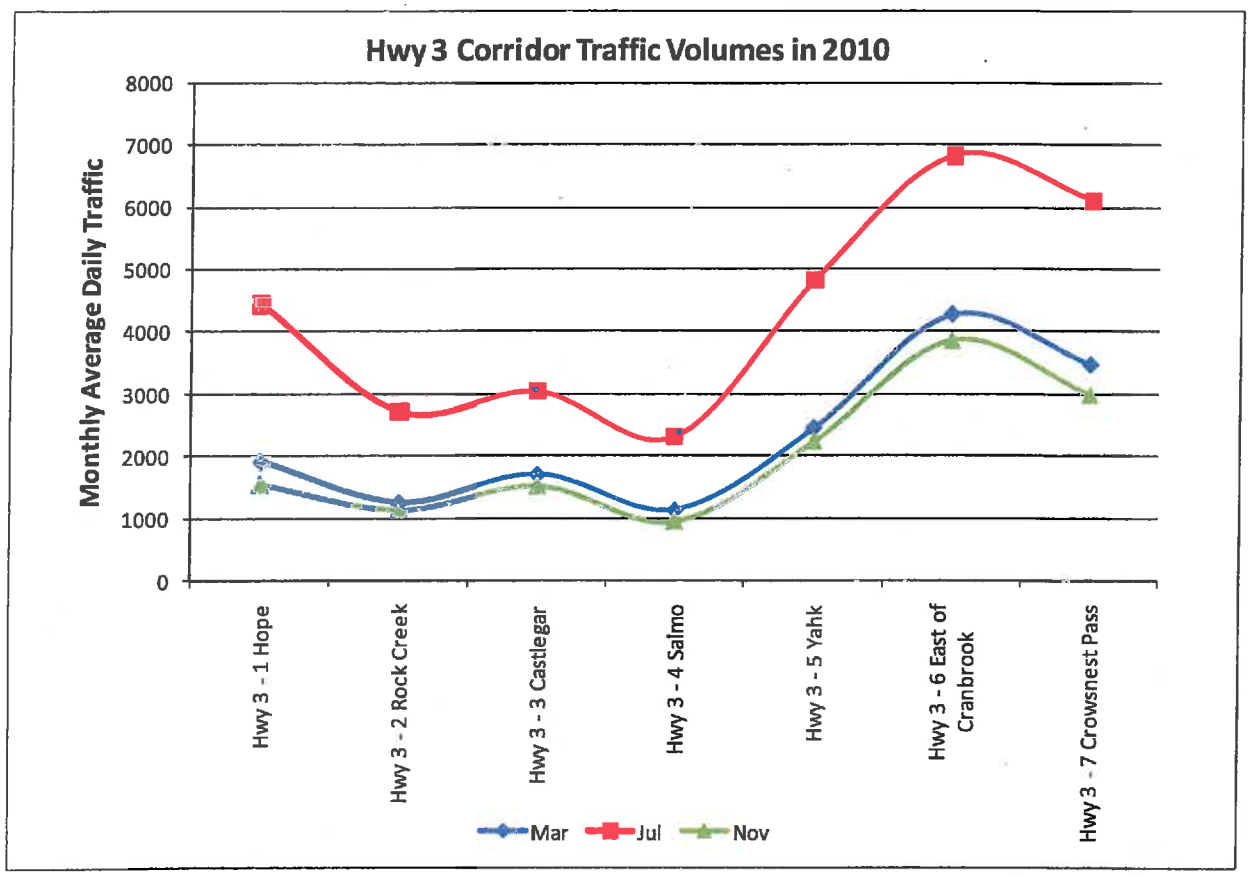
Figure 10-2 Permanent Count Station Locations



10.2 Corridor Traffic Patterns

Monthly average daily traffic volumes for March, July and November 2010 at the 7 permanent count sites on the Highway 3 Corridor are illustrated below. All sites show significant seasonality, with summer volumes much higher than winter. Traffic is concentrated at the ends of the corridor, and most particularly in the east section of the corridor at Cranbrook.

Figure 10-3 Highway 3 Corridor Traffic Volumes 2010



The series of figures below illustrate traffic patterns at each of the permanent count stations along the Highway 3 Corridor[51]. Trends are shown in the form of 12 month moving averages for both variables. Although the volumes differ at specific stations, the patterns are essentially similar throughout the corridor.

- Traffic at all of the sites stagnated at all of the sites over the last 5 years, with the exception of the Nicolum station on the Hope-Princeton section which showed a slight decline. Traffic on this segment may have been negatively affected by the removal of tolls on the Coquihalla Highway in 2008, which reduced the cost of using this route as an alternative to Highway 3.

- All stations display high seasonality, with summer peaks at approximately 2 to 3 times the winter time volumes.

[51] Statistics depicted include Monthly Average Weekend Traffic (MAWET) and Monthly Average Weekday Traffic (MAWDT).

Figure 10-4 Highway 3 Corridor Traffic Patterns 2006 – 2010: Hope

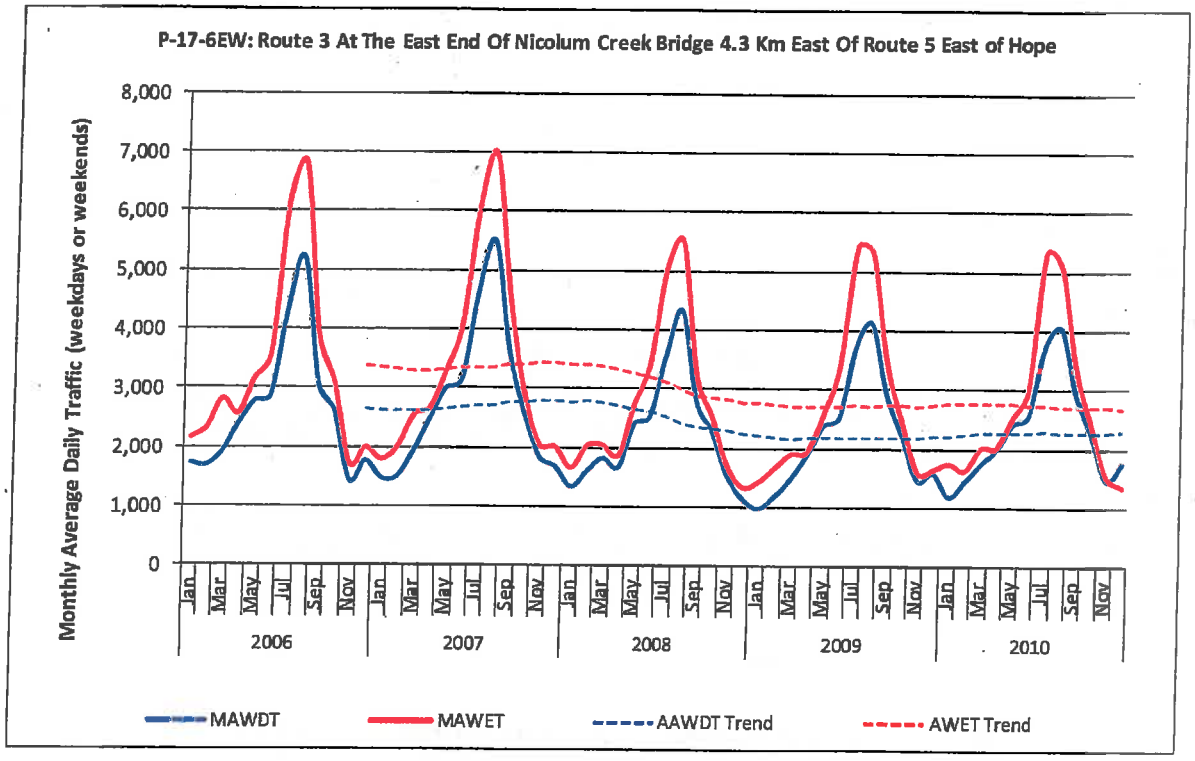


Figure 10-5 Highway 3 Corridor Traffic Patterns 2006 – 2010: Rock Creek

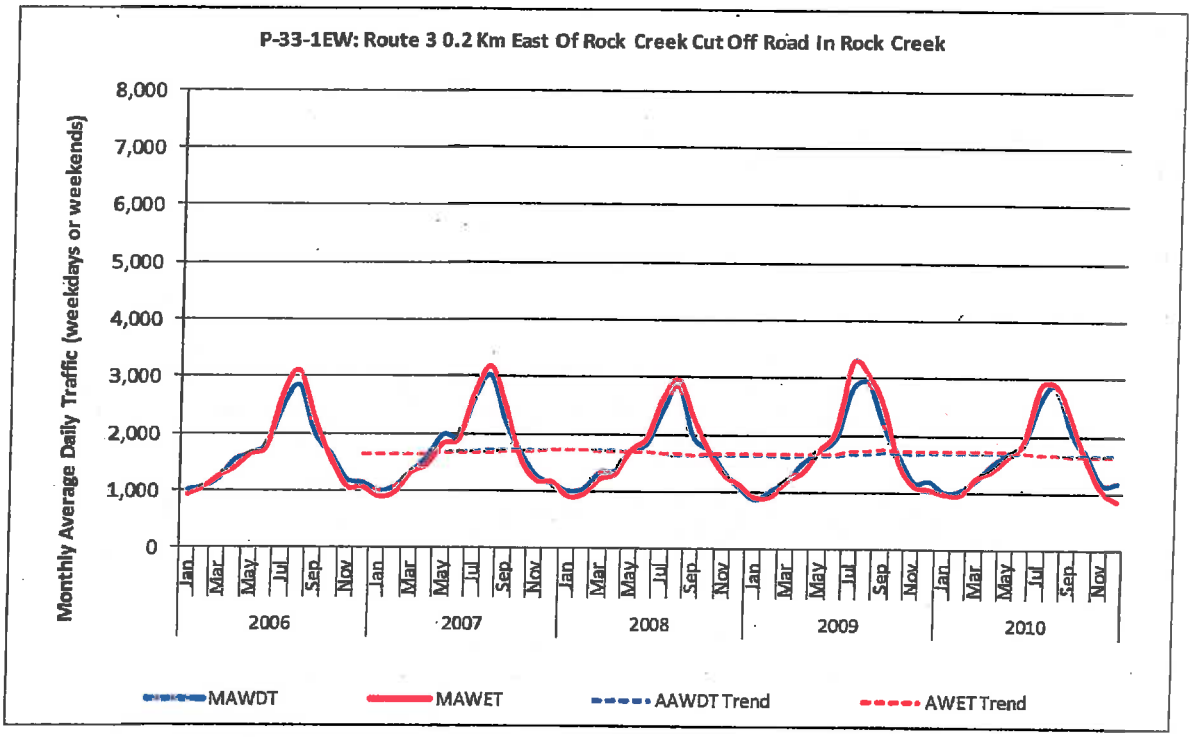


Figure 10-6 Highway 3 Corridor Traffic Patterns 2006 – 2010: Castlegar

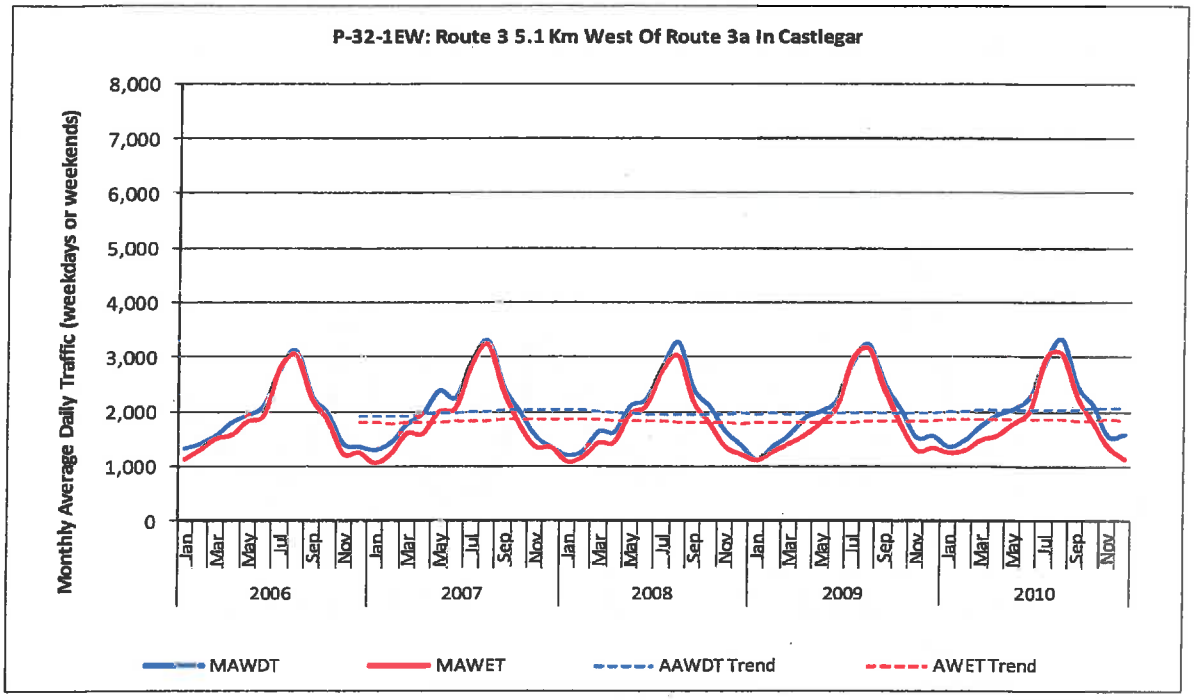


Figure 10-7 Highway 3 Corridor Traffic Patterns 2006 – 2010: Salmo

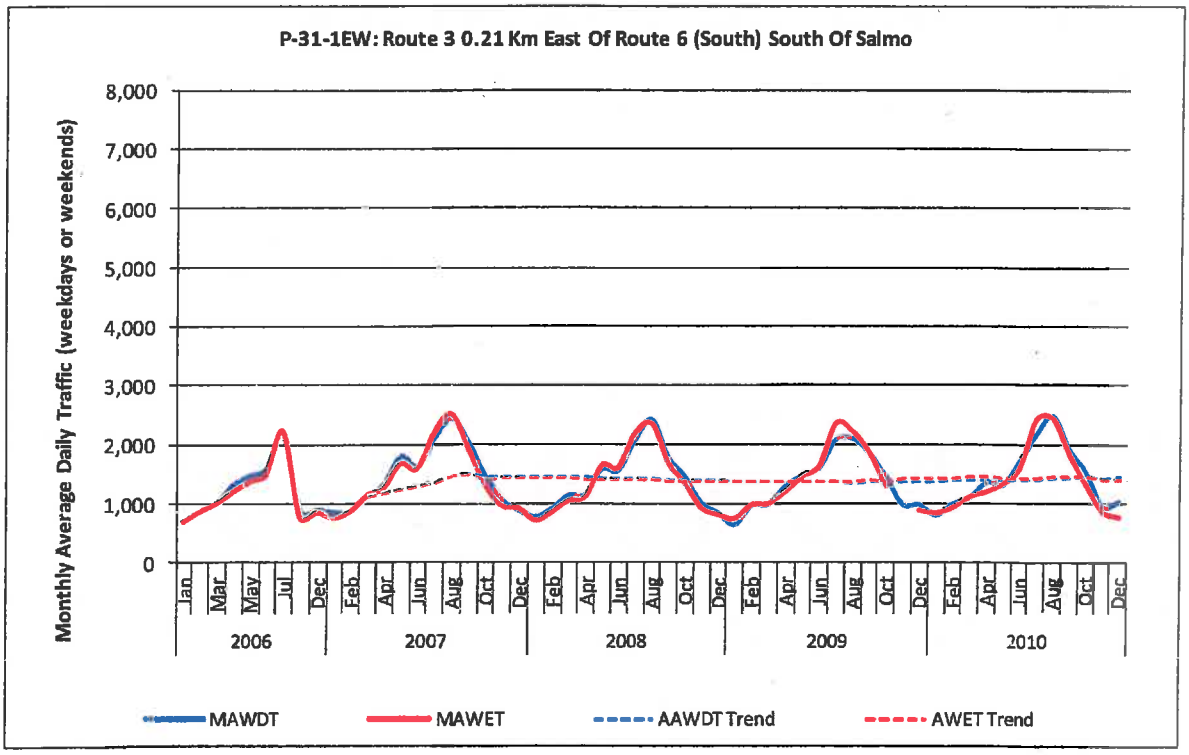


Figure 10-8 Highway 3 Corridor Traffic Patterns 2006 – 2010: Yahk

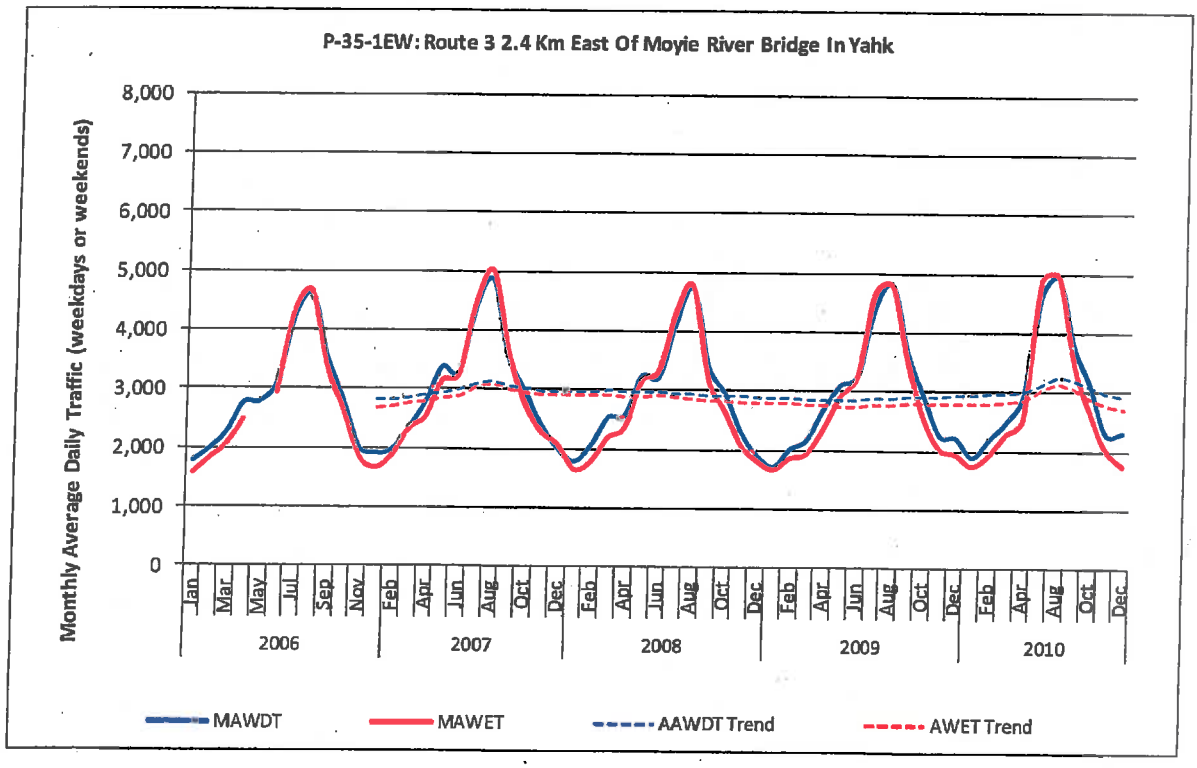


Figure 10-9 Highway 3 Corridor Traffic Patterns 2006 – 2010: Cranbrook

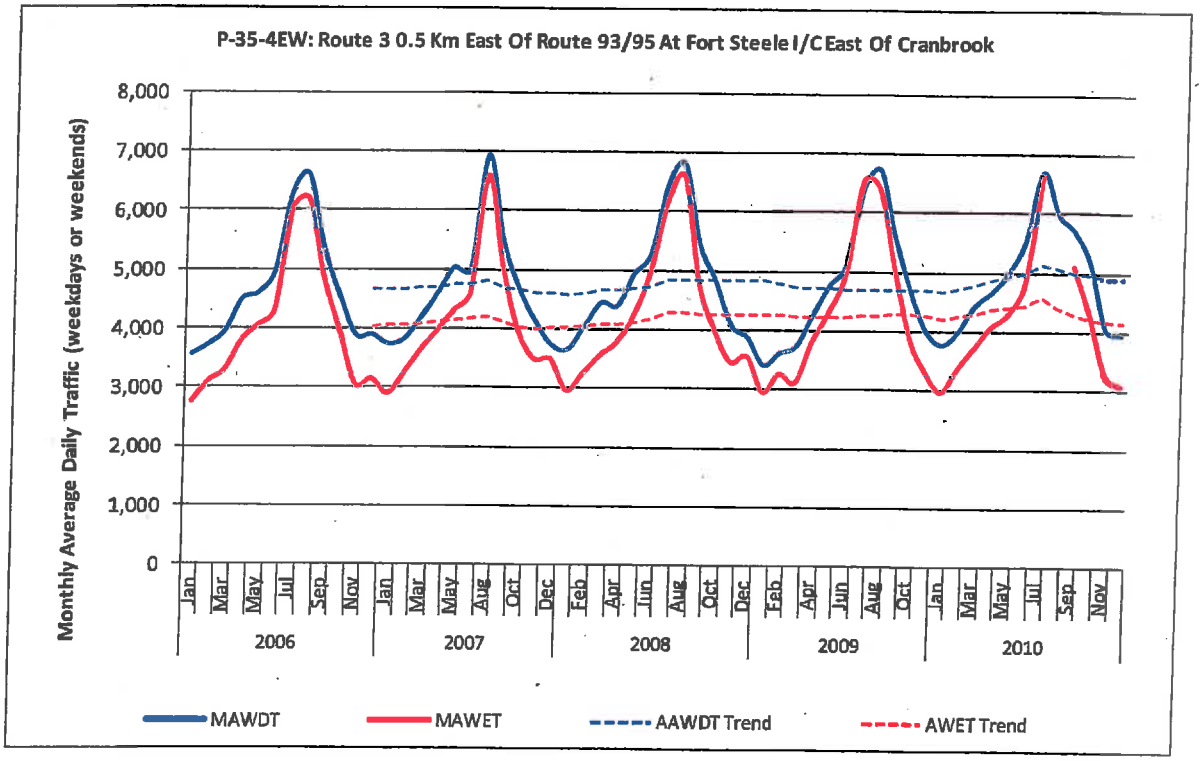
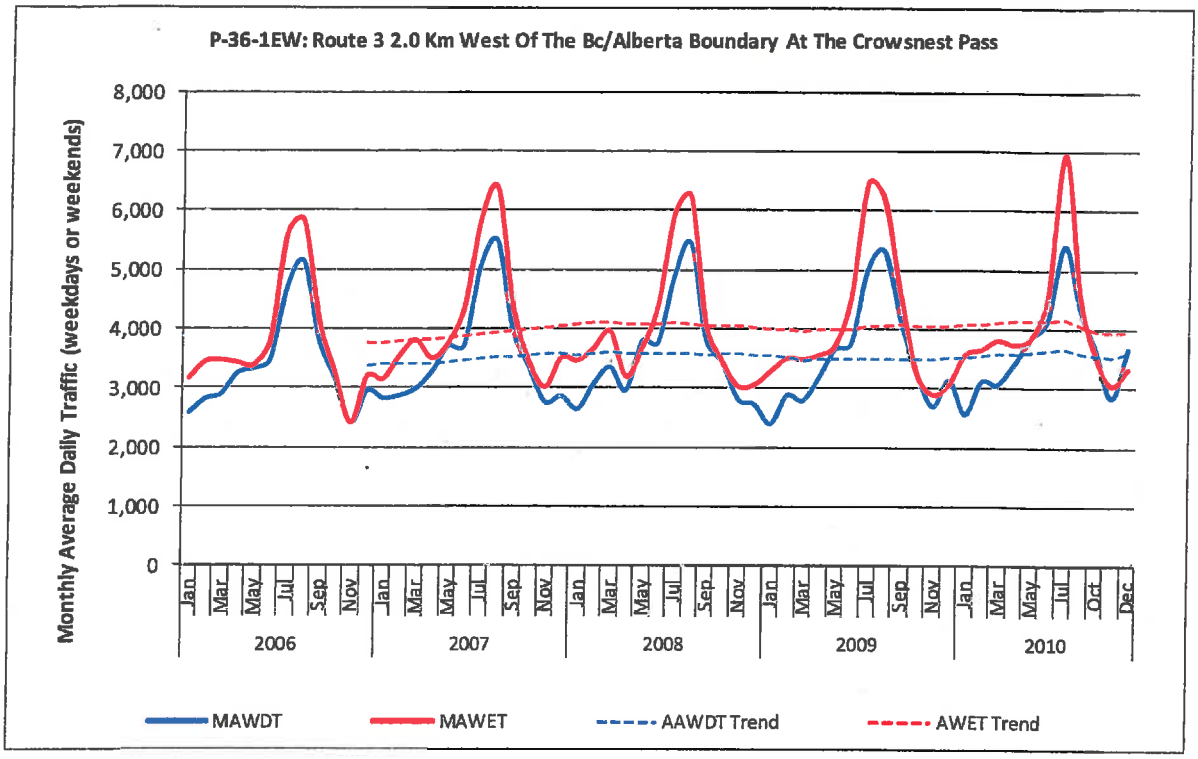


Figure 10-10 Highway 3 Corridor Traffic Patterns 2006 - 2010: Alberta Border



11 Truck Traffic

Data for analysis of truck traffic is collected by the five Permanent Count Stations with length classification capabilities on the Highway 3 Corridor. The categories of primary interest in identifying heavy commercial truck traffic are the 12.5 to 22.5 metre bin, which captures standard single trailer semitrailers; and the 22.5 to 35 metre bin, which captures double trailer Super B-train trucks which are commonly used in BC for transporting heavy bulk commodities

Classification of vehicles by length does not positively identify heavy commercial trucks due to the presence of significant quantities of Recreational Vehicles travelling on major highways which fall into the same 12.5 to 22.5 metre category as semitrailers. For purposes of this study, an estimate of the share of RV's in the 12.5 to 25 metre category has been developed using data from the Kingsgate/Eastport border crossing.

There are two separate systems for classifying traffic at the border. The Idaho Transportation Department maintains a permanent count station at Copeland, just south of the border on US I-95 which classifies vehicles by length. US Customs and Border Protection classifies vehicles by category (trucks, autos, etc) as they cross the border southbound. The number of recreational vehicles falling into the semitrailer length category has been estimated in the following manner:

- The number of recreational vehicles in the traffic mix was estimated by subtracting double the reported CBP trucks crossing the border (to account for both northbound and southbound traffic) from total traffic in the truck length categories reported by Idaho Transportation Department.

- The percentage of recreational vehicles in the semitrailer category was estimated by dividing the estimated number of recreational vehicles by the total traffic in the semitrailer length category.

The resulting estimate of the share of recreational vehicles in the semitrailer category in 2010 is shown below.

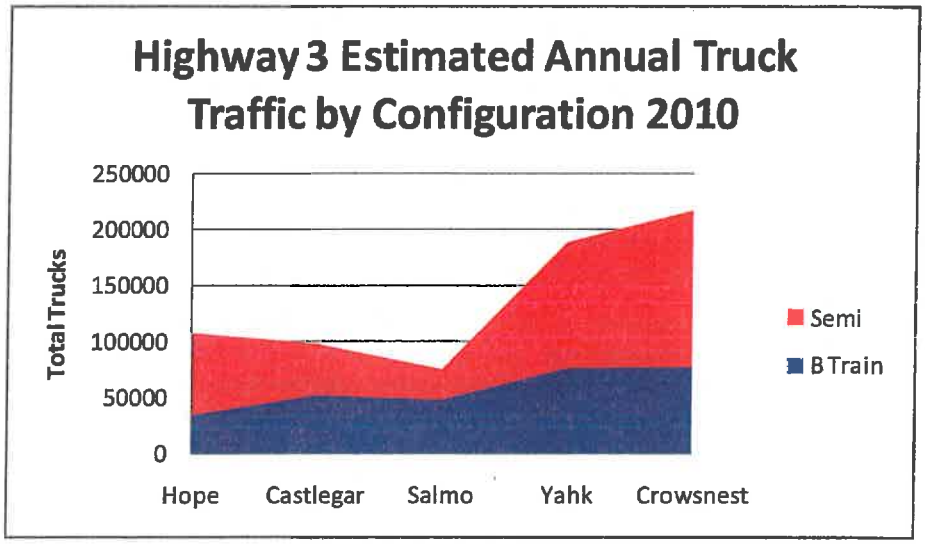
Figure 11-1 Estimated RV Traffic Kingsgate/Eastport Border Crossing 2010

Estimated RV Traffic Kingsgate/Eastport Border Crossing	
CBP Annual SB Trucks	53090
Estimated NB and SB Annual Trucks	106180
Estimated CBP AADTT	291
IDT Copeland AADTT	317
Average Daily RV's	26
IDT Average Daily Semitrailer	236
Estimated % RV"s	11%

11.1 Highway 3 Corridor Truck Traffic Volumes

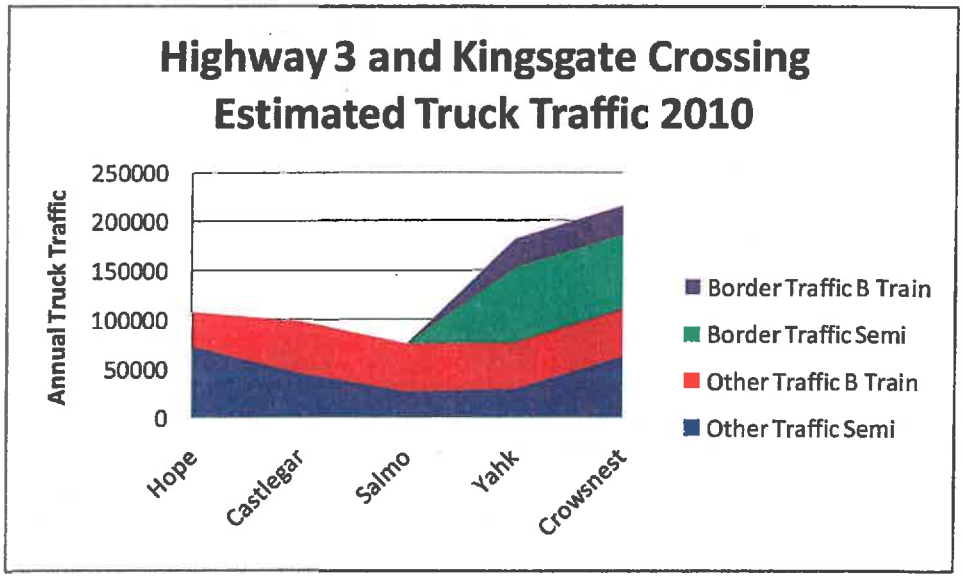
The figure below illustrates annual traffic volumes by truck configuration at the permanent count station locations on the Highway 3 Corridor. Semitrailer truck traffic has been estimated as 89% of the total traffic in the 12.5 to 22.5 metre category based on the estimate developed above.

Figure 11-2 Highway 3 Corridor Truck Traffic by Vehicle Configuration 2010



Traffic is much higher in the eastern section of the corridor. This is a reflection of the role of this section in crossborder exports of Alberta commodities to Western US destinations. A similar figure illustrating the volume of total traffic between Yahk and the Alberta border attributable to trucks crossing the border at the Kingsgate/Eastport border crossing is shown below.

Figure 11-3 Highway 3 Corridor and Border Crossing Traffic 2010



Based on these estimates, transborder traffic accounts for approximately half of total truck traffic between Yahk and the Alberta border, primarily in the semitrailer category.

This traffic pattern is consistent with previous estimates of truck traffic origin-destination patterns through the Kingsgate crossing. Origin/destination surveys of trucks at the Kingsgate crossing were conducted in

February and August 2001 as part of a study conducted for the BC Ministry of Transportation on upgrading the Yahk weigh scale. The results indicated that traffic originating in Alberta, Saskatchewan or Manitoba accounted for 32% of southbound trips and 38% of northbound trips; eastern BC accounted for 6.1% of southbound trips and 7.6% of northbound trips. Together these accounted for virtually all of the crossborder traffic. Traffic originating or destined for BC west of Yahk was insignificant.

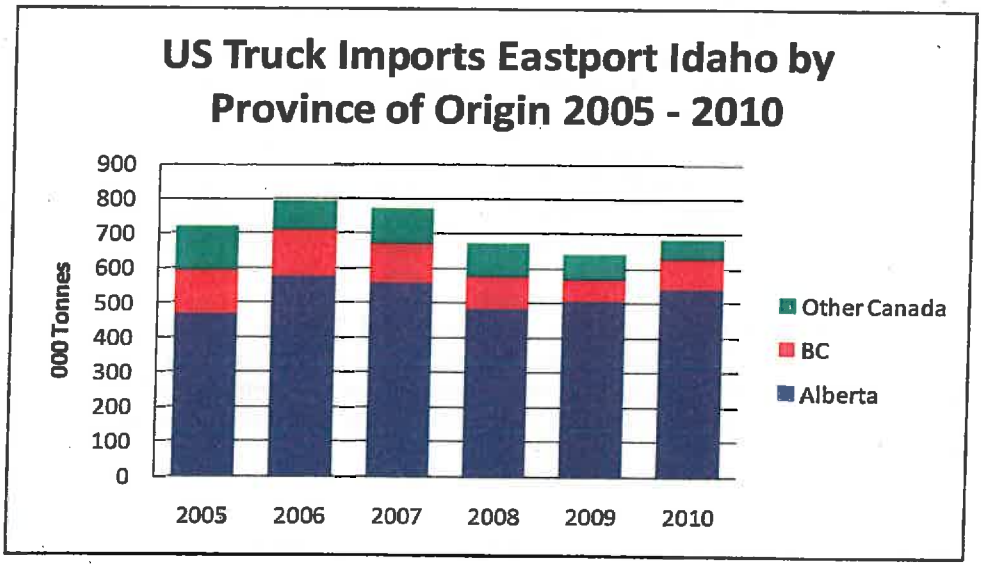
Figure 11-4 Kingsgate Border Crossing Truck Origin-Destination Data 2001

Kingsgate Truck Origins and Destinations 2001							
	Destinations						
	Western US	Eastern BC	Alberta, Sask, Man.	BC West of Yahk	Others	Unknown	Total
Origins							
Western US	0.3%	7.6%	38.1%	0.9%	0.5%	0.3%	47.7%
Eastern BC	6.1%	0.3%	0.0%	0.0%	0.3%	0.0%	6.7%
Alberta, Sask, Man.	32.3%	0.0%	0.0%	0.0%	0.2%	0.9%	33.4%
BC West of Yahk	0.3%	0.0%	0.6%	0.0%	0.0%	0.0%	0.9%
Others	0.5%	0.5%	0.2%	0.0%	0.0%	0.0%	0.8%
Unknown	0.0%	0.0%	1.2%	0.0%	0.6%	8.7%	10.5%
Total	39.5%	8.4%	40.1%	0.9%	1.2%	9.9%	100.0%

The study concluded that over half of the truck traffic crossing the Yahk scale was cross-border traffic.[52]

Data on commodities imported into the US shows a similar pattern. In 2010 BC origins accounted for 12% of commodity imports by weight, compared to 79% for Alberta and 8% for other Canadian origins.[53]

Figure 11-5 US Truck Imports Eastport Idaho by Province of Origin 2005 - 2010



[52] Project 31445 - Yahk Weigh Scale, Highway 3/95 Updated Business Case for Property Acquisition and Construction ND Lea Consultants for BC Ministry of Transportation May 2004 p. 5.
[53] Source: US Bureau of Transportation Statistics
http://www.bts.gov/programs/international/transborder/TBDR_BC/TBDR_BC_Index.html

Based on stakeholder interviews and observations by the consulting team, trucks carrying live cattle account for a significant portion of crossborder traffic. The volume of this traffic was sufficient to convince the Washington State legislature to pass a law requiring commercial cattle trucks entering Washington's Pend Oreille and Spokane counties from Idaho to stop at a port of entry for inspection or face a $1,000 fine. The sponsor of the law, Rep. Matt Shea, R-Spokane Valley, indicated that hundreds of Canadian cattle trucks enter Washington weekly from the Idaho border, and that many have been avoiding the Interstate 90 port of entry inspection station east of Spokane by taking Highway 290 north of I-90.[54]

11.2 Truck Traffic – Mining and Mineral Processing

The major mining and mineral processing operations in the Highway 3 Corridor are the Teck Coal mines in the Crowsnest Pass and the Teck metals smelter in Trail. Both rely primarily on rail for the bulk of their transportation requirements. However, the Highway 3 Corridor is critical to both operations.

Coal from Teck's Crowsnest Pass mine is transported by rail to the Port of Vancouver for export. However, a small volume (approximately 200,000 tonnes per year) is shipped by truck to a local consumer. In addition, the road system is used to transport raw coal among the mines to balance mining and processing capacity. Mining supplies are trucked to the mines, including fuel, ammonium nitrate for use in producing explosives, machinery parts and other supplies. In addition, contractors account for a significant quantity of smaller truck traffic. Buses used to transport Teck workers between the mines and Sparwood, Elkford, Crowsnest and Fernie also account for approximately 60 bus trips per day.

The Trail smelter relies primarily on north-south transportation for its inputs and products. The Trail smelter operation is one of the world's largest fully integrated zinc and lead smelting and refining complexes, and includes the Waneta hydroelectric dam and transmission system. The metallurgical operations produce refined zinc and lead and a variety of precious and specialty metals, chemicals and fertilizer products. In addition to southbound shipments of lead, zinc, fertilizers and chemicals, this facility generates significant northbound traffic in the form of lead-zinc concentrates to be processed. The major source of concentrates is the Red Dog mine in Alaska. Concentrate shipments from the Red Dog mine totalled approximately 1.4 million tonnes in 2009.[55] Teck Cominco indicates that 30% of Red Dog production is sold for processing at the Trail facility[56] which implies total shipments from this source of 420,000 tonnes or approximately 9300 truckloads. Additional concentrates are imported from other sources. Concentrate from Red Dog is shipped via the Kinder Morgan Vancouver Wharves terminal at Port Metro Vancouver and then interchanged by CN Rail with BNSF for shipment via the Kettle Falls International Railway (KFR) to a bulk reload centre at Waneta, BC. The concentrate is then trucked approximately 9 km to the refinery (8 km on the section of Highway 3 between Waneta Junction and Trail). The reload facility for inbound concentrates is owned by Teck Cominco and operated by Trimac Transportation. Another bulk reload centre operated by Westcan Bulk Transport is used to transfer outbound chemicals and fertilizer to the KFR. Inbound and outbound rail shipments are closely balanced.

The Trail facility generates truck traffic between Vancouver and Trail on the Highway 3 Corridor for transportation of concentrates on occasions when rail capacity is insufficient to supply the refinery's requirements. In addition, the Trail operations generate eastbound movements of fertilizer (primarily in spring). Ammonium sulphate fertilizer produced at Trail is marketed and distributed by International Raw Materials Ltd. of Philadelphia.

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[54] "Governor signs Shea bill requiring commercial cattle trucks entering from Idaho to stop at port-of-entry inspection stations" Washington House Republicans website http://houserepublicans.wa.gov/news/agriculture-water/governor-signs-shea-port-of-entry-bill/

[55] Alaska's Mineral Industry 2009: A Summary Information Circular 60 by R.A. Hughes, D.J. Szumigala, and L.A. Harbo, Division of Geological & Geophysical Surveys, June 2010 http://www.dggs.alaska.gov/webpubs/dggs/ic/text/ic060.PDF

[56] Teck Annual Information Form 2010 Teck Resources Ltd. March 15, 2010 p. 7 http://www.teck.com/DocumentViewer.aspx?elementId=155506&portalName=tc

In addition to traffic generated by inbound raw materials and outbound products and by-products, Teck smelter operations generate inbound shipments of electronics waste which is used as raw material for their Electronics Recycling Process. In 2008 the company recycled approximately 8,000 tonnes of electronic waste; total capacity of the operation was reported to be 16,000 tonnes. The 2008 inbound shipment level of 8 tonnes could theoretically be handled by 200 Super B-train trucks; even if the operation runs at full capacity the truck traffic would remain a small portion of the overall traffic generated by the Trail smelter.[57]

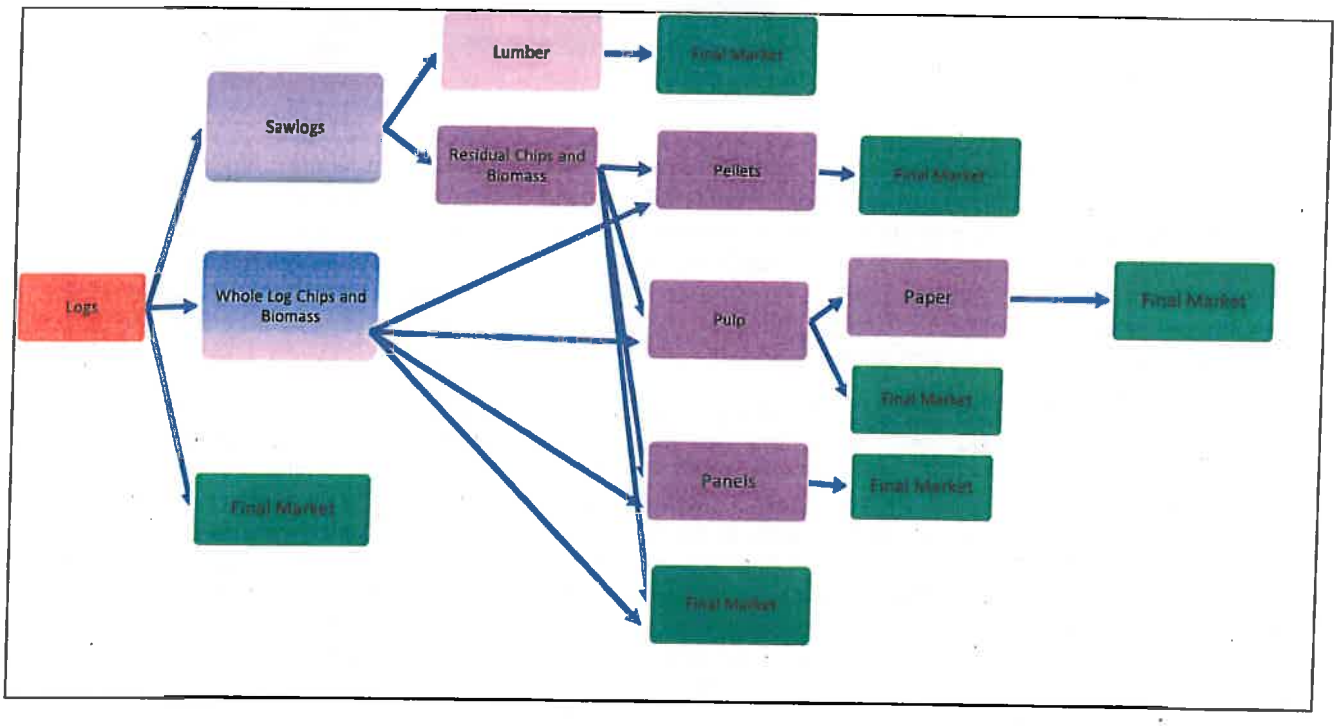
The Copper Mountain Mine 15 km south of Princeton on Highway 3 mine is expected to be in full production by November 2011. The mine is designed to produce approximately 105 million pounds of copper (approximately 48,000 tonnes) per year in copper concentrate. The concentrate is to be trucked to the Kinder Morgan Vancouver Wharves terminal in North Vancouver for export. Based on a payload of 50 tonnes for each Super B-Train truck, this amounts to approximately 950 truckloads per year or approximately 3 per day.

While the mining sector will benefit from reduced travel times on the Highway 3 Corridor, it seems unlikely that any additional traffic will be induced by highway improvements.

11.3 Truck Traffic – Forest Products

The forest product industry is the largest generator of industrial truck traffic on the Highway 3 Corridor. The industry relies on truck transportation for almost all of its transportation needs. This includes transportation of logs to mills, transportation of finished products to market, and transportation of raw materials and by-products among mills. A diagram illustrating the flow of raw materials, by-products and finished products is shown below.

Figure 11-6 Forest Industry Products Flow

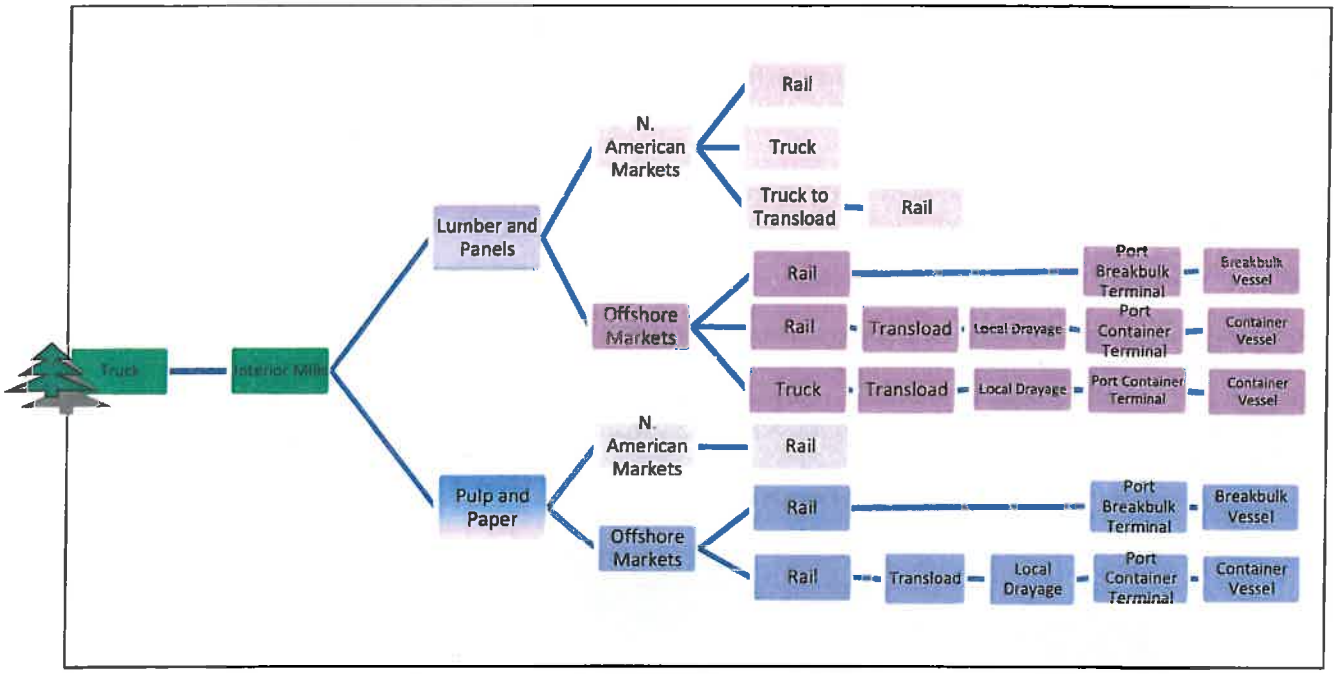


[57] Teck website http://www.teck.com/Generic.aspx?PAGE=Teck+Site%2FResponsibility+Pages%2FRecycling&portalName=tc

In addition to these products, mills produce hog fuel (waste from processing operations including bark, etc.) which is burned to provide energy for mill operations or in cogeneration facilities to produce electricity for sale to the BC Hydro grid.

A similar diagram illustrating forest industry logistics is shown below.

Figure 11-7 Interior Forest Industry Logistics



The largest generators of forest products truck traffic are the Celgar pulp mill in Castlegar and the Tembec pulp mill in Skookumchuck north of Cranbrook. The primary raw material for production of pulp is wood chips. These are produced as a by-product of sawmill operations, or by chipping whole logs. The Castlegar mill currently produces approximately 30% of its wood chip requirements through on-site chipping operations in the pulp mill woodroom. Tembec sources a similar percentage of its fibre supply from whole-log chipping, but the mill has no wood room and the company relies on mobile chipping equipment which processes pulp logs in proximity to timber harvesting operations.

The Celgar mill generates approximately 45,000 inbound truckloads per year of wood chips and/or pulp logs as raw material for pulp production. The Tembec mill receives approximately 25,000 truckloads per year of wood chips. Almost all of these trips are one-way loaded i.e. the trucks travel empty on the return trip. Wood chips are sourced from as far away as Central Alberta to the east and the North Okanagan to the west. Significant quantities are also trucked from mills in the US. Trucks used within Canada are almost entirely Super B Trains; trucks used on cross-border trips are more likely to be 53 foot chip vans due to the lower weight limits on US highways which prohibit the use of fully loaded Super B Trains. Most outbound pulp is shipped via rail though a portion may be shipped by truck. The Celgar mill ships pulp to Columbia Gardens Reload in Columbia Gardens for transloading to rail cars for further shipment on the BNSF rail network in the US. Both Celgar and Tembec have contracts with BC Hydro to sell electricity onto the provincial grid; this results in considerable additional truck traffic transporting hog fuel to the Tembec mill. Trucking rates are based on cycle times (round trip times from origin to destination) and fuel costs, and are renegotiated frequently.

Truck traffic to sawmills includes inbound logs for processing, outbound hog fuel, sawdust and wood chips, and lumber and other wood products for final market destinations. With the decline in lumber sales to US

markets following the 2008 recession, a larger portion of lumber production is destined for offshore markets. For mills along the Highway 3 Corridor, these shipments are typically trucked from the mill to reload centres in the Lower Mainland for loading into containers or directly to port terminals for shipment via breakbulk vessels.

Origin-destination patterns for forest inputs, by-products and final products differ significantly from year to year due to changes in timber harvesting patterns, activity levels in sawmill operations, and commercial contracts for supply of wood chips and other commodities. As noted previously in the report, the potential for new mill construction is constrained by the availability of fibre. It would be difficult for a new entrant to construct a mill of significant size in the absence of a firm timber supply. Consequently we do not anticipate any increase in forest products traffic will be induced by reductions in travel time on the Highway 3 Corridor.

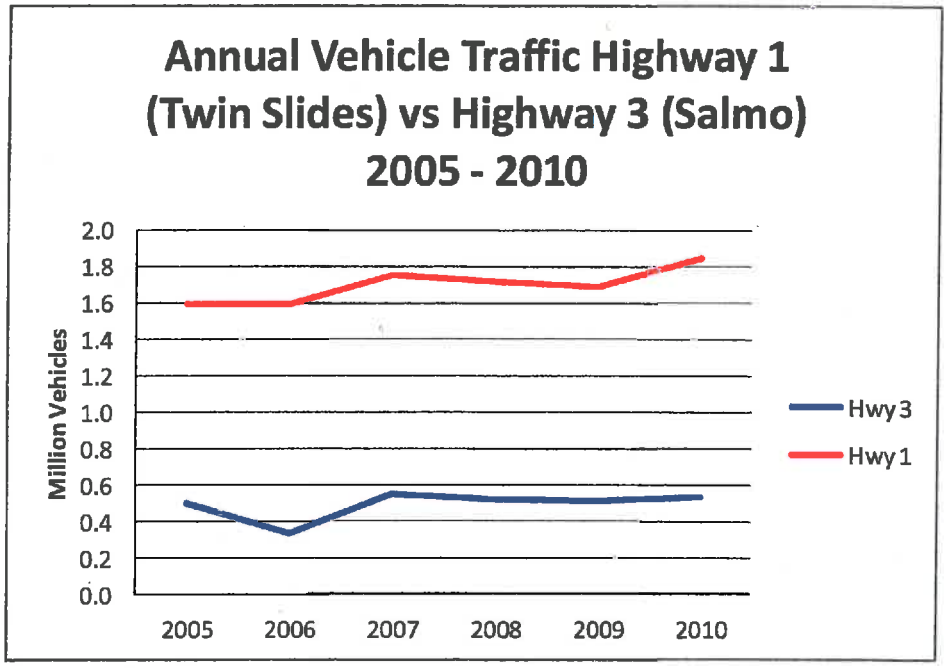
12 Through Traffic on the Highway 3 Corridor

In addition to its appellation as the Crowsnest Highway, Highway 3 has also been referred to as the Southern Trans-Provincial Highway. While Highway 3 does traverse the southern portion of the province, based on traffic patterns it does not function as a major transportation corridor for through traffic along its full length. For through traffic, the Highway 3 Corridor is not competitive with other routes in terms of travel times and costs.

12.1 Travel Times and Distances

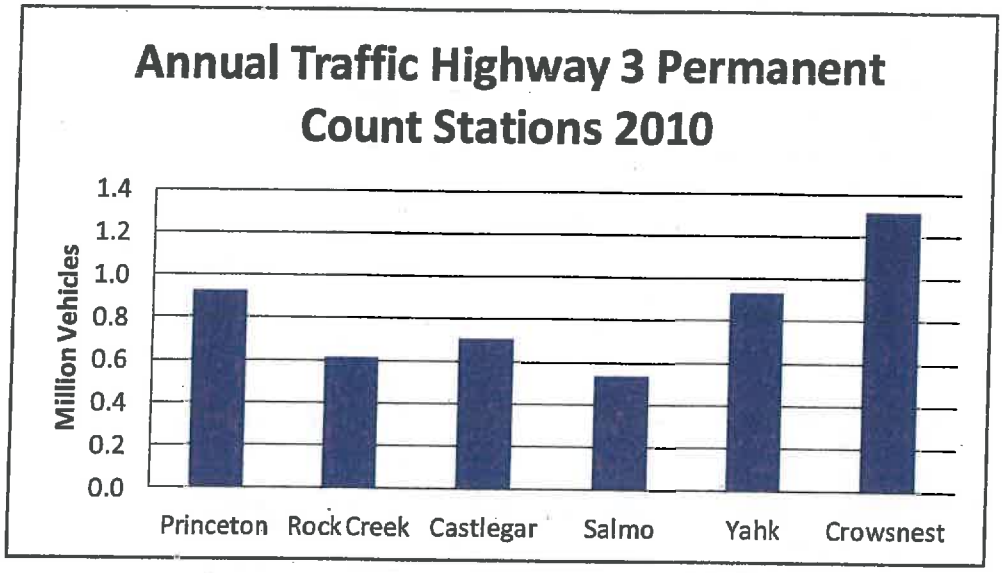
The major trans-provincial traffic flows in Southern and Central BC are personal travel and freight traffic between the major urban centres if BC's Lower Mainland and Calgary. The primary route for this traffic is Highway 1 (the Trans Canada Highway) and since completion of the Coquihalla Highway in 1987, Highway 5 linking eastern and western sections of Highway 1 through the shorter routing via the Coquihalla Pass. Traffic on the Trans Canada Highway relative to Highway 3 is shown below. The traffic volumes are taken from permanent count stations in the central section of each highway as the most accurate reflection of through traffic transiting the corridors: the Twin Slides station (P-37-4EW – N) approximately 47 km east of Revelstoke for Highway 1, and the Salmo station (P-31-1EW – N) .2 km east of Route 6, south of Salmo. Traffic levels on Highway 1 are approximately four times higher than on Highway 3.

Figure 12-1 Annual Traffic Highway 1 vs Highway 3



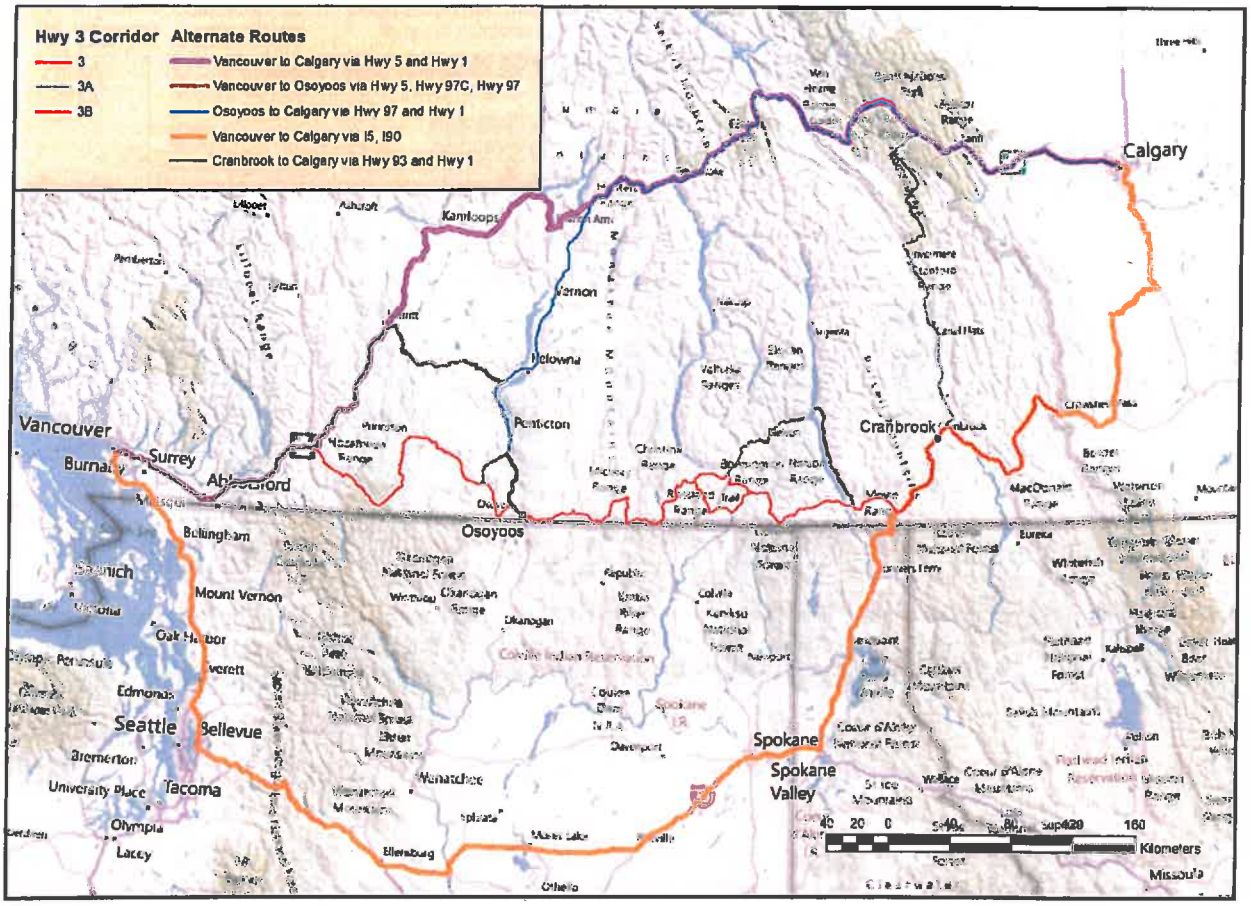
The pattern of traffic volumes through the Highway 3 Corridor is shown below. Traffic is highest at the Alberta border and declines significantly between the Yahk station and Salmo. The relatively low volumes in the central section of the corridor indicate that its major function is not as a continuous trans-provincial corridor.

Figure 12-2 Annual Vehicle Traffic Highway 3 Corridor 2010



This pattern is a reflection of the availability of alternative routes to bypass the Highway 3 Corridor for east-west travel to the north on the Trans-Canada Highway or to the south via U.S. highways, for traffic between the major centres of the Lower Mainland and Calgary and between the major centres and points within the corridor.

Figure 12-3 Alternative Routes to Highway 3



For purposes of comparing distances and travel times for alternative routings, data has been retrieved from Google maps. While it is not possible to verify the accuracy of Google maps data, it does represent a major source of information and is one of the most accessible sources to travellers.

12.1.1 Vancouver to Calgary

Estimated travel times and distances for through trips between Vancouver and Calgary via Highway 3 and alternative routes are shown below.

Figure 12-4 Distances and Travel Times Vancouver - Calgary

Origin	Destination	Routing	Distance	Travel Time Hrs	Travel Time Min
Vancouver	Calgary	Coquihalla-Hwy 1	972	12	19
Vancouver	Calgary	I-90	1365	15	16
Vancouver	Calgary	Hwy 3	1232	16	49

The penalty for travelling Highway 3 vs Highway 1 is additional distance of 260 km and approximately 4.5 hours in travel time. The US route via Seattle and Spokane is only 133 km longer but travel time is estimated at approximately 1.5 hours less. However, the US route may be subject to delays at border crossings and congestion in Seattle.

12.1.2 Osoyoos to Vancouver and Calgary

Distances and travel times between Osoyoos and Vancouver, and Osoyoos and Calgary, are shown below. Highway 3 is 78 km shorter and has a travel time advantage of approximately 30 minutes over Highway 97 and the Coquihalla. However, the trip to Calgary is 103 km shorter and has a travel time savings of an hour over Highway 3.

Figure 12-5 Distances and Travel Times Osoyoos – Vancouver and Osoyoos – Calgary

Origin	Destination	Routing	Distance	Travel Time Hrs	Travel Time Min
Osoyoos	Vancouver	Hwy 3	398	5	35
Osoyoos	Vancouver	Hwy 97 - Coquihalla	476	6	3
Osoyoos	Calgary	Hwy 3	834	11	14
Osoyoos	Calgary	Hwy 97 - Hwy 1	731	10	13

12.1.3 Alberta Border to Vancouver via US I-90

For through trips between Calgary and for points in the eastern section of the Highway 3 Corridor the US routing to the West Coast via Spokane and US I-90 represents an alternative. Distances and travel times between Calgary and Seattle are shown below.

Figure 12-6 Distances and Travel Times Calgary – Seattle

Origin	Destination	Routing	Distance	Travel Time Hrs	Travel Time Min
Calgary	Seattle	Hwy 3 - Kingsgate - US I-90	1138	12	53
Calgary	Seattle	Hwy 1 - US I-5	1262	15	51
Calgary	Seattle	Hwy 3 - Oroville - US I-90	1289	16	10
Calgary	Seattle	AB Hwy 2 - Coutts - US I-90	1511	16	18
Calgary	Seattle	Hwy 3 - Sumas - US I-5	1345	17	48

The route over Highway 3 crossing the border at Kingsgate represents the shortest alternative with a distance of 1138 km and a travel time of approximately 13 hours. Travelling further west on Highway 3 imposes a significant penalty in travel time in spite of modest differences in distance; crossing at Oroville rather than Kingsgate results in an increase of approximately 3.3 hours.

The US route is also estimated to be superior for travel between points in the eastern section of the corridor and Vancouver. Estimated distances and travel times are shown below. Google maps recommends the US routing for travel between Vancouver and Creston and all points east on the Highway 3 Corridor due to lower travel times, in spite of longer distances.

Figure 12-7 Distances and Travel Times Eastern Points in the Highway 3 Corridor and Vancouver

Origin	Destination	Routing	Distance	Travel Time Hrs	Travel Time Min
Creston	Vancouver	I-90	893	9	37
Creston	Vancouver	Hwy 3	737	10	37
Cranbrook	Vancouver	Hwy 3	843	12	1
Cranbrook	Vancouver	I-90	967	10	27

12.1.4 Eastern Portion of Highway 3 Corridor and Calgary

Distances and travel times between Calgary and eastern points on the Highway 3 Corridor (Cranbrook and Creston) are shown below. Highway 3 is superior to the alternative route via Highway 95 in both distance and travel time.

Figure 12-8 Distances and Travel Times Eastern Points in the Highway 3 Corridor and Calgary

Origin	Destination	Routing	Distance	Travel Time Hrs	Travel Time Min
Calgary	Cranbrook	Hwy 3	388	4	48
Calgary	Cranbrook	Hwy 1 - Hwy 95	406	5	34
Calgary	Creston	Hwy 3	493	6	10
Calgary	Creston	Hwy 1 - Hwy 95	511	6	55

12.1.5 Travel Time Summary

The following summary table compares travel times on the Highway 3 Corridor for trips between Vancouver and Calgary, and points in the eastern and western section of the corridor, relative to competing routes. For Vancouver to Calgary trips, travel time via Highway 1 is 4.5 hours shorter than the Highway 3 Corridor. For trips from the western section of the corridor to Calgary, the Highway 97-Highway 1 route is an hour faster. For travel from the eastern section of the corridor to Vancouver (Cranbrook to Vancouver), the US I-90 route is 1.6 hours faster in spite of longer distance. Highway 3 has a modest travel time advantage at the ends of the corridor, with a travel time advantage of half an hour between Osoyoos and Vancouver, and approximately 50 minutes between Cranbrook and Calgary.

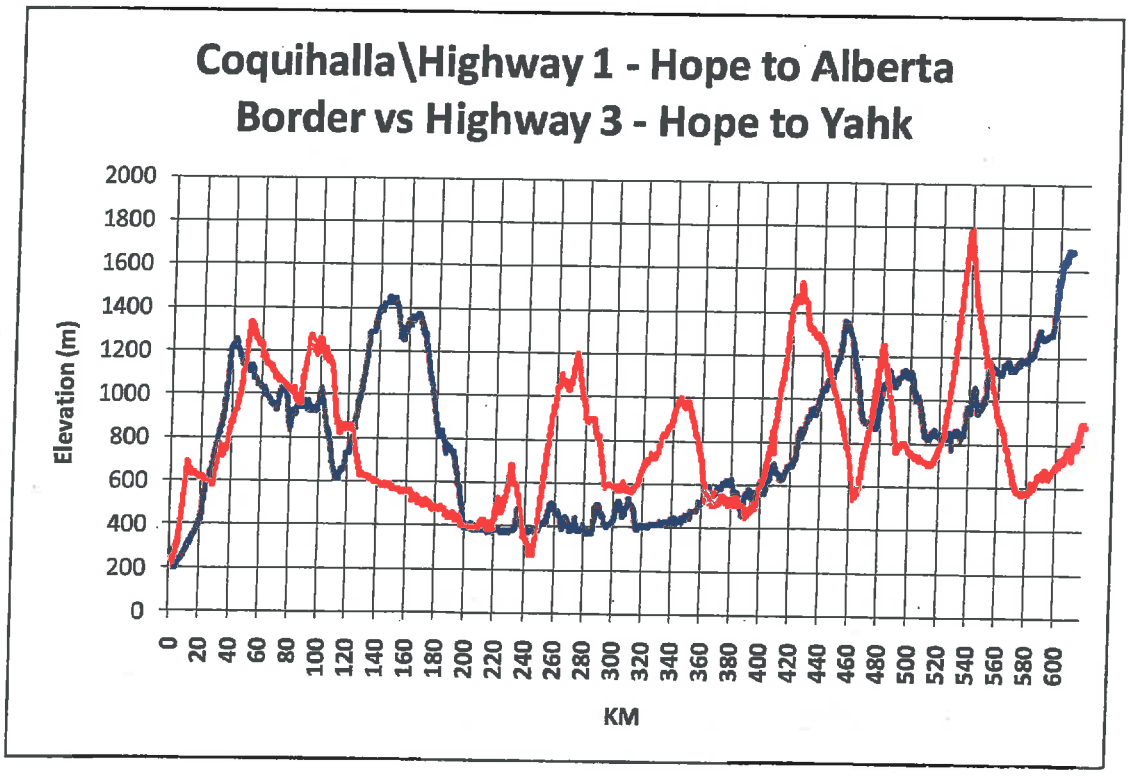
Figure 12-9 Highway 3 Corridor Travel Time Summary

Origin	Destination	Highway 3 Travel Time (Hrs)	Optimal Routing	Travel Time Differential (Hrs)
Vancouver	Calgary	16.8	Coquihalla-Hwy 1	4.5
Osoyoos	Vancouver	5.6	Hwy 3	-0.5
Osoyoos	Calgary	11.2	Hwy 97 - Hwy 1	1.0
Cranbrook	Vancouver	12	US I-90	1.6
Cranbrook	Calgary	5.6	Hwy 3	-0.8

12.2 Highway Characteristics

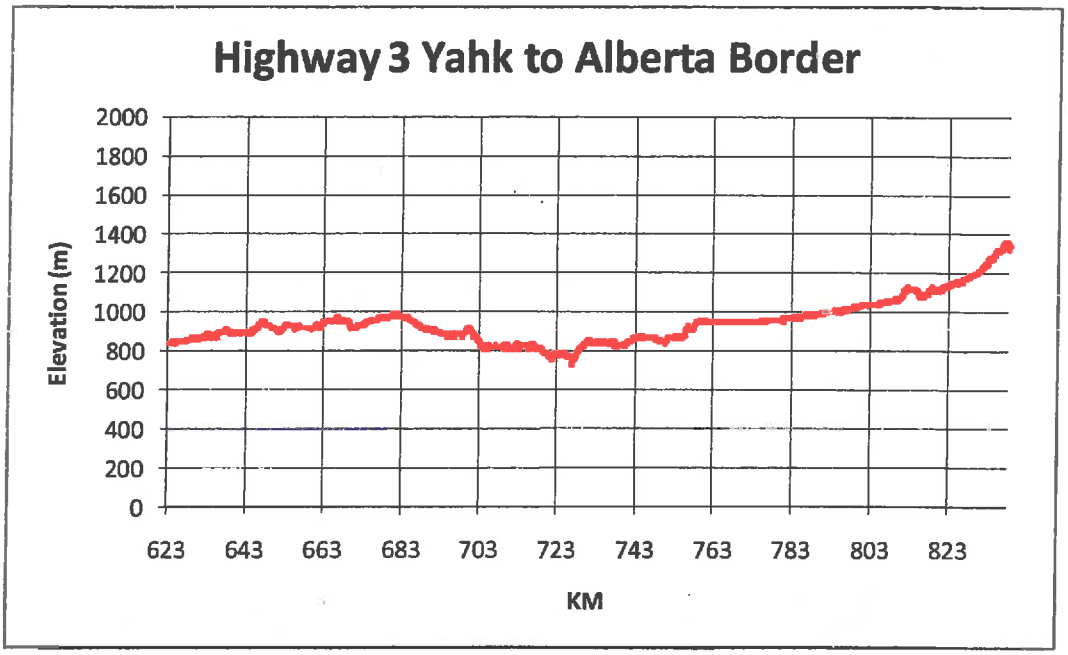
In addition to travel time differences, the physical characteristics of the Highway 3 Corridor and competing routes influence the choice of routes. The Highway 3 Corridor crosses the Cascade, Monashee, Selkirk, Purcell, and Rocky Mountain Ranges. Consequently the corridor traverses several high mountain passes. A comparison of the elevation profile of the first 620 km of the Highway 3 Corridor (from Hope to Yahk) with the similar distance from Hope to the Alberta Border via Highway 1 is shown below.

Figure 12-10 Elevation Profiles Highway 3 Hope to Yahk and Highway 1 Hope to Alberta Border



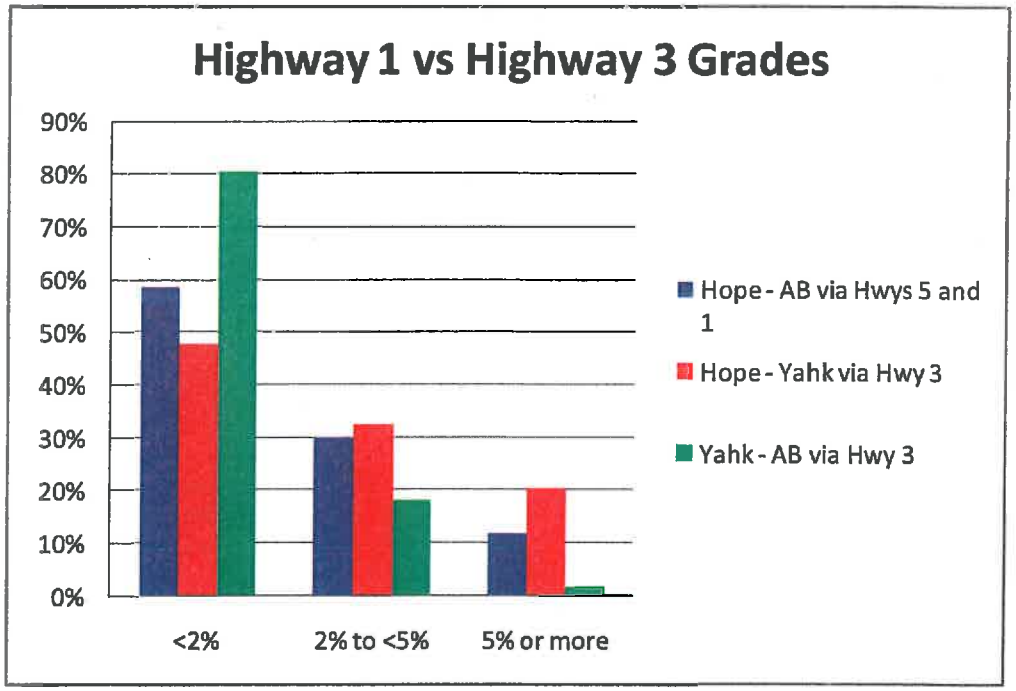
For Highway 3, the distance from Yahk to the Alberta border is approximately 212 km. The elevation profile of this section is shown below.

Figure 12-11 Elevation Profile Highway 3 Yahk to Alberta Border



From the Alberta border, the additional travel distance to Calgary is approximately 240 km from the Alberta border in the Crowsnest Pass, and 182 km from the Alberta border via Highway 1. As shown below, Highway 3 has a significantly higher percentage of route miles with steep grades.

Figure 12-12 Highway 1 vs Highway 3 Grades

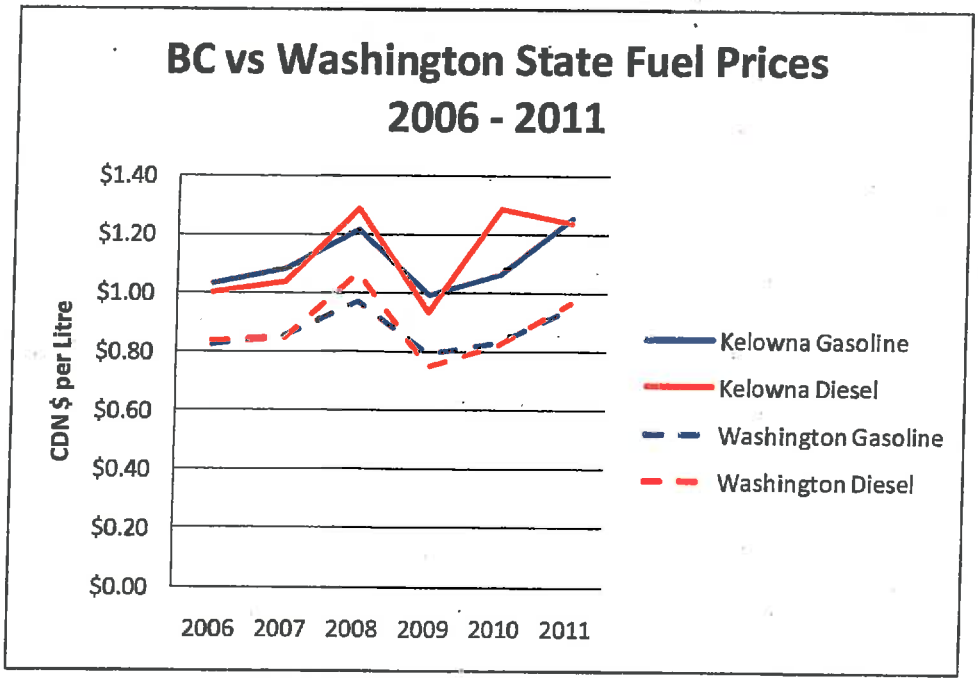


The only major mountain pass on the US I-90 route is the Snoqualmie Pass through the Cascade Mountains, with an elevation of 921 metres.

12.3 Other Factors

There are additional economic factors influencing route choice for travellers considering the U.S. route. Fuel prices are significantly lower in the U.S. The figure below illustrates the differential between BC and Washington State fuel prices from 2006 through July 2011. BC prices were on average approximately 28% higher than prices in Washington State over this period[58].

Figure 12-13 BC vs Washington State Fuel Prices

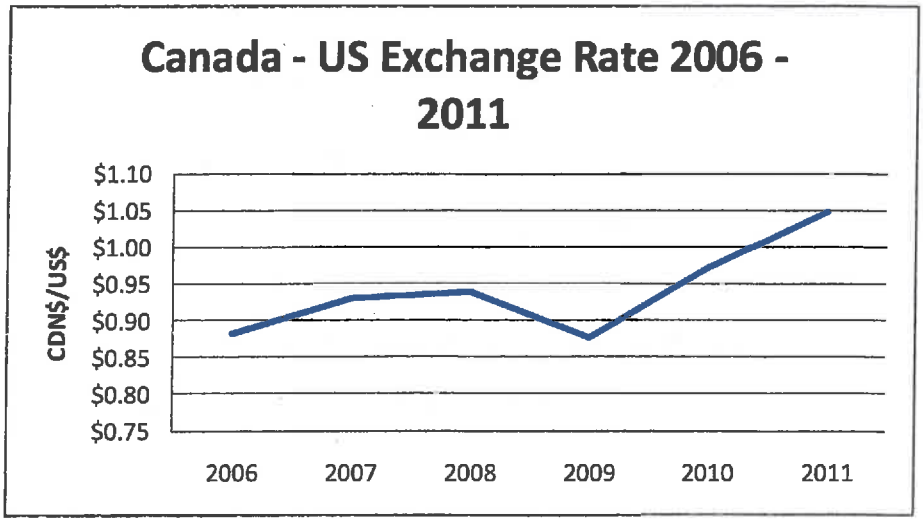


In addition the Canadian/US exchange rate has a major influence on the price of en route services for Canadian travellers. The Canadian dollar has risen significantly relative to the US dollar over the last five years[59]. This has made US services cheaper relative to Canadian services.

[58] Data sources: BC fuel prices are taken from historical tables posted on the Kent Group/MJ Ervin website http://www.kentmarketingservices.com/dnn/Default.aspx?tabid=134 . Prices are retail prices including taxes for unleaded gasoline and diesel fuel in Kelowna in CDN$ per litre. Washington State prices are taken from the US Energy Information Administration website tables on Washington State retail prices for gasoline and diesel in US$ per gallon including taxes http://www.eia.gov/petroleum/data.cfm#prices . Washington State prices are converted into CDN$ per litre using exchange rates from the Bank of Canada and a conversion rate of litres per US gallon of 3.78541.

[59] Source: Bank of Canada.

Figure 12-14 Canada/US Exchange Rate 2006 – 2011



From information obtained in traveller interviews in the course of this study, other reasons for choosing the US routing included superior amenities (rest stops, etc.) along the route.

13 Travel Time Savings: Direct User Benefits

The Ministry uses a standard approach to estimate the value of travel time benefits to highway users. This approach values travel time savings for personal travel using an hourly rate that is equivalent to half the average wage in the province. Travel time savings for commercial vehicles are assigned a higher value to reflect the cost of driver and vehicle. Annual benefits over the life of the project are discounted using a real discount rate and as a result, no inflation adjustment is required.

The specific parameter values that are used in the following analysis of potential user benefits due to travel time savings are the default values in the Ministry's MicroBenCost evaluation program. These values are as follows:

- Discount Rate: 6%
- Value of time (persons in private vehicles): $12.17
- Private vehicle average occupancy: 1.3 persons
- Value of time commercial vehicle (6.0 – 12.5 m): $32.41
- Value of time commercial vehicle (12.5 m and over): $46.94

Ministry staff have developed estimates of anticipated travel time savings for the potential Highway 3 improvement projects identified earlier in Chapter 2 of this report. Vehicle counts from traffic count stations along the corridor have been used to estimate the annual travel time savings for both private and commercial vehicles. For the purposes of this analysis it has been assumed that 50% of the vehicles in the 6.0-12.5 metre length class are operating as commercial vehicles, while 90% in the 12.5 -22.5 metre class are commercial vehicles (see discussion in Chapter 11). Since the former group includes straight trucks, larger vans, SUVs and pick-ups it is often difficult to determine if they travelling for private or commercial purposes; however, the split between private and commercial users acknowledges the different values of time for the two groups.

Our analysis of the travel time benefits also assumes that trucks speeds are typically lower private vehicle speeds and that this differential can be more pronounced in rolling and mountainous terrain over sections with lower posted speeds.

Traffic volumes in the corridor have been relatively stable over the past five years. Our calculation of the present value of potential travel time benefits of the projects presents a range of values based on traffic growth rates that vary from 0% to 2% per year. The details of the analysis are presented in Appendix 10. The results suggest that the present value of the travel time benefits in the year of construction would be as follows:

Figure 13-1 Travel Time User Benefits ($ millions)

Direct User Travel Time Benefits ($ Millions)			
	Assumed Annual Growth Rate in Traffic		
Project	No Growth	1% per year	2% per year
Sunday Pass	$36.1	$42.7	$50.7
Cranbrook – Alberta Passing Lanes	$12.4	$14.4	$16.7
Creston Hwy 3 Re-route	$6.0	$6.7	$7.5
Elko Chicane	$5.4	$6.3	$7.3
Total	$59.9	$70.1	$82.2
Model Parameters: Discount Rate 6%;			
Value of time (persons in private vehicles): $12.17 per hour;			
Private vehicle average occupancy: 1.3 persons;			
Value of time commercial vehicle (6.0 – 12.5 m): $32.41 per hour;			
Value of time commercial vehicle (12.5 m and over): $46.94 per hour.			

In addition to these user benefits, the projects would likely generate safety related benefits and changes in vehicle operating costs (potentially up or down depending on speed impacts and changes in route length). Estimating these benefits requires a more detailed understanding of the project designs and is beyond the scope of this study. Details of the calculations are shown below.

Figure 13-2 Detailed Travel Time Benefit Calculations

Project		Sunday Pass	Cranbrook Passing Lanes				Creston	
			Sparwood WB	Olsen Crossing	Galloway Flats	Wardner EB	Truck ByPass	Elko Chicane
Existing								
	Length (km)	23.0	1.2	5.9	6.1	2.5	0.7	2.5
	Avg Posted Speed (kph)	65	70.9	76.5	77.3	74.0	23.0	65.0
	Travel Time Auto (min.)	21.2	1.0	4.6	4.7	2.0	1.8	2.3
	Travel Time Truck (min.)	25.0	1.2	5.4	5.6	2.4	2.1	2.7
Proposed								
	Length (km)	21.5	1.2	5.9	6.1	2.5	0.75	2.3
	Avg Posted Speed (kph)	100	90	90	90	90	45	90
	Travel Time Auto (min.)	12.9	0.8	3.9	4.1	1.7	1.0	1.5
	Travel Time Truck (min.)	14.3	0.9	4.4	4.5	1.9	1.1	1.7
Travel Time savings								
	Auto	8.3	0.2	0.7	0.7	0.4	0.8	0.8
	Heavy Truck	10.6	0.3	1.1	1.1	0.5	1.0	1.0
Vehicles per year (2010)								
	Count Location	P-17-6EW	P-36-1EW	P-36-1EW	P-36-1EW	P-36-1EW	P-35-1EW	P-36-1EW
	Year of Count	2010	2010	2010	2010	2010	2010	2010
	0.00-6.00	657,472	571,760	1,129,644	1,129,644	557,884	793,980	1,129,644
	6.00-12.50	147,065	36,358	76,055	76,055	39,697	116,363	76,055
	12.50-22.50	80,616	84,639	154,412	154,412	69,773	124,383	154,412
	22.50-over	34,353	34,380	76,750	76,750	42,370	76,050	76,750
Travel Time Savings (Hours)								
	0.00-6.00	91,287	2,058	13,068	12,574	3,351	10,932	14,579
	6.00-12.50	20,419	131	880	847	238	1,602	982
	12.50-22.50	14,301	432	2,763	2,706	620	2,150	2,602
	22.50-over	6,094	176	1,373	1,345	376	1,315	1,294
Value of Travel Time								
	Passenger Veh Occupancy	1.3	1.3	1.3	1.3	1.3	1.3	1.3
	Value of Time ($/occupant)	12.17	12.17	12.17	12.17	12.17	12.17	12.17
	Private Vehicle ($/veh)	15.82	15.82	15.82	15.82	15.82	15.82	15.82
	Commercial Vehicle - (6.0-12.5)	32.41	32.41	32.41	32.41	32.41	32.41	32.41
	Commercial Vehicle - (12.5 & over)	46.94	46.94	46.94	46.94	46.94	46.94	46.94
	Percent commercial (6-12.5 m)	50%	50%	50%	50%	50%	50%	50%
	Percent commercial (12.5-22.5 m)	90%	90%	90%	90%	90%	90%	90%
	Overall Percent Commercial	11%	7%	7%	7%	8%	11%	7%
Annual Value of Time Savings (2010)								
	Private vehicles	1,605,785	33,593	213,716	205,627	54,897	185,622	238,422
	Commercial Vehicles	1,221,132	28,617	195,460	191,175	47,707	178,511	186,567
Discount Rate		6%	6%	6%	6%	6%	6%	6%
	PV (Construction) Year	2017	2015	2015	2015	2015	2011	2015
	Initial Year of Benefits	2018	2016	2016	2016	2016	2012	2016
	Project Life (years)	25	25	25	25	25	25	25
	Induced Traffic Growth (private veh. only)	0%	0%	0%	0%	0%	0%	0%
Private Vehicle Benefits versus Growth Rate								
	0.0%	$20,527,326	$429,433	$2,732,004	$2,628,598	$701,764	$2,372,876	$3,047,829
	0.5%	$22,305,196	$461,995	$2,939,158	$2,827,911	$754,975	$2,502,375	$3,278,930
	1.0%	$24,264,407	$497,611	$3,165,745	$3,045,922	$813,178	$2,642,312	$3,531,711
	1.5%	$26,426,430	$536,624	$3,413,936	$3,284,719	$876,930	$2,793,733	$3,808,594
	2.0%	$28,815,593	$579,416	$3,686,177	$3,546,656	$946,860	$2,957,803	$4,112,307
Commercial Vehicle Growth Rates								
	0.0%	$15,610,168	$365,824	$2,498,636	$2,443,856	$609,850	$2,281,975	$2,384,953
	0.5%	$16,962,163	$393,563	$2,688,094	$2,629,161	$656,092	$2,406,512	$2,565,791
	1.0%	$18,452,060	$423,904	$2,895,326	$2,831,849	$706,672	$2,541,089	$2,763,595
	1.5%	$20,096,188	$457,137	$3,122,317	$3,053,863	$762,074	$2,686,709	$2,980,258
	2.0%	$21,913,046	$493,591	$3,371,303	$3,297,391	$822,845	$2,844,493	$3,217,915
Total PV of Benefits in year of Construction								
	No Growth	$36,137,000	$795,000	$5,231,000	$5,072,000	$1,312,000	$4,655,000	$5,433,000
	Both types grow annually at 1.0%	$42,716,000	$922,000	$6,061,000	$5,878,000	$1,520,000	$5,183,000	$6,295,000
	Both types grow annually at 2.0%	$50,729,000	$1,073,000	$7,057,000	$6,844,000	$1,770,000	$5,802,000	$7,330,000

14 Travel Time Savings: Economic Impact of Induced Traffic

14.1 Economic Impact Analysis

The preceding chapter has estimated direct user benefits due to reduced travel times based on existing and forecast traffic volumes. Reductions in travel times may result in additional economic benefits if additional traffic is induced to use the corridor as a result of the improvements.

Estimation of economic impacts may give very different results depending on the geographic level of the analysis. For example, the overall impacts may be measured at the local (town or corridor), Regional District, or provincial level. The differences arise because some of the economic growth observed in one area may be due to relocations of economic activity from other areas. For example, if a business or customer shifts the location of their purchasing decision from Penticton to Osoyoos as a result of improvements to the Princeton to Hope section of Highway 3, it would provide economic growth benefits for Osoyoos but a zero net change in jobs at the provincial level.[60] For purposes of this analysis we will focus on potential local benefits to communities from capital improvements on the Highway 3 Corridor.

In Chapter 11 we analyzed the role of the Highway 3 Corridor in supporting major industry and concluded that while the highway plays an important role, and existing businesses will benefit from efficiency improvements, highway improvements are unlikely to induce additional growth in the industry due to raw material constraints. This is consistent with other research that concluded that many other local factors besides highway improvements come into play to affect regional growth. A new or substantially upgraded highway may or may not have economic impacts, depending on where it is located and the intercity connections it provides.[61]

The economic activity with the largest potential for increased traffic due to highway improvements is tourism. However, this does not mean that highway improvements alone will result in an increase in the economic potential for all tourism related firms. Highway improvements may be a necessary but not sufficient condition for business retention, expansion or new investment attraction. The types of tourism products, the product lifecycle stage, consumer demographics and trends and the overall health of the economy play a very significant role in shaping the pattern of tourism expenditure. It is also important to note that an easier and more relaxed quality of travel in addition to safety and travel time benefits, can affect the tourism and recreational travel patterns of highway users. [62] Tourism will be the focus of our economic impact analysis with an emphasis on overnight visitors or guests since many of the communities along Highway 3 are beyond a distance where one could reasonably expect an increase in the volume of same day travelers from the major urban centres at either end of the corridor. Two examples of previous assessments of tourism impacts of highway improvements in BC are highlighted below to help compare and contrast the similarities and difference with the present Highway 3 situation.

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[60] The use of economic impact analysis for highway projects is discussed in Using Empirical Information to Measure the Economic Impact of Highway Investments Volume 2: Guidelines for Data Collection and Analysis prepared for Federal Highway Administration by Economic Development Research Group, Inc. And Cambridge Systematics, April 2001.

[61] Measuring Economic Development Benefits for Highway Decision-making: The Wisconsin Case prepared by Glen Weisbrod and James Beckwith, Working Paper, 1990, presented at Transportation Research Board Annual Conference, 1990 and later published in the Transportation Quarterly , Vol. 46, No.1, January 1992. p.4.

[62] Ibid.

14.2 Impact of Highway Improvements on Tourism: Kelowna and the Coquihalla Highway

Prior to completion of the Coquihalla Highway (Highway 5) and the Okanagan Connector (Highway 97C) the primary route from Vancouver to Kelowna was Highway 3 through Princeton and northbound on Highway 97. Completion of the new route reduced travel time by 20%, from 5 hours to 4.[63]

Following completion of the new route, tourism activity increased dramatically in the Kelowna area. Hotel room revenues in Kelowna grew by 27% between 1989 and 1993, compared with 21% in the rest of the province. Between 1989 and 1996, room revenues in the High Country region grew by 75%, the fastest growth recorded among B.C.'s major tourism destinations outside the Vancouver Coast and Mountains region.[64] The reduced travel time had the most significant impact on tourism from the Lower Mainland; the percentage of visitors from the Lower Mainland was estimated to have risen from 20% of visits to 50% from 1990 to 2005.[65]

At the local level, the reduction in travel time provided significant economic benefits. At the regional level, the economic impact was reduced by diversion of activity from other communities. Penticton's travel and tourism-related employment rose only 6% between 1991 and 1996, and employment in tourism occupations declined by 8.6% between 1996 and 2001. A 2006 study concluded that the increase in tourism traffic to Kelowna and Vernon came partly at the expense of growth in other areas of the Okanagan–Similkameen. Between 1989 and 1997, tourism to the Okanagan–Similkameen region did not grow any faster than most other provincial tourism regions. Room revenues for this region grew by only 46 % during this period, roughly in line with other B.C. tourism destinations such as Vancouver Island.

At the provincial level, insofar as completion of the new route resulted in diversion of visitors within BC, the economic impact was much less. For example, while highway traffic to Kelowna increased, air passenger traffic at Kelowna airport declined by 100,000 passengers or 25% following completion of the road.[66]

In assessing the direct tourism comparability of the Coquihalla Highway and the Okanagan Connector to the present situation along Highway 3 it is important to acknowledge the growth and diversity of the tourism product available in the Okanagan area. The development of a world-class destination is facilitated by the wine industry. The growth in the wine industry was not caused by highway improvements. Rather, the vineyard and agricultural industry in the Okanagan restructured as a result of the 1988 Canada United States Free Trade Agreement and the 1994 North American Free Trade Agreement. These trade agreements opened the market and put pressure on the Okanagan wine growers to focus on quality.[67] There was also strong local population growth and a variety of other tourism developments such as ski hills that serve both the local residents and visitors to the region alike. As a result, tourism and leisure related firms have access to a larger local market than many of the communities along Highway 3.

14.3 Impact of Highway Improvements on Tourism: Golden and Highway 1

The BC Ministry of Transportation and Infrastructure embarked on a long term strategy to improve the Trans Canada Highway from Kamloops to the Alberta border in the late 1990's. Projects have included major upgrades to the highway in the Kicking Horse Pass area. Phase 1, the Yoho (Five Mile) Bridge and approaches, was completed in 2006. Phase 2, the Park (10 Mile) Bridge was completed in 2008. Work is currently under way on Phase 3, Brake Check to Yoho National Park (Phase 3 East) and Golden Hill to West Portal (Phase 3 West). Phase 4, construction of improvements at the Highway 95 intersection, and

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[63] Economic Impact of Reducing Travel Times to Southeastern B.C. Tourist Destinations Prepared by The Conference Board of Canada for B.C. Ministry of Transportation May 2006, p.
[64] Ibid., p. 10.
[65] Ibid., p. 10.
[66] Ibid., p. 10.
[67] http://www.winebc.com/history.php

more than four kilometres of new highway through the extremely difficult "Canyon" section between the "West Portal" and the Yoho (5-Mile) Bridge, is in the design stage.[68]

In 2006 the BC Ministry of Transportation and Infrastructure engaged the Conference Board to estimate the tourism impact of the highway improvements. The Conference Board analysis was focused on economic impact at the provincial level, and consequently concentrated their attention on the potential for increased tourism visits from Alberta which at least conceptually would represent a net increase in activity in the BC economy.

In order to estimate the size of the market the Conference Board surveyed approximately 400 Alberta residents on their travel patterns to the Canadian Rockies and the potential impact of the Highway improvements. The survey found that 73% of Calgary residents and 58% of other Alberta residents had taken a trip to one or more destinations in the Canadian Rockies within the past year. By far the largest destinations were Banff/Lake Louise and Kananaskis. Panorama/Invermere was the third-most visited mountain destination among Calgary residents, while Golden/Kicking Horse and Yoho National Park was third for residents from other parts of Alberta.[69]

Among individuals who indicated that they had not travelled to Golden, the top reason for not visiting the Golden area was the perception that the area was too far from home. Only 2.8% of respondents from Calgary indicated that road conditions were a barrier, and .9% of other Alberta residents. However, 41.6% of respondents who had travelled to the Rockies indicated that they somewhat or strongly agreed that the current highway conditions reduced their visits to the Golden area.[70]

Based on their analysis, the Conference Board forecast that the Highway 1 improvements would induce an additional 541,695 trips annually to Golden from Alberta, and an additional 487,023 trips to the BC Interior (the Okanagan Valley). As an example of the growth estimates, this amounted to an 83% increase in summer trips and a 289% increase in winter trips for Calgary residents to Golden. The study suggested that there would be a slight reduction in net economic benefits through diversion from other BC destinations.[71]

On the basis of these estimates, the Conference Board estimated the economic benefits from increased tourism visits by Alberta residentsto include an additional $63.7 million of tourism expenditures into the Golden area, and an additional $151.8 million in tourism receipts for the B.C. interior. Overall, the potential net new tourism expenditures for B.C. attributable to the highway upgrades was estimated to be $215.5 million. Their economic impact analysis suggested that new tourism spending could generate an additional $243.1 million in gross domestic (provincial) product for B.C. This would include providing nearly 6,000 full-year equivalent jobs and $165.0 million in wages and salaries for B.C. residents. In total, over $116.1 million in taxes would be supported for all levels of government.[72]

Note that the estimate of benefits was predicated on a major increase in travel by Alberta residents to Golden and the Okanagan by automobile. Actual growth in traffic volumes at the Golden and Bostock count stations on Highway 1 is illustrated below; the Bostock station would record additional traffic between Alberta and the Okanagan.

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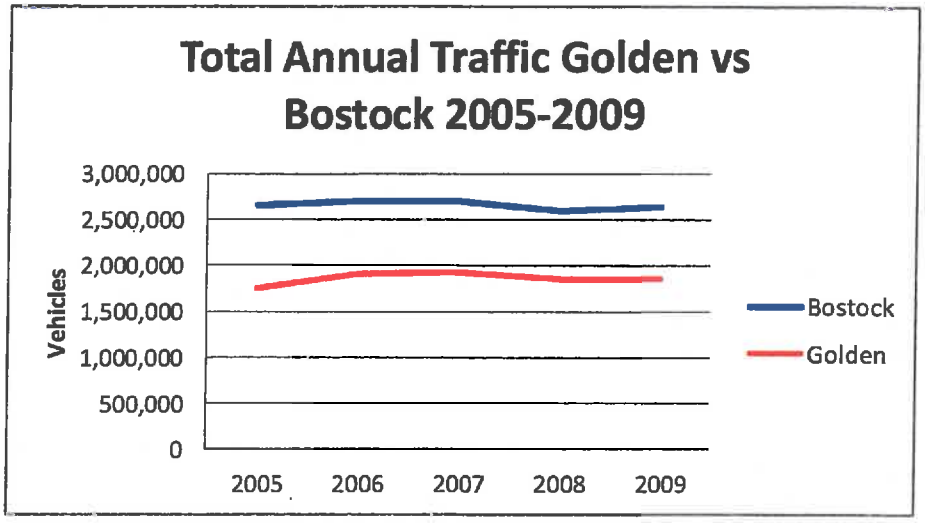
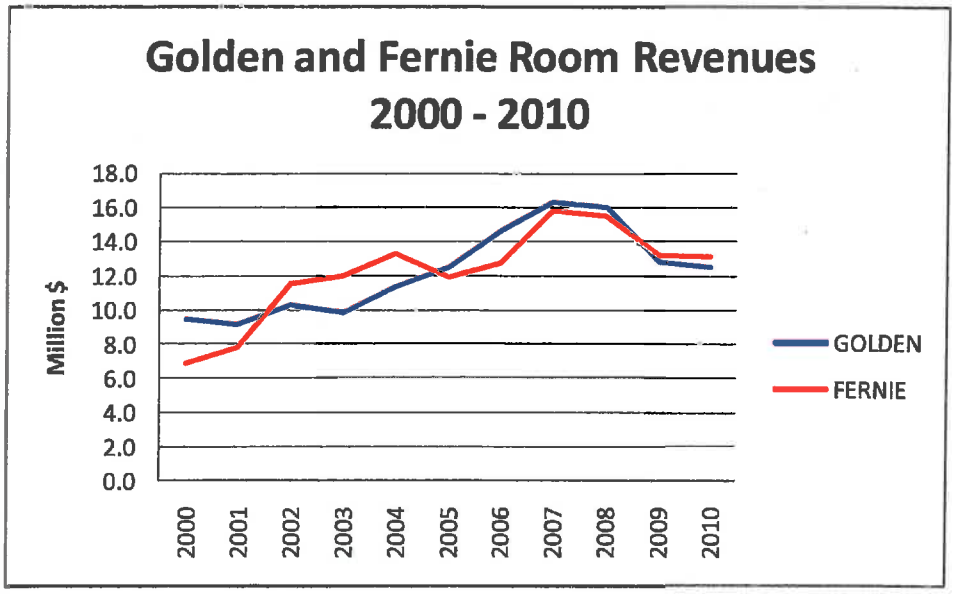
[68] "Kicking Horse Canyon Project website, http://www.th.gov.bc.ca/kickinghorse/index.htm
[69] Conference Board, p. 12.
[70] Ibid., p. 13.
[71] Ibid., p.18.
[72] Ibid., p.6.

Figure 14-1 Total Annual Traffic Highway 1 Golden and Bostock 2005 – 2009



Based on traffic counts, it appears that the anticipated increases in tourism trips have not yet occurred. In terms of room revenue, the Golden area does not appear to have fared better than other destinations; a comparison of annual room revenue in Golden and Fernie is shown below.

Figure 14-2 Golden and Fernie Room Revenues 2000 – 2010



Based on traffic volumes and room revenues, there is no clear short-term evidence that the improvements on Highway 1 have had any significant effect on tourism spending on accommodation activity in Golden and the Okanagan. This example highlights the importance of distinguishing between the types of tourist trips (day or overnight trips) in preparing forecasts. It also strongly suggests that a conservative approach is warranted in forecasting tourism traffic increases due to travel time savings alone, since macro-economic

trends and consumers' discretionary income levels have a very strong influence on tourists travel pattern behaviour. As evidence, the US recession has had a significant impact on the volume of US visitors. The Kootenay Rockies Tourism Region reported a 24.2% decline in the number of overnight visitors from the US in their January 2010 report. [73]

14.4 Origin/Destination Patterns for Tourist Trips in the Highway 3 Corridor

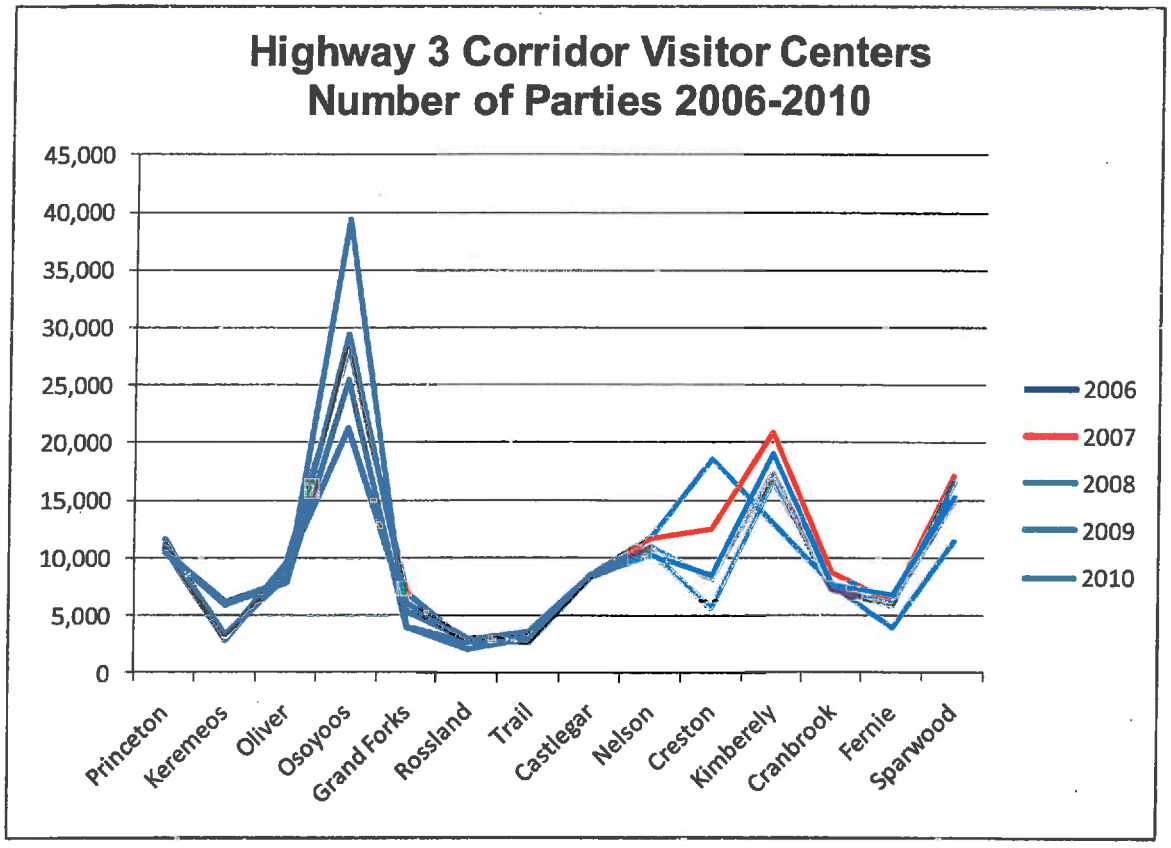
There is no definitive source of data on tourism travel patterns on the Highway 3 Corridor. However, Visitor Centres collect data on their customers that will form the basis of our assessment of highway impacts since the data does include the majority of Highway 3 communities and is available for time series analysis. Time and budget constraints precluded the use of a consumer survey as was completed for the Conference Board's study of Highway 1 in the Kicking Horse Canyon.

Visitor Centres provide a wide range of visitor services, including professional visitor counselling, helpful travel information and literature, and accommodation reservations. Visitor Centres specialize in community information and provincial itinerary planning so a variety of people both local residents and tourists make use of the services offered at the sites. As such, important insights into some of the tourism trends occurring along Highway 3 corridor can be obtained from reviewing Visitor Centre data. However, caution is advised when drawing conclusions from the data since they represent not only changes in visitation to the communities, but also changes in the hours of operation. In addition, not all segments of the tourism market make equal use of the services offered at Visitor Centres. For example, the study team was advised by the staff at the Cranbrook-Satellite Visitor Centre that golf vacationers seldom stopped at their facility but were indeed an important part of the local tourism mix. As a result, readers are advised that the total number of tourists to the Highway 3 communities is likely to be larger than the statistics derived from Visitor Information Centres. However, data limitations and the absence of data from other sources preclude a more comprehensive analysis of tourism trips.

In 2010, 275,647 visitors made use of the Visitor Centres along the Highway 3 corridor. Visitors usually travelled with another individual and as a result there were 146,641 visiting parties with an average size of 1.8 persons. The figure below reveals that the number of visitors by community over the last 5 years has remained relatively static. It also shows a consistent pattern of higher visitor activity at both the western and eastern end of the corridor with significantly reduced number of visitors in the middle portions of the corridor. In all communities the peak period for Visitor Centre use was the summer months.

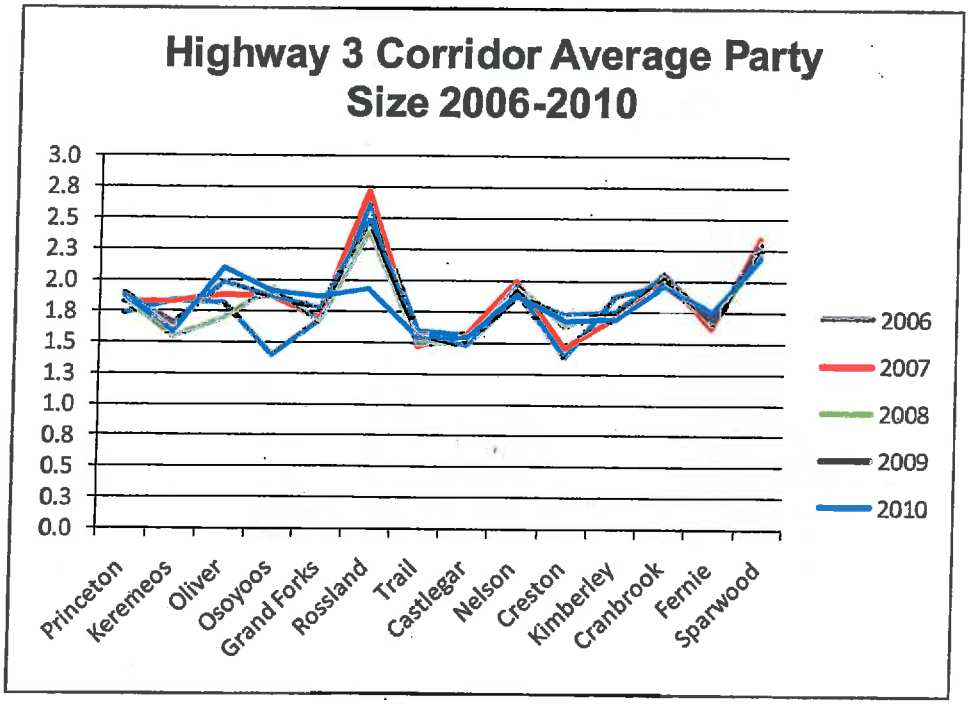
[73] Kootenay Rockies Regional Profile, Building Tourism with Insight January 2010, Tourism British Columbia, p.1.

Figure 14-3 Highway 3 Corridor Visitor Centres Number of Parties 2006 - 2010



The figure below also shows that the while the Highway 3 corridor has a 5 year average of 1.8 visitors per party is significant variation between communities and from year to year. This suggests that the nature of specific tourism products, festivals or events can have an important impact on the number of visitors to a community. However, the data also suggests that the nature of the tourism products in each community results in a typical profile of visiting parties that is not likely to change as a result of time savings achieved through highway improvements.

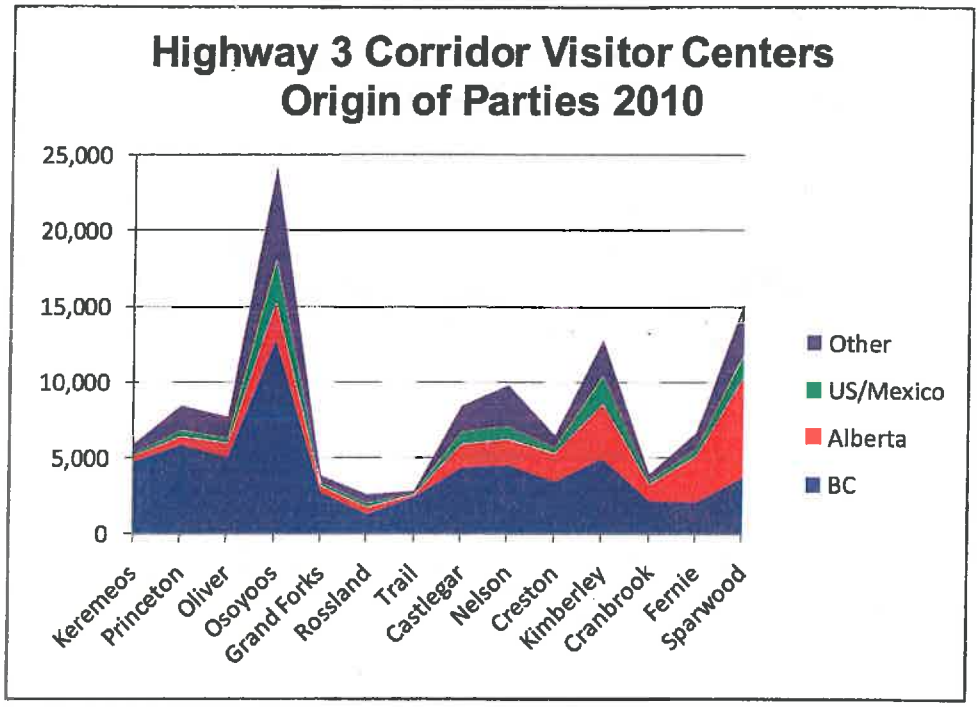
Figure 14-4 Highway 3 Visitor Centres Average Party Size 2006 – 2010



For purposes of this study, the most important element of the Visitor Centre data is the origins of visitor parties. For the people who made use of Highway 3 visitor centres in 2010 the figure below indicates that BC origin and Alberta origin visitors accounted for the largest market segments. The data also clearly shows that BC residents account for the most significant portion of the volume in the Okanagan-Simalkameen Regional District and as far east as Trail. However the number of visitors drops off significantly after the Osoyoos Region. It must not be automatically assumed that the volume of visitors in Osoyoos represents a latent tourism demand for the Boundary and West Kootenay Region. Osoyoos is located on Highway 97 and the total volume of visits at their visitor centre is also attributable to the fact that the Okanagan tourism regions has some tourism products (i.e. wineries, resort development and retail choice) that are not comparable to current amenities in the Boundary and West Kootenay Region.

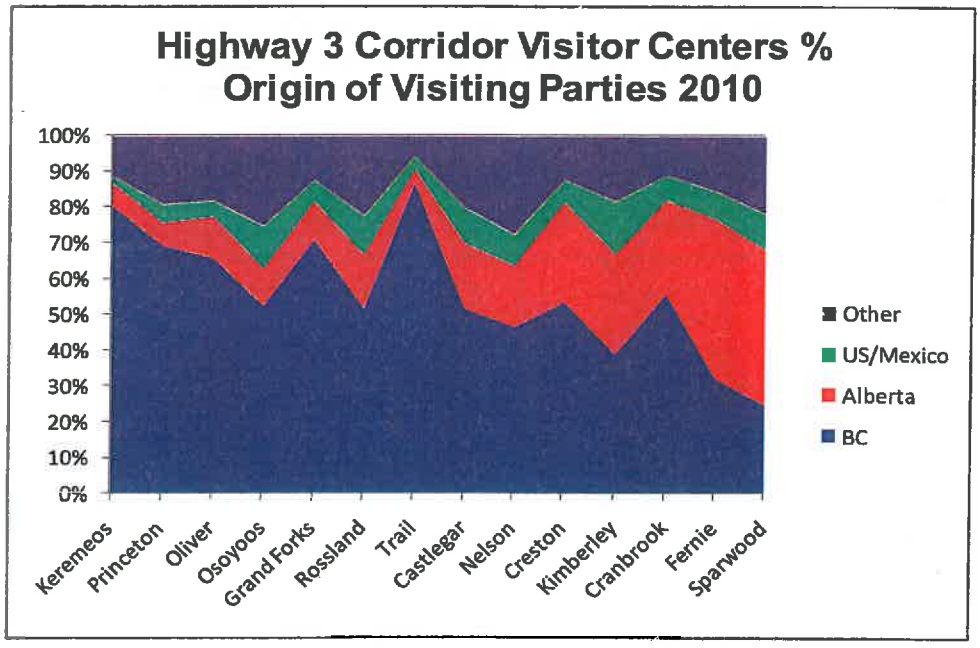
The tourism patterns are consistent with overall traffic patterns on the Highway 3 Corridor, with traffic on the western portion of the corridor focused on travel to or from the Lower Mainland, and the eastern portion highly dependent on Alberta traffic.

Figure 14-5 Highway 3 Corridor Visitor Parties Origins 2010



The Visitor Centre data in the figure below also shows that the visitor mix in the Central and Kootenay Regions shifts significantly with the percentage from British Columbia declining in importance and those from Alberta increasing as a community gets closer to the Alberta border.

Figure 14-6 Highway 3 Corridor Visitor Centres % Origin of Visiting Parties



14.5 Induced Tourism Growth on the Highway 3 Corridor – Scenario Analysis

Based on consistently low traffic volumes along the Highway 3 Corridor, and the examples provided by the Okanagan Connector and of the Highway 1 improvements, there is little direct evidence to suggest that the communities along Highway 3 are in a directly comparable situation. As a result, caution is urged in extrapolating the induced tourism benefits. The travel time improvements being analyzed in this study are not likely to be sufficient in themselves to generate significant increases in tourism activity in the short to medium term. Over the longer term the Highway 3 communities will need to develop unique tourism products and services before the full economic impacts of highway improvements can be realized across the southern region of the province. This is not to suggest that travel time savings will not have some positive economic impact because incremental reductions in travel time may induce additional trips from existing tourists. Thus, they could play a larger role in tourism business retention efforts than in expansion or new investment attraction initiatives.

For purposes of this analysis, tourism employment in the Highway 3 Corridor has been estimated based on historical statistics on the distribution of expenditures by tourism travellers.[74]

Figure 14-7 Distribution of Expenditures by Resident Tourists 1996

Distribution of Total Expenditure by BC Resident Tourists				
	Accommodation & Food Services	Transport	Other Services	Total
South Thompson Okanagan	52%	16%	32%	100%
West BC Rockies	59%	15%	26%	100%
East BC Rockies	52%	23%	25%	100%

These percentages have been used to estimate tourism employment in the Highway 3 Corridor. The results are shown below.

Figure 14-8 Highway 3 Corridor Estimated Tourism Employment 2010

Highway 3 Corridor Estimated Tourism Employment 2010				
	Accom. & Food Services	Transportation	Other Services	Total Tourism
Princeton	623	5	116	745
Keremeos Osoyoos	2554	27	509	3090
Midway Greenwood Grand Forks	1671	13	197	1881
Trail and Area	2659	31	441	3130
Castlegar	1906	44	288	2237
Nelson	3582	21	420	4022
Creston and Salmo	1378	43	276	1697
Cranbrook	3642	105	672	4418
Kimberley	895	14	127	1036
Fernie Sparwood Elkford	2436	96	304	2836
Total	21347	398	3348	25094

[74] Source: British Columbia Provincial Economic Multipliers and How to Use Them p. 27. Note totals may not add to 100% due to data limitations.

Our scenarios for the impact of travel time savings are based on an increase in tourism trips by 10% at the eastern and western ends of the corridor for the respective eastern and western projects, tapering to 2% in the Central Kootenays. This results in the following induced traffic growth scenarios.

Figure 14-9 Highway 3 Corridor Induced Travel Scenarios

Induced Travel Scenarios Highway 3 Corridor		
Western and Eastern Projects Increase in Automoble Traffic		
	Hope to Princeton	Alberta Border to Creston
Princeton	10%	0%
Keremeos Osoyoos	10%	0%
Midway Greenwood Grand Forks	5%	0%
Trail and Area	2%	2%
Castlegar	2%	2%
Nelson	2%	2%
Creston and Salmo	0%	5%
Cranbrook	0%	10%
Kimberley	0%	10%
Fernie Sparwood Elkford	0%	10%

These percentage increases have been applied to the community tourism employment estimates to generate forecasts for employment increases due to increased traffic. The results are shown below.

Figure 14-10 Induced Traffic Scenario Hope – Princeton Tourism Employment

Highway 3 Corridor Estimated Tourism Employment Increase: Hope - Princeton Scenario				
	Accom. & Food Services	Transportation	Other Services	Total Tourism
Princeton	62	1	12	75
Keremeos Osoyoos	255	3	51	309
Midway Greenwood Grand Forks	84	1	10	94
Trail and Area	53	1	9	63
Castlegar	38	1	6	45
Nelson	72	0	8	80
Creston and Salmo	0	0	0	0
Cranbrook	0	0	0	0
Kimberley	0	0	0	0
Fernie Sparwood Elkford	0	0	0	0
Total	564	6	95	665

Figure 14-11 Induced Traffic Scenario Alberta Border to Creston – Tourism Employment

Highway 3 Corridor Estimated Tourism Employment Increase:Alberta Border - Creston Scenario				
	Accom. & Food Services	Transportation	Other Services	Total Tourism
Princeton	0	0	0	0
Keremeos Osoyoos	0	0	0	0
Midway Greenwood Grand Forks	0	0	0	0
Trail and Area	53	1	9	63
Castlegar	38	1	6	45
Nelson	72	0	8	80
Creston and Salmo	69	2	14	85
Cranbrook	182	5	34	221
Kimberley	45	1	6	52
Fernie Sparwood Elkford	122	5	15	142
Total	581	15	92	687

Projected employment increases total 665 for the Hope to Princeton Scenario and 687 for the Alberta Border to Creston projects.

Average annual salary for the tourism employment occupations is estimated at $21,785 per year, based on an average wage rate of $11.97 per hour; and an average work week of 35 hours.[75] Using this estimate, the increase in labour income attributable to the induced traffic for each scenario is shown below.

Figure 14-12 Induced Traffic Scenarios Estimated Direct Labour Income Impact

Induced Traffic Scenarios Estimated Direct Labour Income Impact				
	Hope - Princeton		Alberta Border - Creston	
	Employment Increase	Annual Labour Income (millions)	Employment Increase	Annual Labour Income (millions)
Princeton	75	$1.64	0	$0.00
Keremeos Osoyoos	309	$6.79	0	$0.00
Midway Greenwood Grand Forks	94	$2.07	0	$0.00
Trail and Area	63	$1.38	63	$1.38
Castlegar	45	$0.98	45	$0.98
Nelson	80	$1.77	80	$1.77
Creston and Salmo	0	$0.00	85	$1.86
Cranbrook	0	$0.00	221	$4.85
Kimberley	0	$0.00	52	$1.14
Fernie Sparwood Elkford	0	$0.00	142	$3.12
Total	665	$14.62	687	$15.10

For both scenarios, the total annual increase in labour income is estimated at approximately $15 million per year, though the distribution is determined by the location of the projects. Based on the average employment multiplier for tourism in the region of 1.08[76], the increase in total employment income including indirect employment would be approximately $16.2 million per year for each scenario. Over the 25 year life of any highway improvement the present value of the tourism benefits from any increase in additional traffic

[75] Source: BC Stats Wage and Salary Survey, 2009 http://www.bcstats.gov.bc.ca/data/lss/labour/wage/
[76] Source: Based on multipliers for the Thompson-Okanagan and Kootenay Regions, British Columbia Local Area Economic Dependencies – 2006 pp. 30-31.

under this scenario would be $207 million. The estimated increase in annual tourism employment of 1,352 employees represents 5.4% of the existing tourism labour force in the study area.

The induced additional traffic would also benefit from the travel time savings resulting from the highway improvements. Since this component of the traffic stream would be making a different travel choice prior to the implementation of the improvement, not all users would fully value the travel time savings. Consumer surplus theory suggests that the benefits per user will range from full value for those who just needed a marginal improvement to travel times to induce extra travel to a benefit of just over zero for those who need all of the travel time savings to make the extra trip worthwhile. Therefore, induced trips should be allocated on average half the travel time savings relative to existing trips. It is also assumed that the growth in trips due to induced travel will be with respect to private vehicle travel and as such will not have a significant impact on commercial vehicle trips.

Based on these assumptions, the present value of the travel time benefits associated with induced travel is presented in the following table.

Figure 14-13 Incremental User Benefits from Induced Travel ($ Millions)

Incremental Direct User Benefits - Increased Tourist Traffic Scenario ($ Millions)			
	Assumed Annual Growth Rate in Traffic		
Project	No Growth	1% per year	2% per year
Sunday Pass	$1.1	$1.2	$1.4
Cranbrook – Alberta Passing Lanes	$0.3	$0.3	$0.4
Creston Hwy 3 Re-route	$0.1	$0.1	$0.1
Elko Chicane	$0.2	$0.2	$0.2
Total	$1.7	$1.8	$2.1
Model Parameters: Discount Rate 6%;			
Value of time (persons in private vehicles): $6.08 per hour;			
Private vehicle average occupancy: 1.3 persons;			
Value of time commercial vehicle (6.0 – 12.5 m): $16.20 per hour;			
Value of time commercial vehicle (12.5 m and over): $23.47 per hour.			

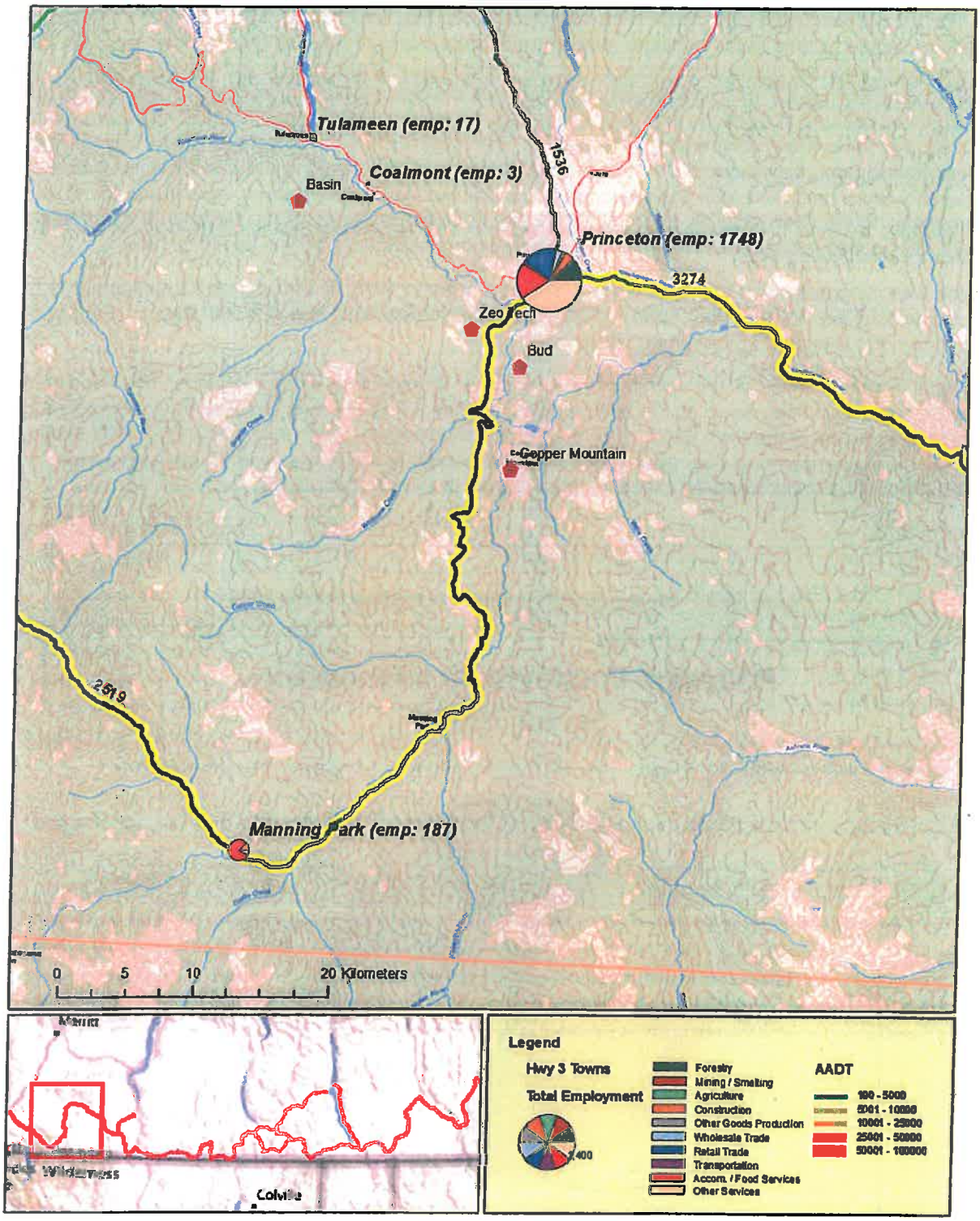
The estimated total benefits of the two scenarios – including direct user benefits for the low growth scenario, direct user benefits for induced traffic, and increased tourism income – are shown below.

Figure 14-14 Induced Growth Scenarios: Direct and Incremental User Benefits and Tourism Income

Induced Growth Scenarios: Direct and Incremental User Benefits and Tourism Income Benefits ($ Millions)			
	Assumed Annual Growth Rate in Traffic		
Scenario	No Growth	1% per year	2% per year
Sunday Pass	$244.2	$250.9	$259.1
Eastern Kootenay Projects	$230.1	$233.6	$237.5

15 Appendix 1 Community Profiles - Hope to Princeton

Figure 15-1 2010 Employment and AADT Estimates Princeton



15.1 Princeton

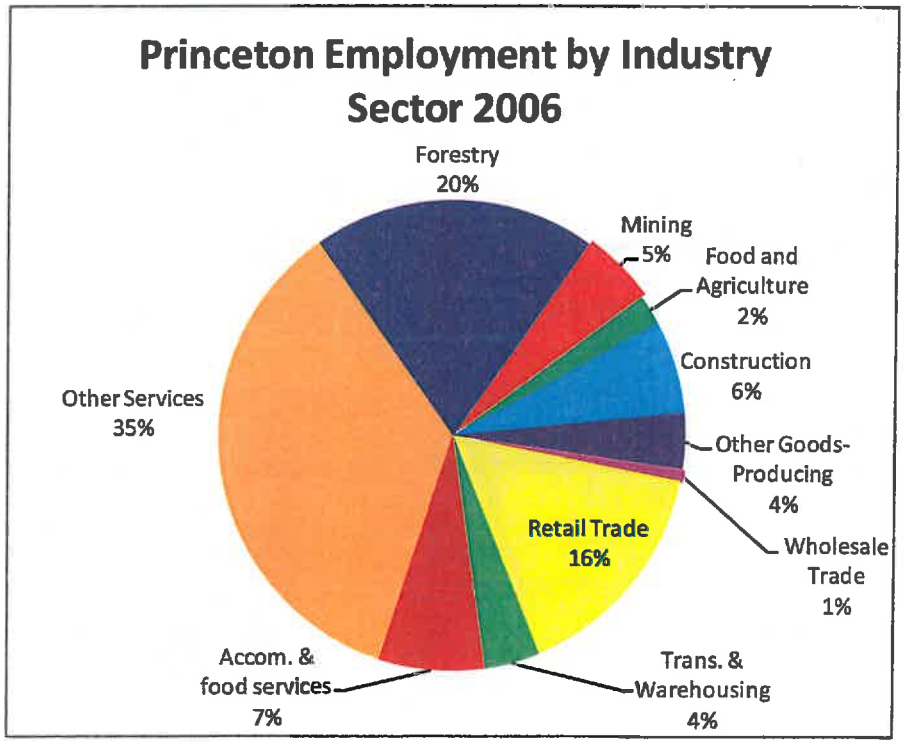
Princeton was developed in the mid 1800's as a waypoint in the Hudson Bay Company's trail linking the Lower Mainland with the BC Interior. The Vancouver, Victoria & Eastern Railway, a subsidiary of James Hill's Great Northern Railway, linked Princeton to Midway in the south via Hedley, Keremeos and Oroville in 1909. The VV & E competed with the CPR for construction of a line linking Princeton to the Lower Mainland in a race to secure access to the coal and mineral traffic from mines in the Southern Interior. By 1916 the railway network included linkages eastward to the CP network via Castlegar and Nelson, westward to the Lower Mainland and the CP mainline at Spences Bridge via the Kettle Valley Railway, and southward to the Great Northern network at Spokane and Wenatchee. As the mining traffic waned and the highway system developed, the network was progressively dismantled. The section of the Kettle Valley Railway linking Hope and Princeton through the Coquihalla Pass was abandoned in 1959, severing the direct rail link between the Boundary region and the Lower Mainland. Service continued via CPR's Princeton subdivision that linked the community to the CPR Mainline at Spence's Bridge. Following passage of the National Transportation Act 1987, CP applied to abandon the Princeton subdivision and service on the line ended in 1989.

Princeton was incorporated as a village in 1951, and as a town in 1978. The town has a total land area of 10.25 square km. By highway the Town is 289 km east of Vancouver and 104 km west of Penticton. Princeton is in the Okanagan-Similkameen Regional District.

Mining was a major driver of the community's economy. Prospectors extracted placer gold from the Similkameen and Tulameen rivers and in 1895 a discovery near Granite Creek touched off a gold rush and the rapid development of the town of Granite Creek as the third largest community in BC. By 1910, Granite Creek was mostly panned out. Coal mining took place from 1909 to 1945, with over 15 operating mines at the peak of activity. Copper was also mined in the area from the 1920's until 1996.

Princeton's 2010 population is estimated at 2994 persons. The distribution of employment by Industry sector in 2006 based on census data is shown below:

Figure 15-2 Princeton Employment by Industry Sector 2006



Princeton Major Industries

Forest Products

The largest forest products operation in Princeton is the Weyerhaeuser sawmill. Capacity of the mill is estimated at 196 million board feet. Other forest products operations include wood pellet producer Princeton Co-Generation Corporation that has an annual capacity of 90,000 tonnes, and pole and post producers Mego Wood Products and Princeton Wood Preservers Ltd.

Mining

The major development in the mining sector is the reopening of the Copper Mountain Mine by Copper Mountain Mining Corporation. The mine is located 15 km south of Princeton on Highway 3. The Copper Mountain mine began production in the 1920's as an underground mine. In 1957 the mine was converted to open pit operations. Copper Mountain Mining Corporation ("CMMC") is a BC resource company that is developing the Copper Mountain Project located 15 km south of the town of Princeton in southern British Columbia. The Project is owned 75% by Copper Mountain Mining Corporation and 25% by Mitsubishi Materials Corporation. The mine is designed to produce approximately 105 million pounds of copper (approximately 48,000 tonnes) per year in copper concentrate. The mine is expected to be in full production by November 2011. The concentrate is to be trucked to the Kinder Morgan Vancouver Wharves terminal in North Vancouver for export. Based on a payload of 50 tonnes for each Super B-Train truck, this amounts to approximately 950 truckloads per year or approximately 3 per day.

Other existing mining operations in the Princeton area including the Bud bentonite mine operated by Absorbent Products Ltd. and the ZEO-Tech Enviro Corp zeolite mine. According to the BC Ministry of Energy, Zeo-Tech Enviro Corp mined and crushed 10,000 tonnes of zeolite in 2005[77].

Mining projects in the area include:

- The Treasure Mountain project being developed by Huldra Silver Inc. 29 km northeast of Hope. In April 2011 Huldra applied for a permit allowing up to 75,000 tonnes a year of ore removal from the Miner Mountain project. However the company indicates the maximum contemplated to be removed under the application is 60,000 tonnes per year[78]. Exploration is ongoing. An historic unpaved road from the village of Tulameen provides access to Treasure Mountain and by a similar but newer and better-maintained BC Forest Service road that leaves Highway 5 immediately north of the former Coquihalla Toll Booth Plaza. The former distance is about 34 km, the latter, 38 km[79].

- The Tas and Verde properties being explored by Supreme Resources. The TAS properties are located next to, and adjoining the Copper Mountain Mining Corporation's property. The Verde Project is located 4 kms northeast of Copper Mountain Mining Corporation's Copper Mountain mine. This project is still in the exploration stage; a drilling program was completed in December 2010.[80]

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[77] BC Ministry of Energy http://minfile.gov.bc.ca/Summary.aspx?minfilno=092HSE166

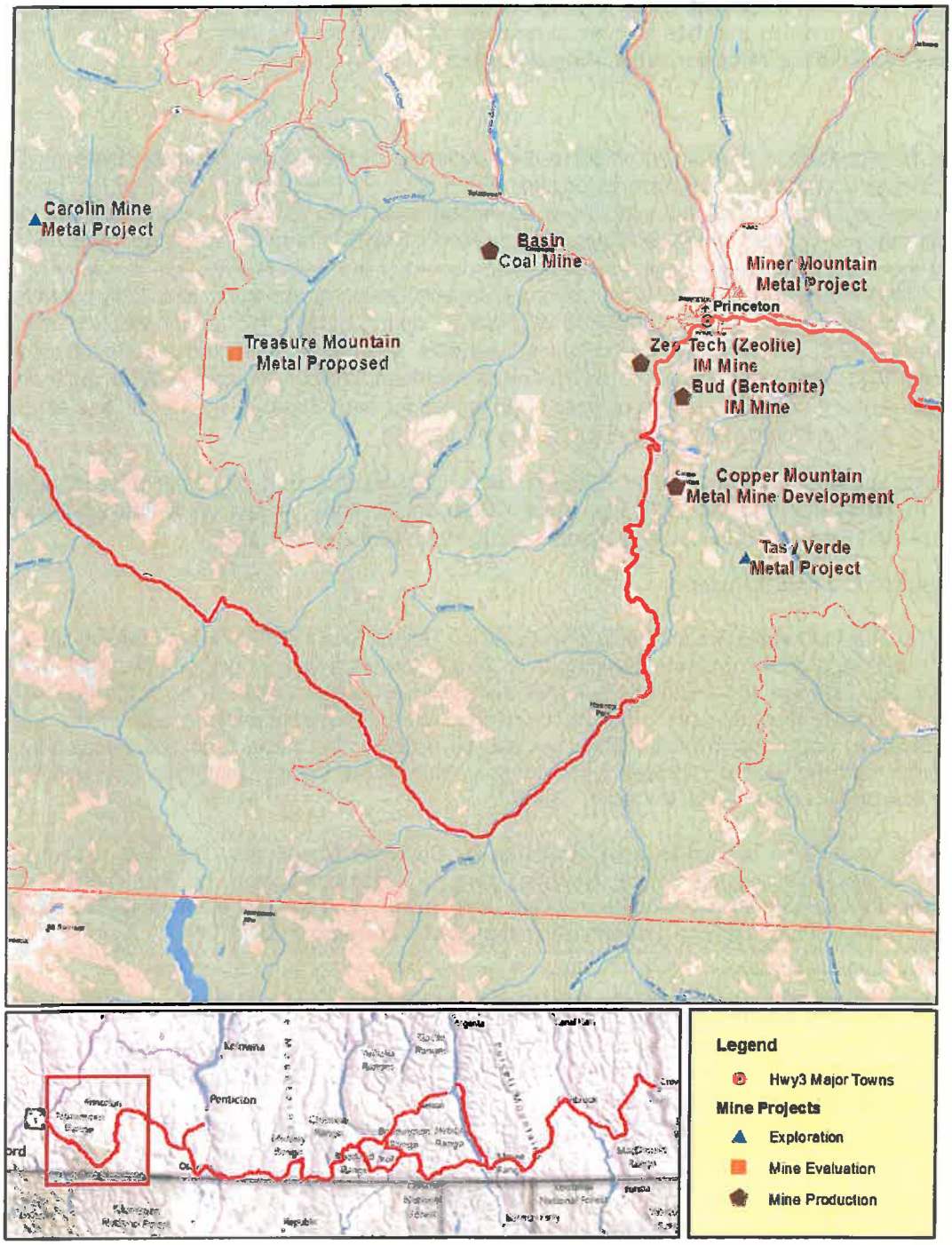
[78] "Huldra Silver Inc. Announces Application has Been Made for A Permit Approving the Small Mine Plan for Treasure Mountain Mine" Marketwire - April 1, 2011 http://finance.yahoo.com/news/Huldra-Silver-Inc-Announces-ccn-2528863844.html?x=0&.v=1

[79] Technical Report Project Update Treasure Mountain Property Tulameen River Area, B.C., Canada Report prepared for Huldra Silver Inc. by Erik A. Ostensoe, P. Geo.; Gary H. Giroux, MASc., P. Eng.; and Jim Cuttle, P. Geo. June 15, 2011 http://www.huldrasilver.com/wp-content/uploads/2010/06/NI43-101%20Technical%20Report.pdf
TULAMEEN RIVER AREA, B. C., CANADA

[80] "Supreme Resources to Join OTC Markets 2011 Provides Company Update" December 20, 2010 http://www.markettrendnews.com/index.php?option=com_content&view=article&id=86:-supreme-resources-to-join-otc-markets-2011-provides-company-update&catid=49:suprems&Itemid=65

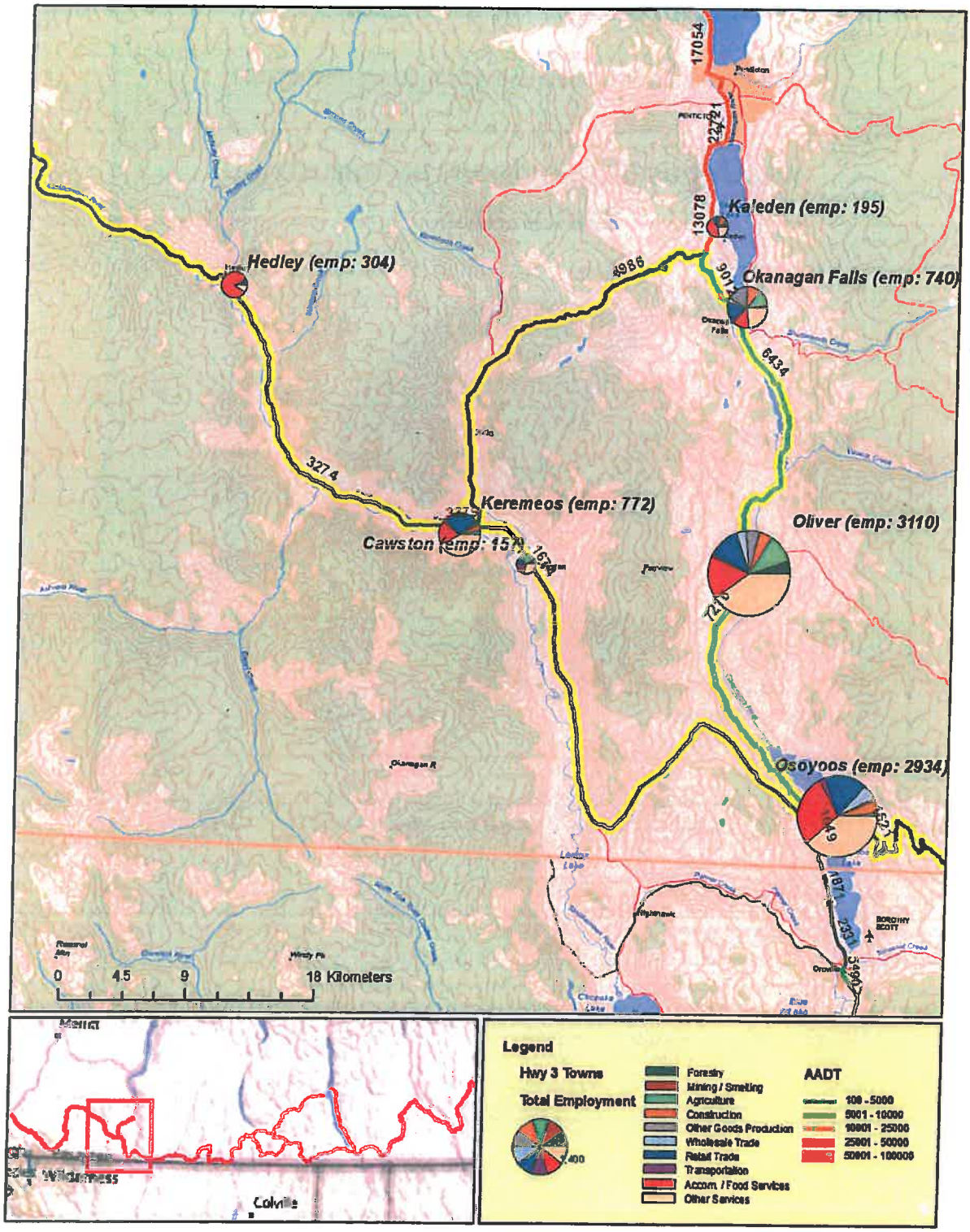
- The Miner Mountain project located adjacent to the town of Princeton. The project developer is SEGO Resources; this project is still in the exploration stage.

Figure 15-4 Mining Projects Hope – Princeton



16 Appendix 2 Community Profiles - Princeton to Osoyoos

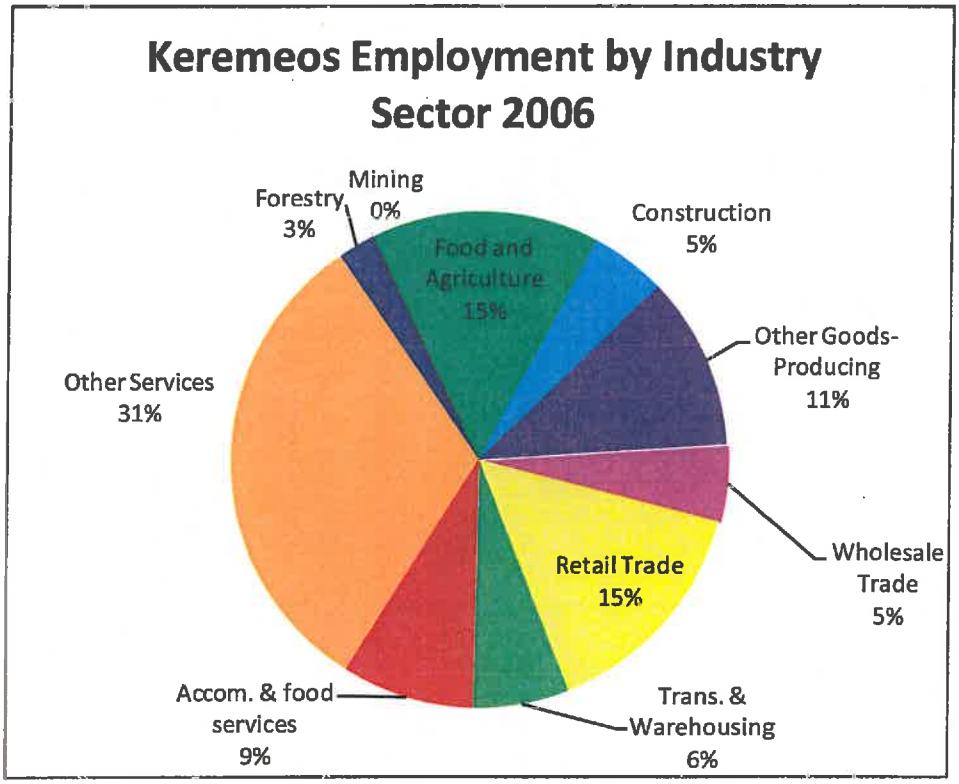
Figure 16-1 2010 Employment and AADT Estimates Keremeos Osoyoos



16.1 Keremeos

Keremeos was developed as a service centre for mining activities in the area (Hedley and Princeton). The community was incorporated in 1956. Population was estimated at 1517 in 2010. The major industry in the area is fruit growing. The distribution of employment by industry sector in 2006 based on census data is shown below:

Figure 16-2 Keremeos Employment by Industry Sector 2006



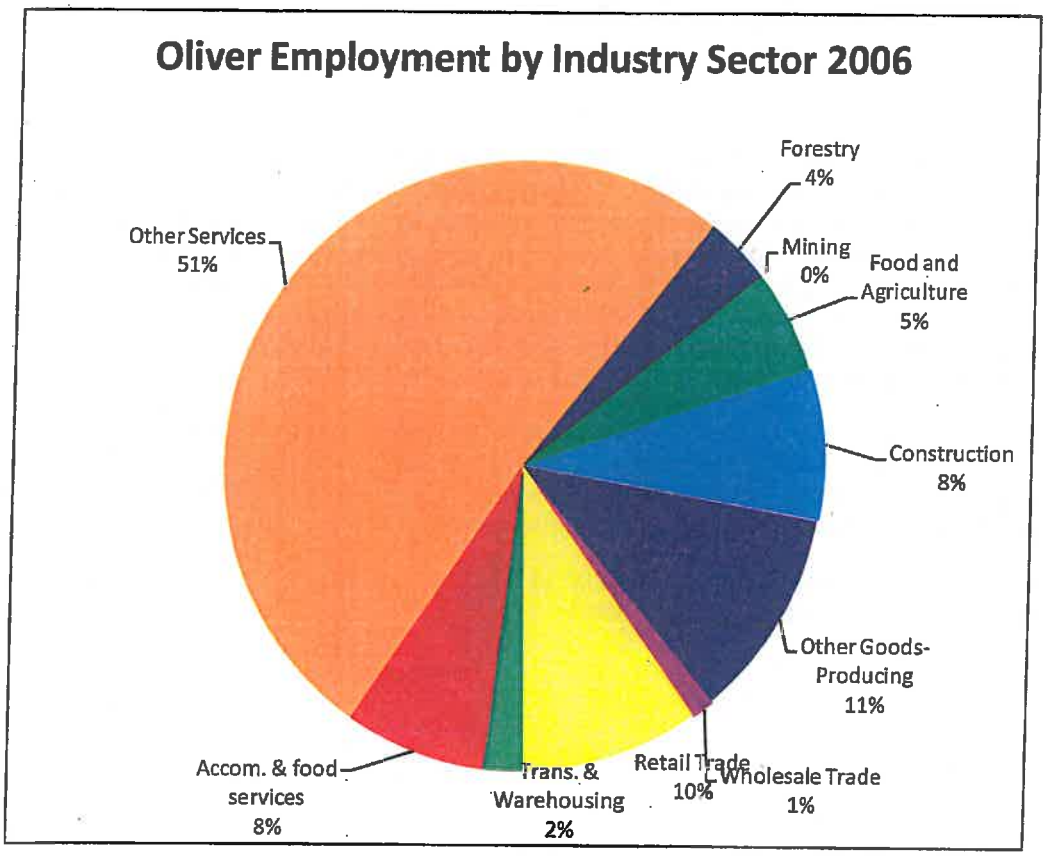
Based on Ministry of Forests data the only forest products enterprise located in the Keremeos area is the T.L Timber Ltd. log home mill located in Cawston. There are no mining properties in the area.

16.2 Oliver

Oliver was developed as a result of an ambitious government irrigation and land development scheme originally designed to accommodate soldiers returning from the First World War. The community was incorporated as a village in 1945.

Oliver's population was estimated at 4551 in 2010. The distribution of employment by industry sector in 2006 based on census data is shown below:

Figure 16-3 Oliver Distribution of Employment by Industry Sector



Oliver Tourism

Oliver is Canada's Wine Capital. It is home to 10 percent of the nation's wineries. The majority of wineries are along the "Golden Mile" of Highway 97, just south of Oliver and also on the "Black Sage Bench". Many of the wineries offer guided tours and tasting opportunities.[81] Agri-tourism is significant with cherry, apricot, peach, plum, apple and pear orchards along with farms and vineyards are scattered along the countryside. Visitors stop and enjoy many of the roadside stands or visit farmers markets. Local farmers and unique cider fruit wine companies are excited to share their product with you. A covert farm offers farm tours and has a produce market, tasting room and luncheon bistro. Orchard Hill Estate Cidery provides tours as well as hosts a tasting room and fruit stand. There are a number of festivals in the community such as Banée in

[81] http://okanagan-falls.travel.bc.ca/

the spring that celebrates new releases from the numerous local wineries, the Fall Festival of the Grape and International Sunshine Festival. .[82]

There are many activities to enjoy in Oliver, including the half Iron Man triathlon. The community is situated on the shores of Tuc-el-Nuit Lakes and nearby are the lakes of Mahoney, Vaseux and Gallagher. Summer activities include waterborne recreation activities, hiking, walking, biking, golfing, bird watching, fishing and hunting. Winter in Oliver attracts snowmobiling, alpine skiing, snowboard, cross country skiing and snow showing on nearby Mount Baldy 35 kms to the east. Mount Baldy is open in the Winter Friday through Monday. Mt. Baldy currently has a couple of lodges for on-site accommodation and 158 lots, most of which have been developed.[83] However, the New McKinney subdivision has 24 single-family cabin lots available. Oliver also has a variety of Bed and Breakfasts, Winery Guesthouses and Lakeshore Retreats and RV/Campgrounds to provide overnight accommodation.

16.3 Osoyoos

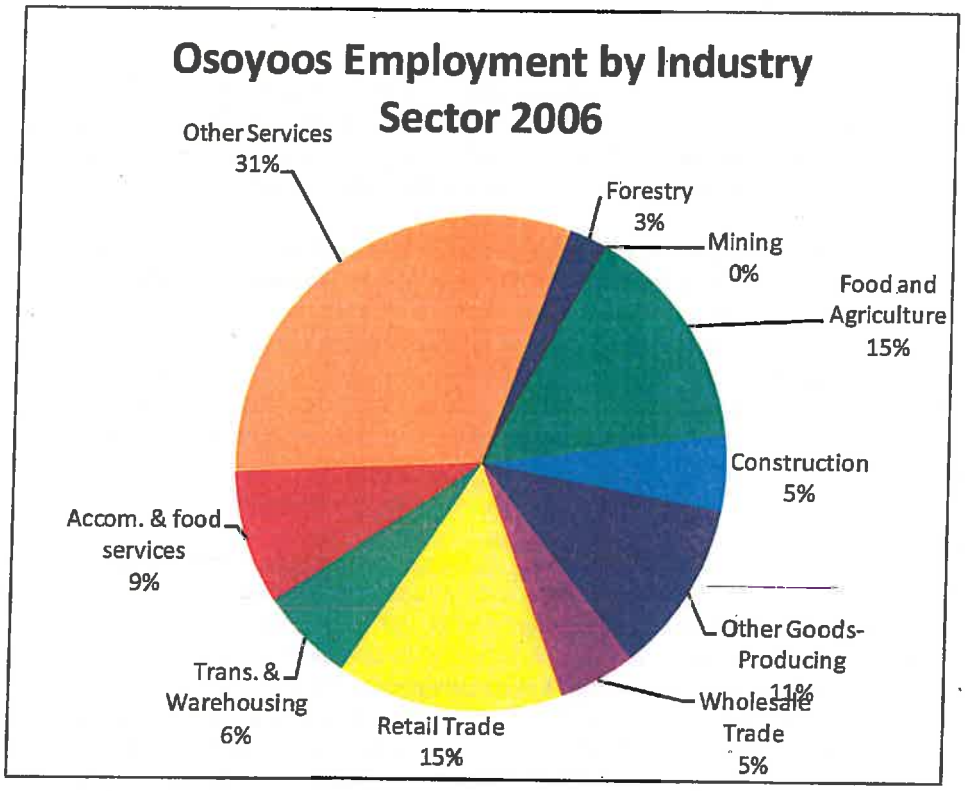
Osoyoos was incorporated as a village in 1946 and as a town in 1983. The major industry in the development of the community was agriculture in the form of orchards and fruit packing. Access to the rail network was achieved in 1946 with construction of an extension to the Kettle Valley Railway from Haynes (the line from Okanagan Falls to Osoyoos was subsequently renamed the Osoyoos Subdivision). Competition from trucking along Highway 3 to the Lower Mainland led to the decline of rail traffic and the Osoyoos Subdivision was abandoned in 1978[84]. The community is situated at the southern end of Highway 97 the major artery that runs North South from the American border crossing at Oroville and through the rapidly growing Okanagan Region of British Columbia,

While it is difficult to quantify due to challenges in measuring tourism output, it appears that tourism is now the primary economic driver for the community. In recognition of the importance of tourism to the local economy Osoyoos was designated as one of the 13 resort municipalities in British Columbia as a result of a 2008 agreement signed under the B.C. Resort Municipality Initiative with the Province[85].

The population of Osoyoos was estimated at 5203 in 2010. The distribution of employment by Industry sector in 2006 based on census data is shown below:

[82] http://www.winecapitalofcanada.com/
[83] http://www.skibaldy.com/default.asp?node=Real%20Estate
[84] "Osoyoos, B.C. : History" http://www.crowsnest-highway.ca/cgi-bin/citypage.pl?city=OSOYOOS7
[85] http://www2.news.gov.bc.ca/news_releases_2005-2009/2008CS0051-000373.htm

Figure 16-4 Osoyoos Employment by Industry Sector



Based on Ministry of Forests data, the only forest products mill in the vicinity is Hilmoe Forest Products ltd., a small sawmill with a capacity of 9 million board feet per year. There are no mining properties in the area.

Osoyoos Tourism

Agri-tourism and the agriculture industries is a large contributor to the economy of the Osoyoos region. Commercial fruit growing started in the early 1900s. Presently, the area produces fruit crops such as cherries, peaches, plums, apples and Canada's only banana production. There are numerous fruit and vegetable stands along Highways 3 and 97. Osoyoos is also one of Canada's largest wine producing regions and the Town Destination branding refers to the community as being "Desert Wine Country". More than 3,000 acres are currently under production producing a variety of premium grapes in the area. [86] In the area between Highway 3A in the North and east of Highway 3 in the Okanagan Falls, Oliver to Osoyoos region there are at least 22 vineyards and wineries in the South Okanagan with the heaviest concentration being along the Highway 97 Corridor. The Osoyoos Indian Band's NK'MIP Resort encompassing Spirit Ridge Vineyard Resort & Spa, NK'MIP Cultural Centre, NK'MIP Cellars, Sonora Golf Course, NK'MIP RV Park is the community's signature tourism development.[87] There is also the traditional lakeside amenities provided by the accommodations surrounding Osoyoos Lake. Newer lifestyle or amenity related destination developments such as the Watermark Beach Resort, Walnut Beach Resort, La Mirada lakefront residence

[86] Absolute Okanagan 2011/2010, 'Osoyoos" Okanagan Visitor Publications.
[87] Personal communication with Chris Bower, Business Development Officer, Osoyoos Indian Band http://www.nkmip.com/

and Regal Ridge are significant features of this resort community.[88] As a result of the climate and resort community amenities Osoyoos is attracting snowbirds from the Canadian Prairie Provinces.

Osoyoos Major Projects

Legend Resorts began undertaking a residential development on 280 acres being developed in phases at Veranda Beach in 2007. 54 cottages in phase 1, 23 in phase 2 and 30 cottages in phase 3 are complete. The next phase commenced Summer 2010 with a ridge vineyard community. Project will also include a restaurant, marina, aquatic park and village centre. Project completion is anticipated in 2015.

Osoyoos Indian Band's NK'MIP Project/Spirit Ridge Resort is in the process of a $75 million development of a 1,200 acre parcel on Osoyoos Lake to include a RV Park, desert heritage and interpretative centre, a 9-hole golf course, a winery, 125-room boutique hotel, and a store/gas bar with other tourist attractions. An all-season RV Park with 72 new fully serviced sites is in operation as part of 300 existing sites. Portions of the project that have completed are; the Heritage Centre, the 6,000 sq. ft. Nk'mip Cellars, the Sonora Dunes 9-hole golf course at 1300 Rancher Creek Rd. and the 2150 sq. ft. clubhouse. 30 villas of the Spirit Ridge Resort (quarter share villas and condos) completed in Oct 2005 with 64 additional suites and facilities completed Summer 2006. The second phase, 124 suites, completed in 2010. Phase 3 is expected to start construction in Summer 2011 and be completed in 2012. An eco-industrial park is planned.

Willow Beach Developments Ltd. is proposing an 800-unit community development located on north Osoyoos Lake. The Site is on former Willow Beach campground and additional land requiring rezoning. The community will include 540-units in low-rise condominiums, 38 townhouses, 86 duplexes and 134 single family homes. The $400 million development was scheduled to commence in in 2011 and be completed by 2013. The property's previous owners, Georgia Laine Developments Ltd., had purchased the property in June of 2007 for $23 million and intended to build a 1,088-unit resort on the property. Georgia Laine Developments' resort project was abandoned due to poor economic conditions after an application for Official Community Plan (OCP) and zoning amendments from the developer to the Regional District Okanagan-Similkameen (RDOS) for the purpose of building the development received third reading in August 2008. The property was listed as for sale in April 2010, but a Vancouver-based real estate company told the Osoyoos Times that the land was recently taken off the market. The RDOS board of directors rescinded third reading of the original OCP and zoning amendments for the proposed 1,088-unit project on June 16, 2011[89].

VOTL Development Ltd.'s Village on the Lake third phase is on hold. The project started in 2005 but is currently on hold. The development is on approximately 5 acres, and was to include 8 villas and condominium building. Phase 1 to complete in Oct 2006, and 4 villas and condominium building B to complete in Aug 2007. The $25 million phase 3 would consist of a 55-room hotel, commercial/retail spaces, and lounge facilities.

The Town of Osoyoos is proposing a Northwest Sewer Project where the sewer line will join the Town of Osoyoos and the Willow Beach residential development. The $23 million project commenced in 2011 and will be completed by 2012.

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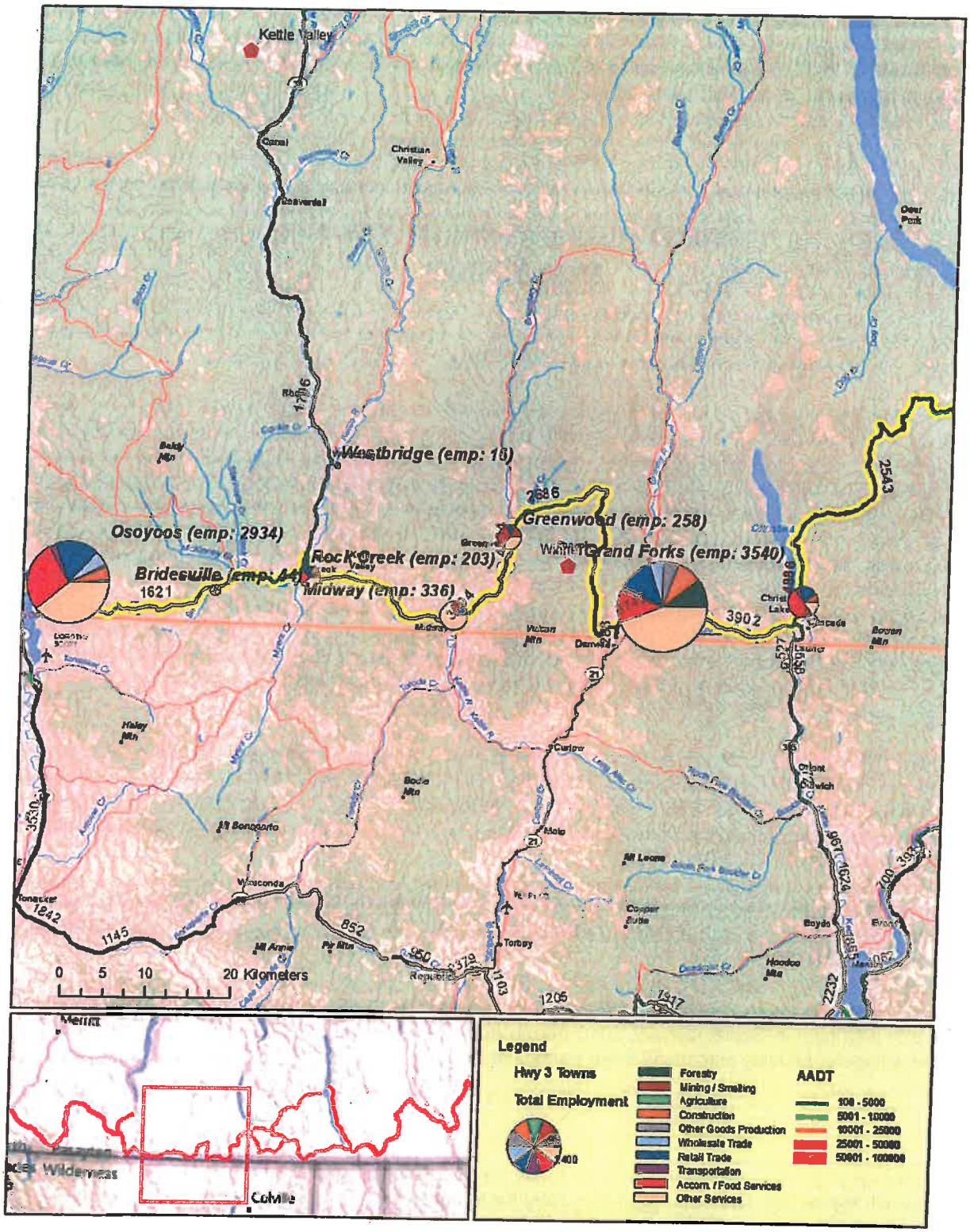
[88] http://www.watermarkbeachresort.com/ and http://www.regalridge.com/

[89] 600 Units Planned for Willows Breach, Osoyoos Times, June, 22, 2011
http://www.osoyoostimes.com/news/2011/06/22/600-residential-units-planned-for-willow-beach/

17 Appendix 3 Community Profiles Osoyoos – Grand Forks

Figure 17-1 2010 Employment and AADT Estimates: Midway Greenwood & Grand Forks

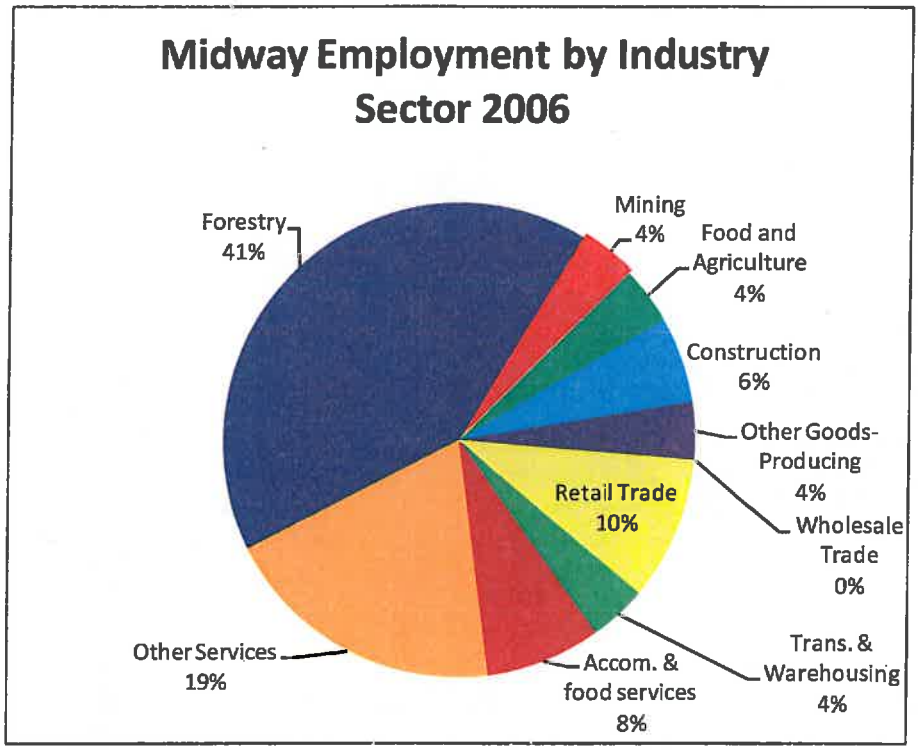


17.1 Midway

Midway was incorporated as a village in 1957. The community developed as a service centre to the mining industry in the region, with rail service from the CPR beginning in 1900, and by the VV & E (Great Northern) in 1905. The Great Northern line was abandoned in 1935.

The population of Midway was estimated at 663 in 2010. The distribution of employment by Industry sector in 2006 based on census data is shown below:

Figure 17-2 Midway Employment by Industry Sector 2006



Midway Major Industry

The predominance of forest sector in the employment profile in 2006 reflects the importance of the former Pope and Talbot sawmill to the local economy. Prior to 2007 this mill was the major employer in the community. In 2005 Pope and Talbot announced that the mill would be permanently closed, but operations continued on a one-shift basis until Pope and Talbot declared bankruptcy in 2007. Interfor purchased Pope and Talbot's timber rights and sawmills in Grand Forks and Castlegar but did not purchase the Midway mill, which was subsequently acquired by Fox Forest Products Ltd. for $750k in February 2008. An auction of the property was held in September 18, 2010 due to non-payment of taxes. No bidder was found for the mill.[90] The village of Midway purchased three parcels of land on the Midway Forest Products property for a

[90] "Midway mill fails to sell at auction" Boundary Sentinel Mona Mattei September 20, 2010 http://boundarysentinel.com/node/7196

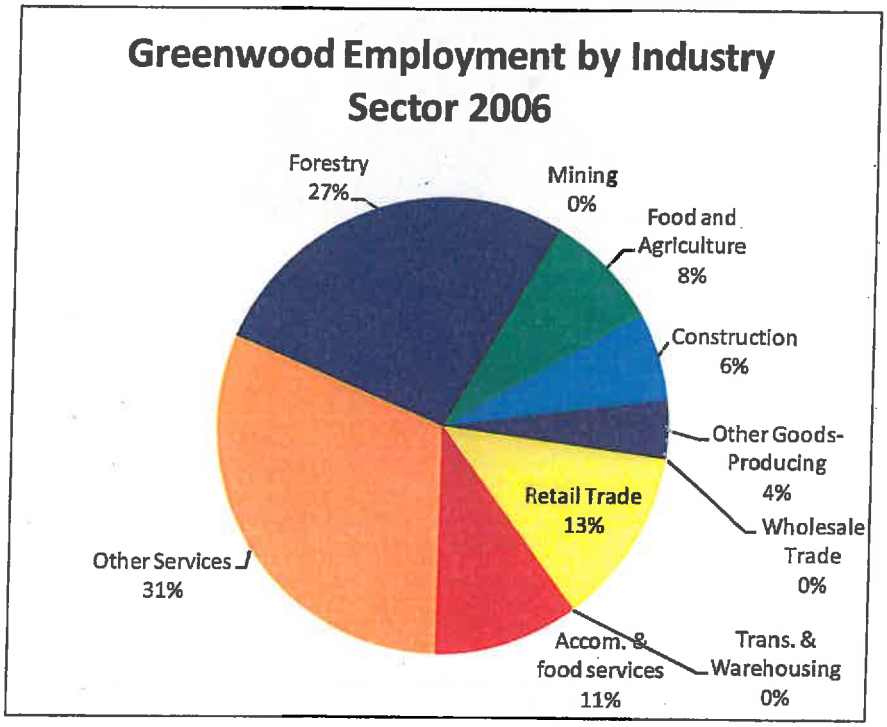
total of $275,000, and Interfor purchased two parcels of land, one for $725,000 and another for $3,500.[91] Recently the Village of Midway is leading a plan to reopen the mill through a purchase agreement with Fox Lumber and an operating agreement with Vaagen Brothers, a sawmill operator based in Colville Washington. The plan would see the sawmill reopening in October 2011; however success is contingent on securing additional financing for purchase of the mill by August 31.

17.2 Greenwood

Greenwood was incorporated as a city in 1897. The community was the site of one of three copper smelters built in the Boundary area; the others were built in Grand Forks and Boundary Falls. The BC Copper Company began production at the smelter in 1901 and production ceased in 1918.[92]

The population was estimated at 686 in 2010. The distribution of employment by Industry sector in 2006 based on census data is shown below:

Figure 17-3 Greenwood Employment by Industry Sector 2006



A private and municipal consortium at Greenwood processed waste slag from early mining operations until 2009; this operation has now ceased production[93].

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[91] "Midway to make announcement about Midway Forest Products mill operation" Grand Forks Gazette Karl Yu, October 4, 2010 http://www.bclocalnews.com/kootenay_rockies/grandforksgazette/news/104184234.html

[92] "Mining History of the Boundary Country" http://www.greenwoodmuseum.com/History-Info/mining.html

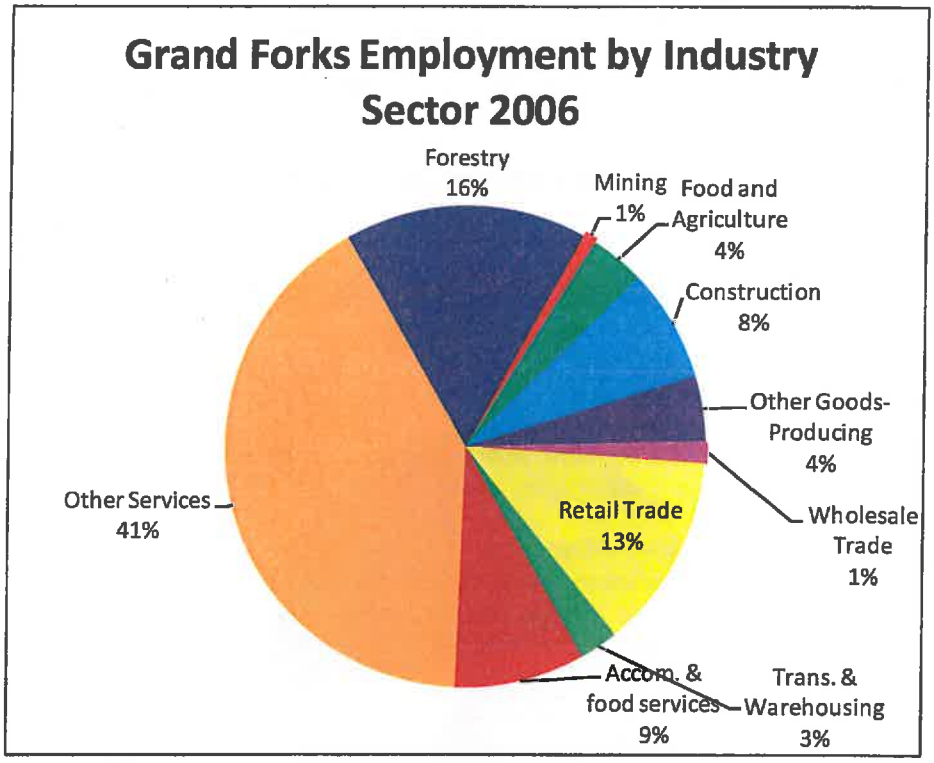
[93] Industrial Mineral Operations in Industrial Mineral Operations in British Columbia: Teacher Information and Student Activities Mineral Resource Education Program of BC 2010, p. 10.

17.3 Grand Forks

The Grand Forks smelter was constructed by Granby Consolidated Mining and Smelting Company and began production in 1900[94]. Operations ceased in 1919. Grand Forks was incorporated as a city in 1897.

The population was estimated at 3998 in 2010. The distribution of employment by Industry sector in 2006 based on census data is shown below:

Figure 17-4 Grand Forks Employment by Industry Sector 2006



Grand Forks Major Industry

There are three major industrial operations in Grand Forks.

International Forest Products Ltd. (Interfor) operates a sawmill with an estimated capacity of 197 million board feet (MMBF).[95] The mill was operated by Pope and Talbot from 1969 to its purchase by Interfor in 2008.

Granulated slag is produced by Pacific Abrasives, one of several affiliated companies engaged in the production and sale of abrasives. The company is based in Danville, California. Affiliated companies include Grandview River Mining, Can Am Minerals, Kleen Blast Abrasives (marketing and distribution) and Kleen Industrial Services (abrasives recycling). The slag pile that provides the raw material for the Pacific

[94] "Grand Forks, B.C. : History" http://www.crowsnest-highway.ca/cgi-bin/citypage.pl?city=GRAND_FORKS5

[95] "Acquisition of Three Sawmills from Pope & Talbot" Updated December 4 2007; Interfor http://www.interfor.com/pdf/Acquisition%20of%20Pope%20%20Talbot%20mills%20updated%20Dec%204.pdf

Abrasives operation is waste from the Granby smelter that closed in 1919. Sufficient reserves exit to sustain operations for approximately 30 years. The slag is crushed and transported a short distance by truck to the rail loading facility in Grand Forks where it is screened, dried and loaded to railcars.

Roxul Inc. operates a plant producing mineral wool insulation in Grand Forks. Roxul Inc. is part of the Danish firm Rockwool International, the world's largest producer of mineral wool insulation with 23 facilities in 15 countries. Roxul purchased the Grand Forks mill in 1999 from Enertek Products International Inc. All products are currently shipped from the mill by truck.

Canpar operated a particleboard plant manufacturing components for hollow core doors in Grand Forks. This plant used waste softwood sawmill residues as raw material, including chip undersize, planer shavings and sawdust, and wood from one pulp mill. Raw materials were sourced from plants within a 150 km radius of the mill. Canpar shut down in December 2007, and the mill equipment was auctioned in July 2008. The land and building were purchased by Roxul Inc.

Grand Forks Tourism

The range of tourism opportunities and products in the Grand Forks area of Highway 3 is more limited than either the western or eastern end of the corridor. Set in the Monashee Mountains at the junction of the Kettle and Granby rivers, Grand Forks is an ideal destination for outdoor adventures. Cultural Heritage includes the Fructova Heritage Centre displays artefacts, photographs and models of the region's mining and forestry history along with reminders of its original purpose as the school for Doukhobor children. The former Columbia & Western Railway now forms part of the Trans Canada Trail, following the Granby River valley into the forested high country, while the Vancouver, Victoria & Eastern heads out across farm country and grasslands. Both trails are accessible from downtown. These trails are also popular with horseback riders and, in winter, snowshoers and cross-country skiers[96].

Christina Lake is legendary for its warm, clean water, ideal for swimming, boating, and water sports. The surrounding mountains have an abundance of hiking and biking trails. The Trans Canada Trail runs through the area, with trestle bridges, tunnels and the spectacular Cascade Gorge. Nearby Kettle River is a great mild kayaking run, while golfers can choose between two excellent courses. In winter, cross-country trails are abundant, snowshoeing is very accessible, or you can downhill at nearby Phoenix or Red Mountain. With its small town charm and scenic setting, the community provides plenty of local amenities, recreation facilities and our new Christina Living Arts Centre[97].

Christina Lake doesn't have a compact centre. Instead, services for those who are staying in private vacation homes, motels, B&Bs, resorts, RV parks and campgrounds are strung along Highway 3. Because the area has been established as a local summer retreat for many decades, the steep lakeshore is lined with generations-old cottages and newer vacation homes. Unless staying in a lakefront property, access to the beach is limited to public parks, road-end rights-of-way and one marina. As a result, the potential for a large scale waterfront development would appear to be limited in the short run and in the long run may be inconsistent with the general style of leisure properties that dominant the waterfront.

Grand Forks Major Projects

In September 2010 International Forest Products Ltd announced potential investments in the Grand forks sawmill and in electricity generation. The $100 million development includes the planned replacement of the existing sawmill and construction of a 15 to 20 MW co-generational power plant. The project is in the feasibility-planning phase and has been selected to proceed in BC Hydro's Phase 2 Bioenergy Call for Power.

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[96] http://www.hellobc.com/en-CA/RegionsCities/GrandForks.htm

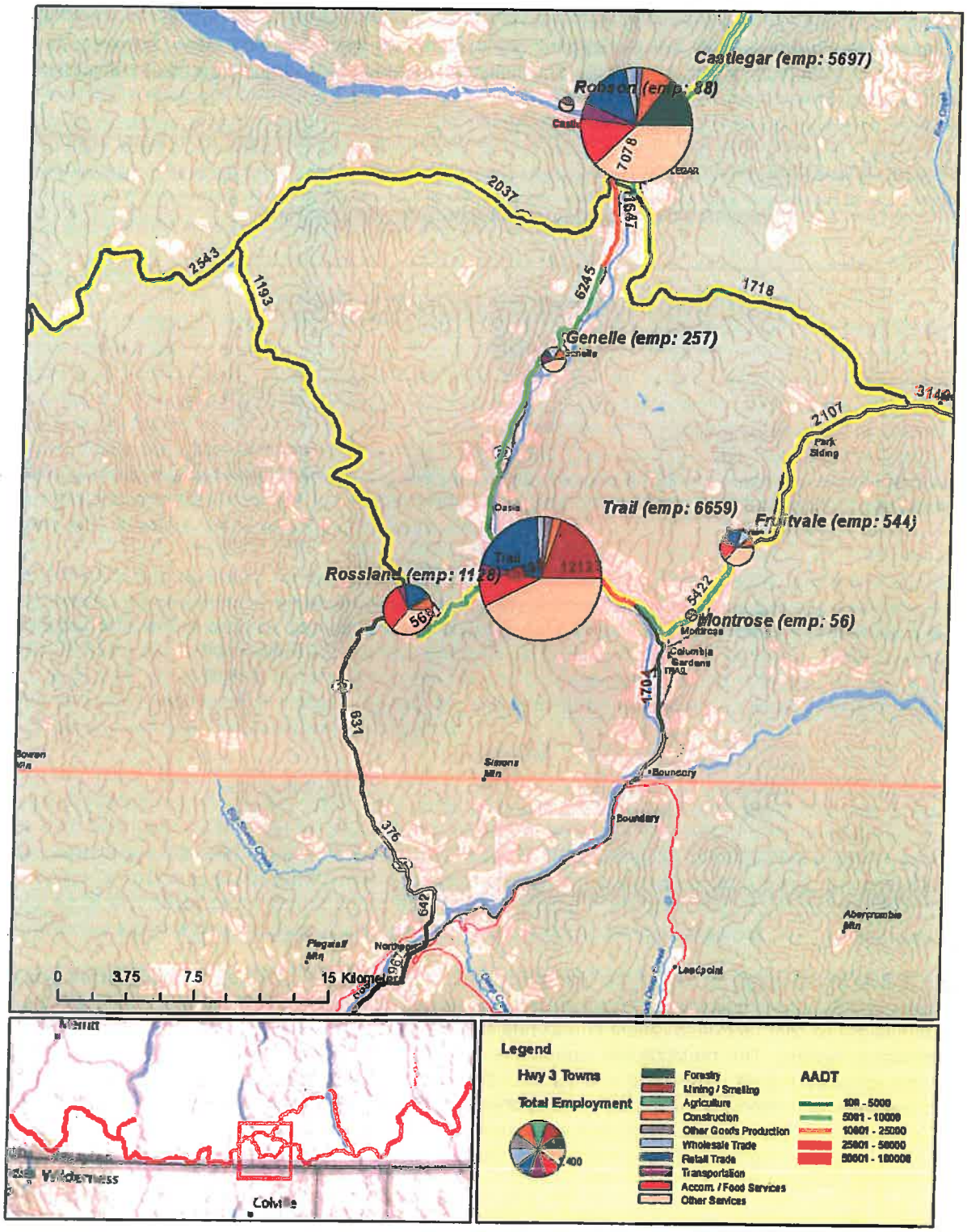
[97] http://www.christinalake.com/; http://www.hellobc.com/en-CA/RegionsCities/ChristinaLake.htm

Cascade Heritage Power Park Powerhouse Developments Inc. is proposing a 25 MW hydroelectric generating facility, enough to power 13,750 homes, along the Kettle River near Christina Lake on the former site of a small hydroelectric plant that closed in 1919. The new plant will include a museum and walking trails. The $24 million project has received certification under the Environmental Assessment Act and is listed in the BC Hydro 2008 Clean Power Call.

Aquilini Renewable Energy's $200 million Christina Lake Industrial Recycling Plant is a proposal for recycling industrial petroleum waste to energy. The company submitted an application to the regional district for a zoning amendment. The zoning amendment application for this project has been withdrawn from Christina Lake, but may be submitted in another district.

18 Appendix 4 Community Profiles Trail and Area

Figure 18-1 2010 Employment and AADT Estimates – Trail and Area

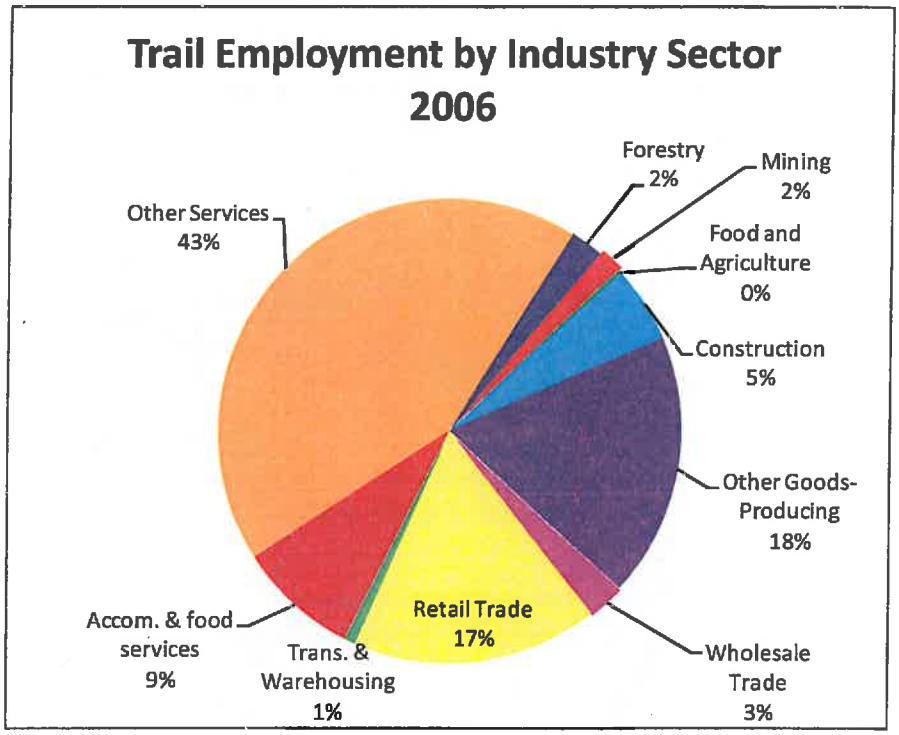


18.1 Trail

The discovery of gold/copper ore on the face of Red Mountain in 1890 led to the rise of Rossland as the premier mining centre in North America and the birth of the settlement now called the City of Trail. A smelter was constructed to refine copper by F.A. Heinze in 1895. In 1898 the smelter was sold to the CPR who expanded its production capacity to include lead ores. Trail was incorporated as a city in 1901. In 1906 the smelter, the War Eagle, Centre Star, and St. Eugene mines, along with the Rossland Power Company were amalgamated to form the Consolidated Mining and Smelting Company of Canada Limited that came to be known as Cominco.[98]

The population of Trail was estimated at 7242 in 2010. The distribution of employment by industry sector in 2006 based on census data is shown below:

Figure 18-2 Trail Employment by Industry Sector 2006



The "Other Goods-Producing" category includes smelter operations.

Trail Major Industry

The major industrial operation in Trail is the lead-zinc smelter. Following the merger of Teck Corporation with Cominco in 2001, the smelter is operated by Teck Cominco Metals Ltd. It includes one of the world's largest fully integrated zinc and lead smelting and refining complexes and the Waneta hydroelectric dam and transmission system. The metallurgical operations produce refined zinc and lead and a variety of precious and specialty metals, chemicals and fertilizer products. In addition to southbound shipments of lead, zinc, fertilizers and chemicals, this facility generates significant northbound traffic between the border and Trail in the form of lead-zinc concentrates to be processed. The major source of concentrates is the Red Dog mine in Alaska. Concentrate shipments from the Red Dog mine totalled approximately 1.4 million

[98] "History of Trail" http://www.trailhistory.com/history.php

tonnes in 2009.[99] Teck Cominco indicates that 30% of Red Dog production is sold for processing at the Trail facility[100] which implies total shipments from this source of 420,000 tonnes (approximately 3800 rail carloads or 9300 truckloads). Additional concentrates are imported from other sources. Concentrate from Red Dog is shipped via the Kinder Morgan Vancouver Wharves terminal at Port Metro Vancouver and then interchanged by CN Rail with BNSF for shipment via KFR to a bulk reload centre at Waneta, BC. The concentrate is then trucked approximately 9 km north to the Trail refinery.

The smelter operation has generated a number of green and high-tech spinoff companies geared to the metallurgical sector. Companies include Firebird Technologies, a new division of Montreal-based 5N Plus, which develops high-quality indium antimonide crystals for the electronics industry and which recently opened a new 40,000-square-foot facility. Firebird Technologies emerged from Teck's research division in the 1990s before being bought by 5N two years ago. Teck supplies Firebird with the metals required for its technologies.

Others in Trail's high-tech cluster include KC Recycling Ltd., which operates a major lead-acid battery recycling plant, with the lead processed at Teck's metallurgical complex. As well, Toxco Waste Management Ltd., which established the world's first lithium battery recycling operation south of Trail, is positioning itself to service the emerging electric auto industry. Toxco, which operates out of a 70,000-square-foot facility, collects and sorts alkaline batteries that are then sent to Teck to produce zinc.

Teck Cominco is contracted to use its Trail smelting operation to handle and "refine" computer waste after it is collected[101].

Trail Major Projects

Columbia Power Corp. has commenced work on the $900 million Waneta Power Plant Expansion. The project involves a 335 MW expansion of the existing dam, by a subsidiary of Columbia Power Corporation. It includes the design and construction of a second powerhouse at the Waneta Dam on the Pend d'Oreille River, south of Trail, BC. The project has been certified under the BC Environmental Assessment Act. Three proponents have developed proposals to construct the project: Peter Kiewit Sons Co., SNC-Lavalin Inc., and Bilfinger Berger - North America Construction Joint Venture. SNC-Lavalin Inc. was chosen for the $587 million design/build contract. In Aug 2010, a joint venture of Columbia Power Corp. And Columbia Basin Trust reached an agreement with Fortis Inc., for the development of the project. The project is anticipated to be completed in 2015.

Teck Metals Ltd. is proposing to construct a new building to house a slag furnace and a settling furnace at the Trail Operations. The $100 million furnace addition is to commence in 2011 and be completed by 2014.

18.2 Rossland

As noted above, Rossland was developed as a result of the discovery of copper and gold deposits on Red Mountain in 1890. Rossland was incorporated in 1897 and was, at that time, one of the largest cities in Western Canada. In recognition of the importance of tourism to the local economy Rossland was designated as one of the 13 resort municipalities in British Columbia as a result of a 2007 agreement signed under the B.C. Resort Municipality Initiative with the Province[102].

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[99] Alaska's Mineral Industry 2009: A Summary Information Circular 60 by R.A. Hughes, D.J. Szumigala, and L.A. Harbo, Division of Geological & Geophysical Surveys, June 2010
http://www.dggs.alaska.gov/webpubs/dggs/ic/text/ic060.PDF

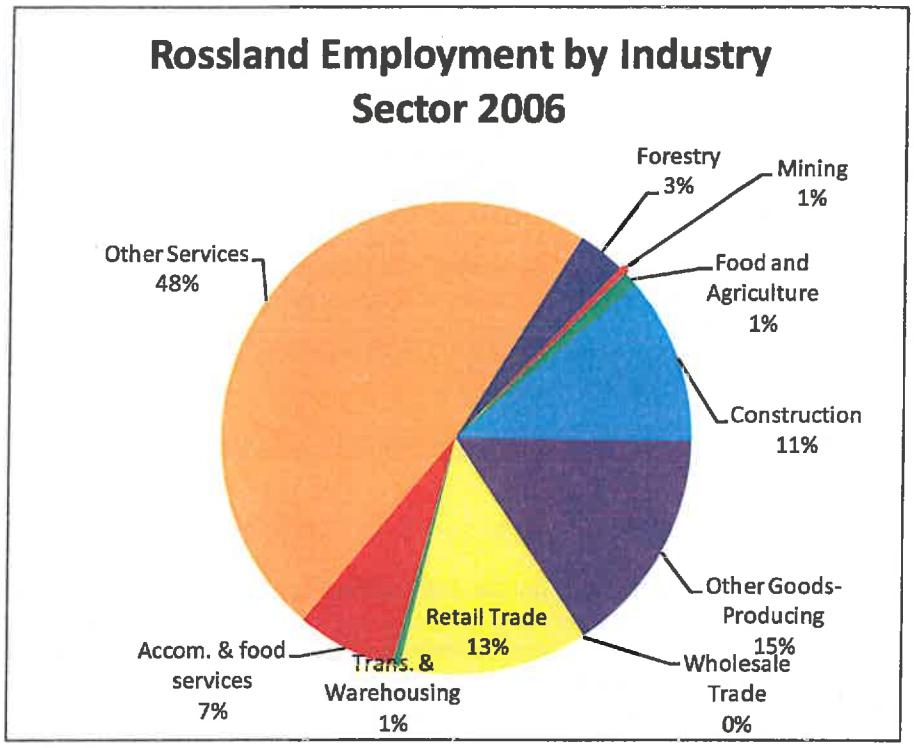
[100] Teck Annual Information Form 2010 Teck Resources Ltd. March 15, 2010 p. 7
http://www.teck.com/DocumentViewer.aspx?elementId=155506&portalName=tc

[101] "Small town Trail emerges as green, high-tech companies' hub" August 3, 2011
http://www.scrapmonster.com/news/small-town-trial-emerges-as-green-high-tech-companies-hub/1/2739

[102] http://www2.news.gov.bc.ca/news_releases_2005-2009/2007CS0031-000527.htm

Rossland's population was estimated at 3554 in 2010. The distribution of employment by Industry sector in 2006 based on census data is shown below:

Figure 18-3 Rossland Employment by Industry Sector 2006



The relatively high share of employment in the "Other Goods Producing" sector presumably consists primarily of employment at the Trail smelter.

Rossland Major Industry

Based on BC Ministry of Forests data, there are two forest product firms located southwest of Rossland: Jones Ties and Poles operates a small sawmill, and Patterson Pole Ltd. produces utility poles.

Rossland Tourism

Situated at the top of the long hill that separates Rossland from the neighbouring community of Trail, Rossland's major tourism industry activities are centred on Red Mountain. Red Mountain was recently rated in the top 10 elite resorts in North America by Forbes Traveller and one of the ultimate mountain towns by National Geographic Adventure Magazine, Thus, it is not surprising that the Red Mountain Resort partners with travel professionals and tour wholesalers from around the globe to market its product. Tour operator listings for Red Mountain indicate a market presence in other parts of Canada, Western United States, the South Pacific and Europe. Winter activities in Canada's Alpine Resort community focus on snowboarding, downhill, cross-country, cat, heli and backcountry ski and touring opportunities. The International Mountain Biking Association has recognized the Seven Summits mountain bike trail as 'epic'. The area's extensive trail network attracts both hard-core bikers and enthusiasts. Festivals, golfing, hiking and fishing round out the main components of the local tourism industry.[103] Red Mountain Resort has an ongoing master plan

[103] Kootenay Rockies Travel Guide 2011.

that includes the construction of environmentally responsible condominium or single-family dwelling units. These new homes will feature spacious, luxury condos or single-family dwellings.[104]

Rossland Major Projects

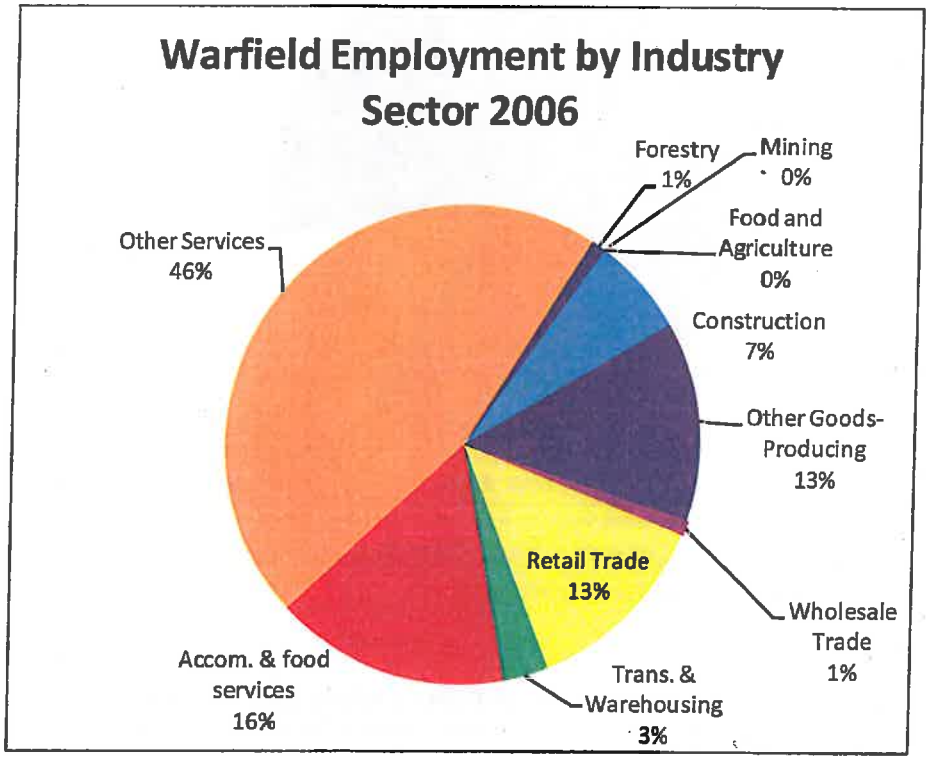
Red Mountain Ventures began undertaking the development and expansion of Red Mountain Ski Resort in 2005. The $900 million development is to be constructed in 5 phases over 15 years. The resort will be expanded from 1,200 acres to more than 4,000 acres. Plans include upgrading ski lifts and expanding ski terrain. Residential developments include 1,400 housing units, including 100 single-family lots as well as condominium and hotel units. Salmon Creek, a 150,000 sq. ft., two building condominium started construction in the summer of 2006. Hannah Creek, a Phase 2 development will consist of two buildings of 25 units. A 3000-acre beginner ski area will be the first of a 2,600-acre ski terrain expansion. A new quad chairlift completed construction, and a 75-unit boutique hotel. The $2.8 million conference centre has been completed ($2.8 million).

18.3 Warfield

Named after Carlo Warfield who was the private secretary of F.A. Heinze, the builder of the original smelter at Trail, Warfield was incorporated on December 8th 1952.

Warfield's population was estimated at 1808 in 2010. The distribution of employment by Industry sector in 2006 based on census data is shown below:

Figure 18-4 Warfield Employment by Industry Sector 2006



[104] http://www.redresort.com/

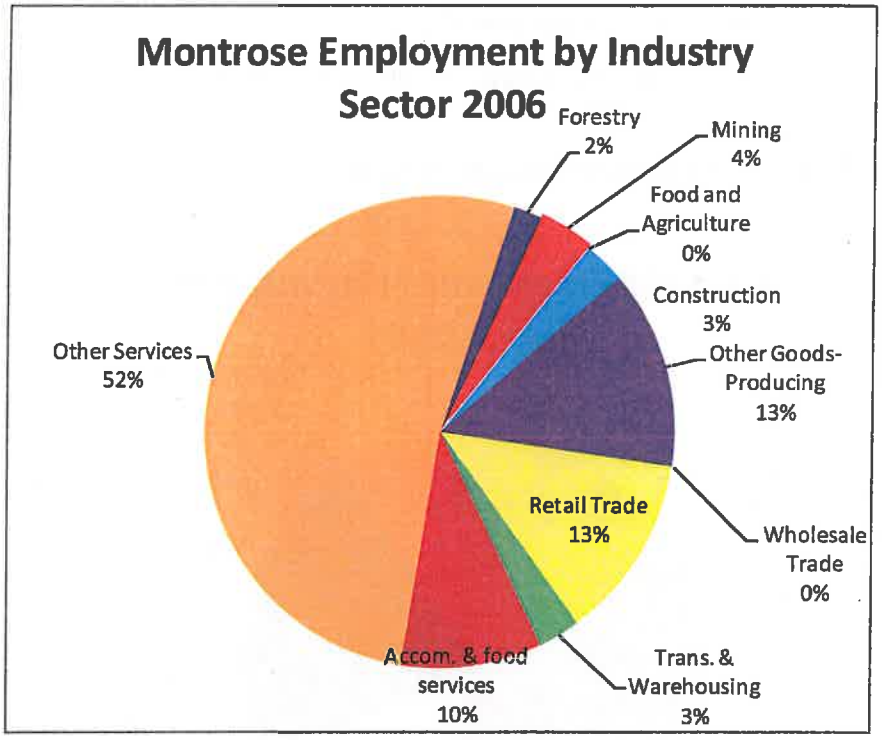
As with Rossland, the relatively large share of employment in the "Other Goods-Producing" category is associated with the Trail smelter operations.

18.4 Montrose

Originally known as "Wood's Flats," Montrose was developed as a retirement village for workers from the nearby Cominco smelter. It was incorporated in 1956 as a village, and named after a popular resort in Scotland. The construction of the "Montrose Cutoff" in 1920 between Waneta Junction and Montrose (now part of Highway 3B, reduced travel time to Trail from 45 minutes to 10 minutes, making the village more attractive to commuters.[105]

The population of Montrose was estimated at 1046 in 2010. The distribution of employment by Industry sector in 2006 based on census data is shown below:

Figure 18-5 Montrose Employment by Industry Sector 2006



As with Rossland and Warfield, the relatively large share of employment in the "Other Goods-Producing" category is associated with the Trail smelter operations.

18.5 Fruitvale

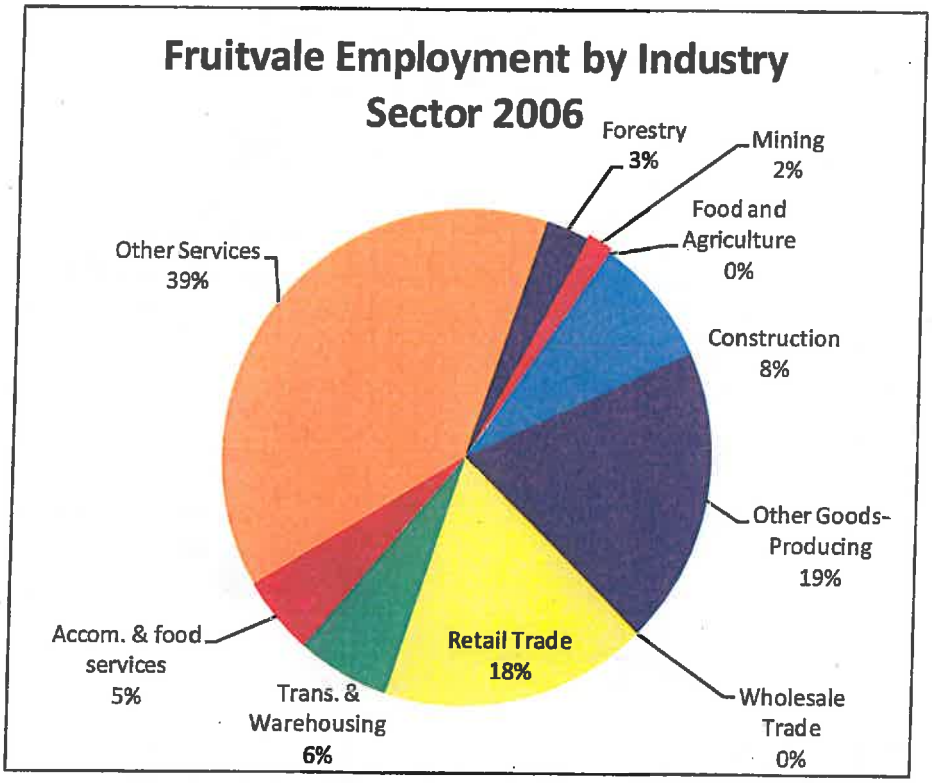
Fruitvale was originally named Beaver Siding because it was a railway stop for the great Northern Railroad. In 1906, Fruitvale Limited purchased a great deal of land on both sides of this stop and changed the name

[105] "Montrose, British Columbia" Wikipedia http://en.wikipedia.org/wiki/Montrose,_British_Columbia; "Time Line for South-western Canada" http://www.crowsnest-highway.ca/timeline.pl?page=17

to Fruitvale.[106] Fruitvale was incorporated as a Village on November 4, 1952. Today, Fruitvale is mainly a residential area for the employees working in the industries located in and around the area.

Fruitvale's population was estimated at 2012 in 2010. The distribution of employment by Industry sector in 2006 based on census data is shown below:

Figure 18-6 Fruitvale Employment by Industry Sector 2006



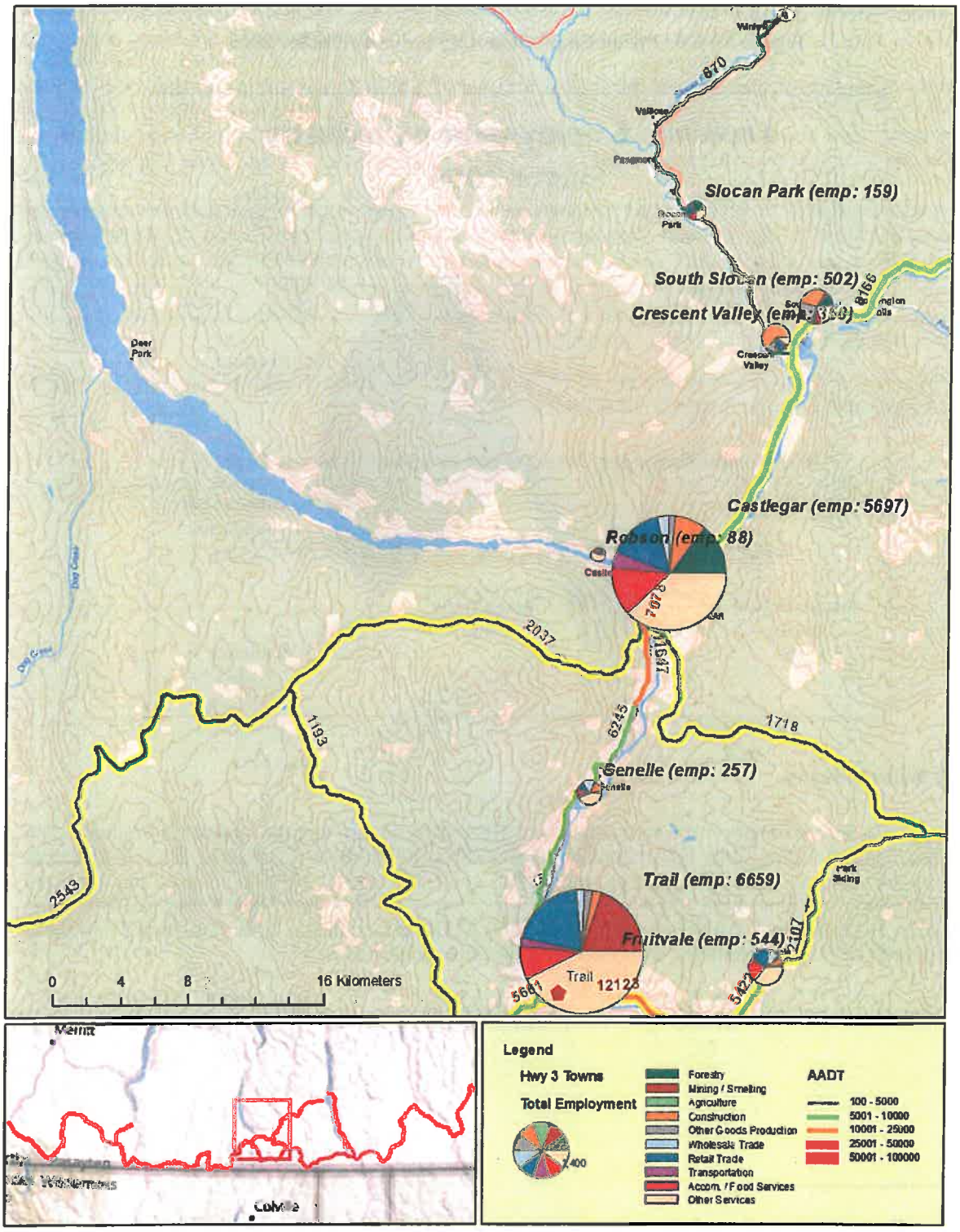
Fruitvale Major Industry

Atco Lumber operates a veneer mill with a capacity of 108 million square feet (3/8" basis) at Fruitvale. The ATCO plant is linked to the Kettle Falls International Railway's (KFR) Kettle Falls Subdivision at Columbia Gardens by the International Rail Road Systems (IRRS) short line railway. IRRS purchased the line from Columbia Gardens to Salmo from BNSF in 1998. The portion of the line from Park Siding to Salmo was abandoned in 1998. In May 2010 IRRS was purchased by ATCO and continues to operate from Fruitvale to interchange with KFR. KFR interlines with BNSF at Chewelah Washington.

[106] Village of Fruitvale http://village.fruitvale.bc.ca/community.php?page=community&title=History

19 Appendix 5 Castlegar

Figure 19-1 2010 Employment and AADT Estimates: Castlegar

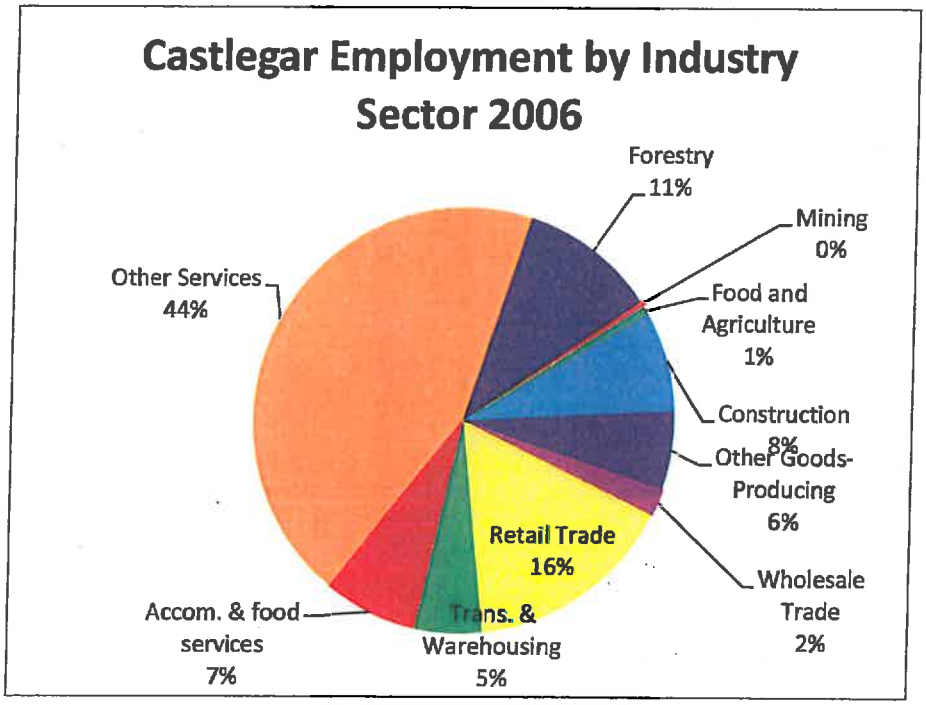


Waterloo, across from the present South Castlegar, owed its birth to the Rossland mining camp, and especially to smelting operations at Trail, begun Feb 1 1896. Timber for fuel and construction of the smelter derived from a landing, called "Waterloo", on the eastern bank of the Columbia River, 32 kilometers upstream from Trail. In 1890, the CPR began construction of a rail link to Nelson to replace the trail railway built by L. Macquarrie in 1888. East Robson became the terminus, located one mile north on a well-drained terrace. West Robson was established across the river to serve the Columbia and Western Railway, built by August Heinze to link with his smelter being built on Trail Creek. The completion of a rail bridge across the Columbia linking the rails of the Columbia and Kootenay and the Columbia and Western railway lines in 1902 led to relocation of the terminal from East Robson to Castlegar, where a rail station was built. Castlegar was incorporated as a village in 1946.[107] In 1946, Castlegar was incorporated into a Village, then in 1966 incorporated into a Town. In 1948, Kinnaird was incorporated into a Village, then in 1967 into a Town. The two communities amalgamated January 1, 1974 and incorporated as the City of Castlegar.

The Hugh Keenleyside Dam (formerly the High Arrow Dam) was completed in 1968 as part of Canada's role in the Columbia River Treaty, and was intended only to control the flow of water in the Columbia River for downstream dams. A navigation lock was built into the dam for movement of tugboats and log booms from the reservoir to the mills downstream, and is also used by pleasure boats. A 185 megawatt (MW) powerhouse, the Arrow Lakes Generating Station, was added in 2002. It produces 772 GW.h annually. The station is owned by the Columbia Power Corporation.

The population of Castlegar was estimated at 7879 in 2010. The distribution of employment by industry sector in 2006 based on census data is shown below:

Figure 19-2 Castlegar Employment by Industry Sector 2006



[107] "The History of Castlegar" City of Castlegar http://www.castlegar.ca/about_history.php

Castlegar Major Industry

The largest industrial employer in the Castlegar area is the Zellstoff Celgar pulp mill owned by Mercer International. The mill produces approximately 520,000 Air-Dried Metric Tonnes (ADMTs) annually. In 1993, a C$850 million rebuild and modernization transformed Celgar into a high quality, continuous process pulp mill with modern power generation and environmental treatment facilities. When Mercer completed the US$210 million acquisition of Celgar in February 2005, the mill had an annual production capacity of about 430,000 ADMTs. Mercer increased the mill's capacity to 500,000 ADMT's in 2007 through the $28 million "Project Blue Goose" designed to achieve operation efficiencies, increase production and improve environmental stewardship, including reduced consumption of energy and chemicals. Additional process efficiencies have further increased annual production capacity to 520,000 ADMTs. Celgar also became a net exporter of electricity with the potential to fulfill a growing demand for "green" energy. Celgar currently employs approximately 422 people in its operations at Celgar.[108]

In 2010 Celgar completed its Green Energy Project. The C$64.9 million project included the installation of a second turbine-generator set with a design capacity of 48 MW to increase the mill's installed generating capacity to 100 MW, and upgraded the mill's bark boiler and steam facilities. In connection with the Green Energy Project, Celgar finalized a 10-year Electricity Purchase Agreement with BC Hydro under which it will sell electrical energy at "green' rates.

Interfor operates a sawmill with a capacity of 264 mmbfm at Castlegar. The mill was formerly owned by Pope and Talbot and was purchased in the same transaction as the Grand Forks mill.

Kalesnikoff Forest Products operates a sawmill with a capacity of 122 mmbfm at Thrums, north of Castlegar.

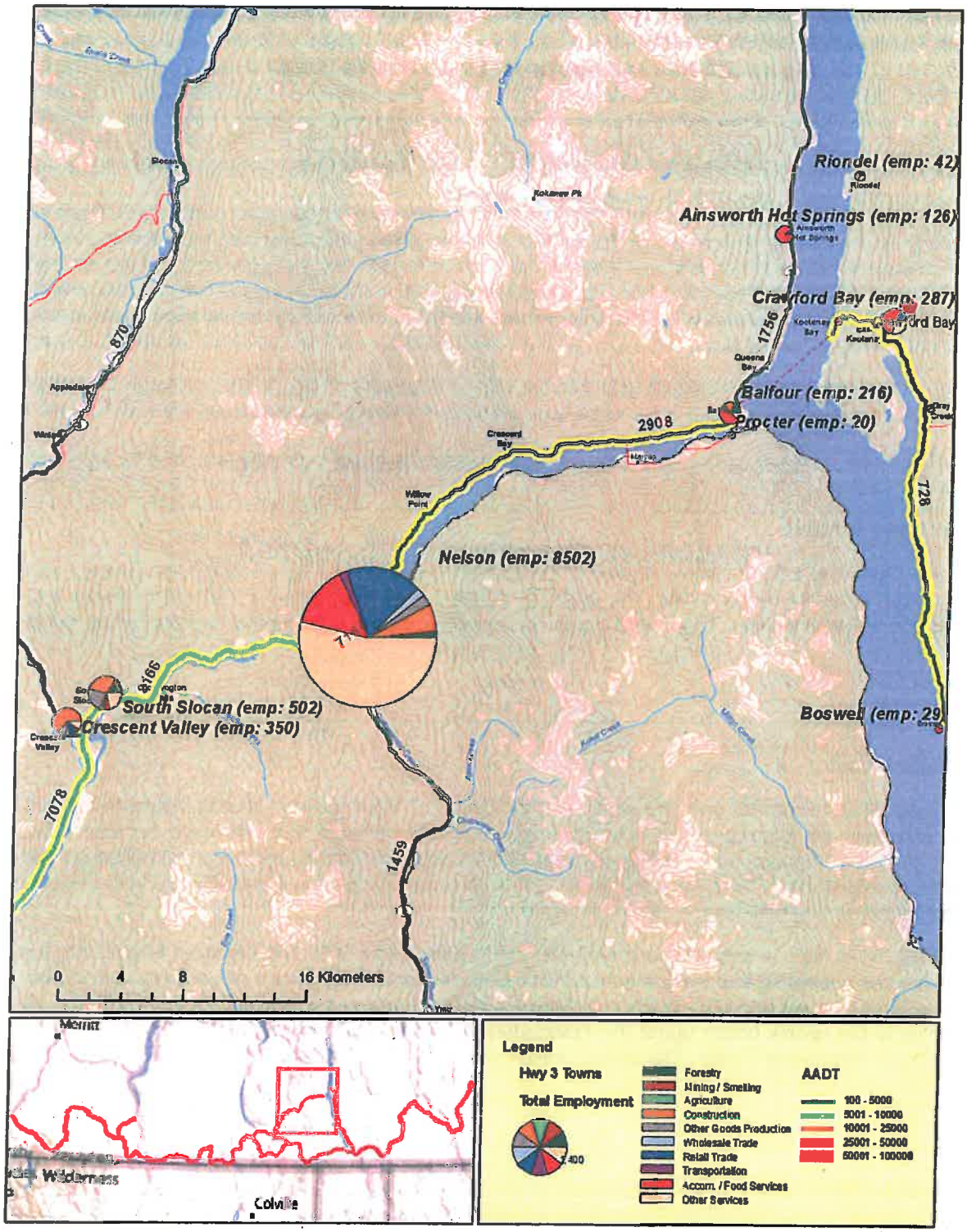
Castlegar Major Projects

BC Hydro is proposing a $102 million upgrade of the spillway gates of the Hugh Keenleyside dam to meet flood discharge reliability requirements. The project is in the early Identification or Definition Phases and final costs are as yet uncertain. The project proponent is looking to have the project finished by the fall of 2013.

[108] Mercer 10K Annual report, p. 22.

20 Appendix 6 Nelson

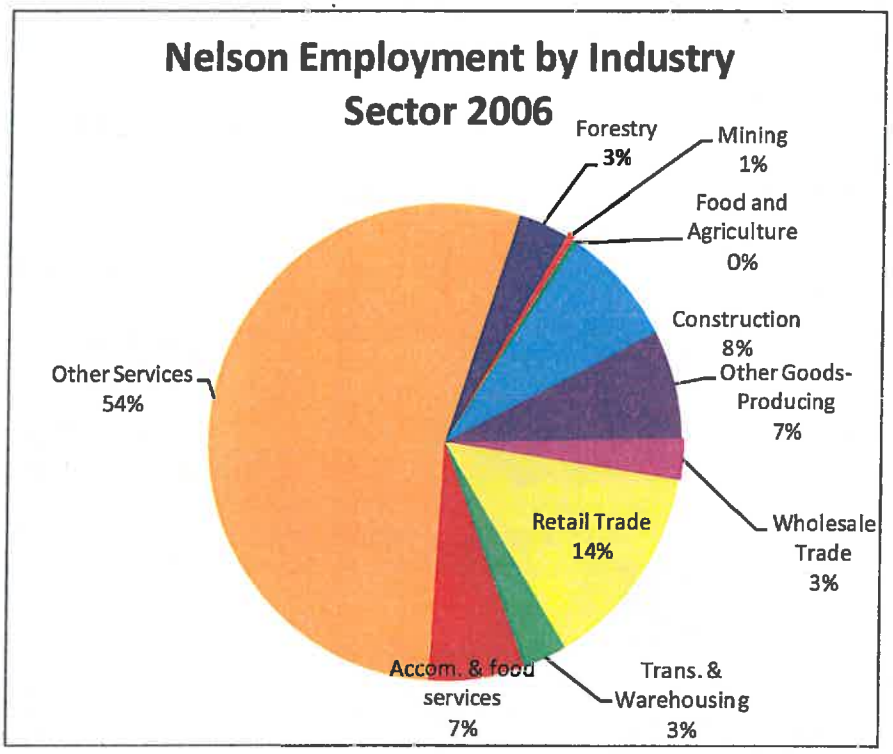
Figure 20-1 2010 Employment and AADT Estimates: Nelson



Development of Nelson was spurred by the discovery of silver in 1886. By 1890, a town site was laid out and wood frame buildings began to replace the tents and shacks that had housed the first few hundred pioneers. When the city was incorporated in 1897, the population had grown to 3,000 and there were already some fine homes and public buildings.[109]

The population of Nelson was estimated at 9794 in 2010. The distribution of employment by industry sector in 2006 based on census data is shown below:

Figure 20-2 Nelson Employment By Industry Sector 2006



Nelson Major Industry

Springer Creek Forest Products owns a sawmill with a capacity of 118 mmbfm at Slocan, approximately 70 km north of Nelson on Highway 6. In May 2011 the company indicated the mill would be shut down indefinitely due to low lumber prices, exchange rates, and transportation costs, and because the mill's wood waste market has dried up. The mill had been selling their sawdust and bark to Avista Power Corp. in Kettle Falls, Washington as hog fuel, but they no longer need it.[110]

Purcell Green Power Inc. is proposing a run-of-river hydro plant with a 90.5 MW capacity, flowing into the Duncan Reservoir consisting of power stations at Glacier Creek of 40.5 MW and Howser Creek of 50 MW. The $240 million Glacier/Howser/East Energy project has been selected in the BC Hydro 2006 call for power and is in the review phase under the *Environmental Assessment Act. Project* is registered under ecoENERGY for Renewable Power. The project was to commence in 2011 and be completed in the same year.

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[109] "Nelson Culture and History" http://www.hellobc.com/en-CA/CultureandHistory/Nelson.htm
[110] "Springer Creek Forest Products mill soon to be indefinitely idled" May 11, 2011 http://foresttalk.com/index.php/2011/05/09/springer-creek-forest-products-mill-soon-to-be-indefinitely-idled/

Nelson Tourism

Nelson is surrounded by the rugged Selkirk Mountains and sits on the shores of the West Arm of Kootenay Lake. It is a community with vibrant arts and cultural scene, and a large local population of outdoor enthusiasts. Major attractions are Ainsworth Hot Springs, Arts & Culture, Capital Theatre, 350 Heritage Buildings, Kokanee Creek & Glacier Provincial Park and the Touchstone Museum of Art & History and Whitewater Ski Resort.[111] The community's tourism links with recreational opportunities along Kootenay Lake is evidenced by the recent formation of the Nelson Kootenay Lake (NKL) Destination Tourism Marketing Organization. [112] It covers an area from Nelson (including Whitewater Winter Resort) Balfour, Proctor, Harrop, Ainsworth, Kaslo and Meadow Creek. The organization's mandate is to actively market this region as a distinct four season tourism destination on behalf of its stakeholders and communities, in partnership with Kootenay Rockies Tourism and the provincial tourism authority, Tourism British Columbia. The organization's new logo and tag line is designed to attract first-time and repeat visitors from the regional rubber-tire market as well as from national and international markets.

In 2008 Whitewater Ski Resort was purchased by Knee Deep Development, a Calgary based corporation. The company reviewed the existing Master Plan started to improve infrastructure and base area facilities in 2009. Expanded terrain, lift installation and real estate development are planned for the near future. When the Ministry of Tourism approved the Master plan in 2010 the resort expanded by 303 hectares and installed a triple chair December 2010.[113]

Nelson Major Projects

Kootenay Lake Hospital initiated a redevelopment and facility expansion project at Kootenay Lake Hospital in 2009 to triple the size of the existing emergency department to 9,946 sq. ft. and establish a new CT scanner suite. Project will meet LEED Gold standards for Leadership in Energy and Environmental Design. The $15 million Emergency Department Redevelopment and CT Scanner Suite project is scheduled to be completed in late 2011.

New Future Developments is proposing a 5-storey residential resort development will include an assisted living complex and a private marina. The $15 million Kutenai Landing Village Development project will proceed as market indicates.

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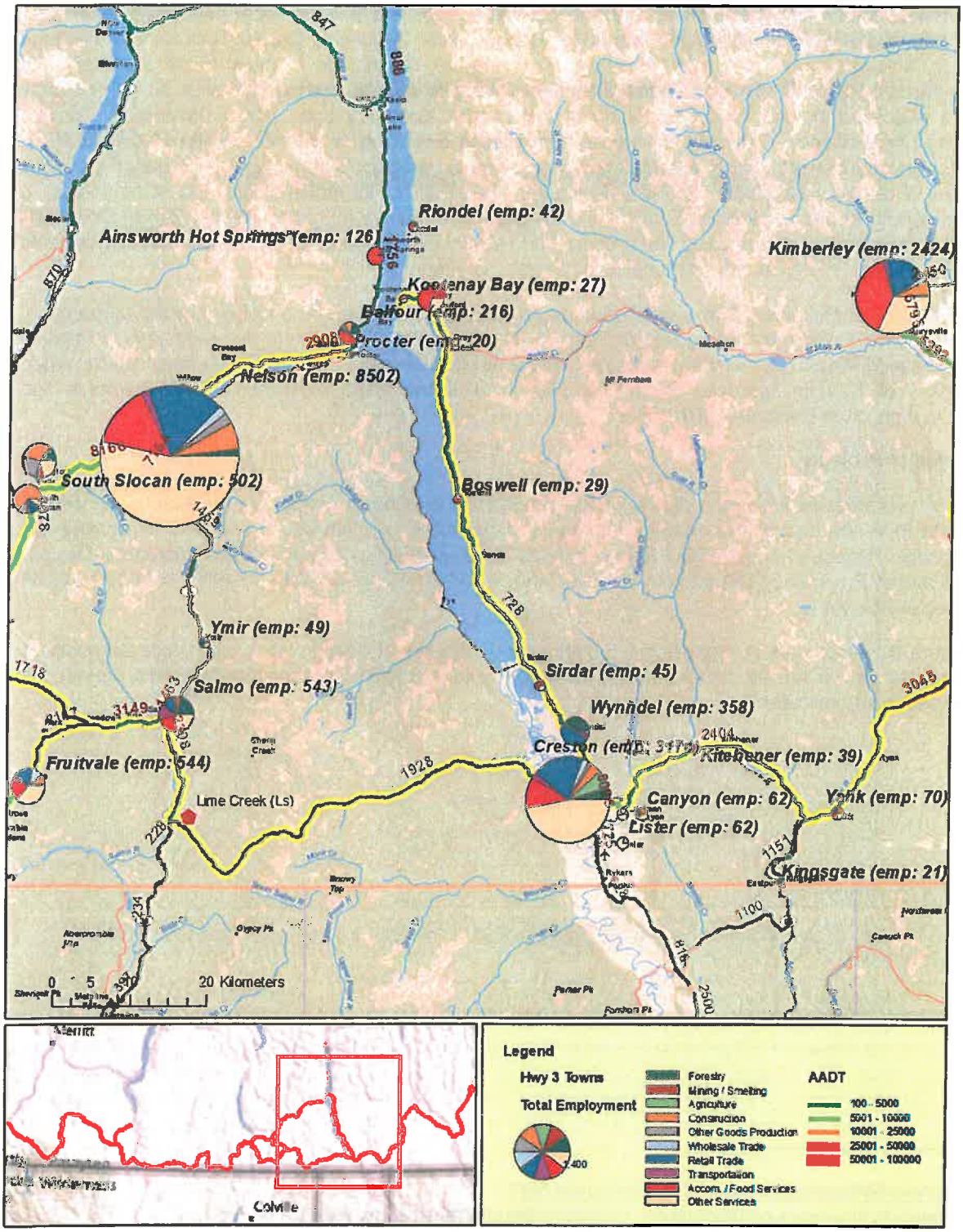
[111] http://www.discovernelson.com/htdocs/activities.html

[112] http://www.bclocalnews.com/kootenay_rockies/nelsonstar/business/119441584.html

[113] .http://www.skiwhitewater.com/whitewater_ski_resort_history.php

21 Appendix 7 Community Profiles Salmo – Creston

Figure 21-1 2010 Employment and AADT Estimates: Creston and Salmo

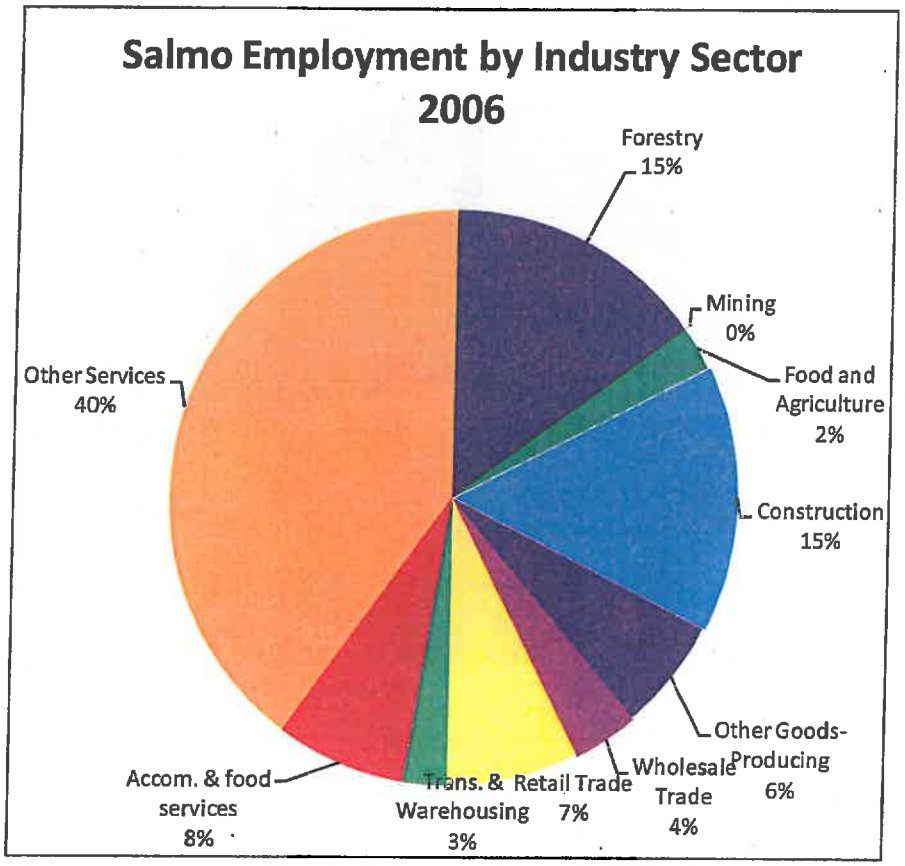


21.1 Salmo

Salmo was founded as a small mining town near the Nelson and Fort Sheppard Railway during a gold rush in 1896. The community was incorporated as a village in 1946.

Salmo's population was estimated at 1070 in 2010. The distribution of employment by industry sector in 2006 based on census data is shown below:

Figure 21-2 Salmo Employment by Industry Sector 2006



Salmo Major Industry

Based on Ministry of forests data, Porcupine Wood Products operates a sawmill with a capacity of 38 mmbfm at Salmo.

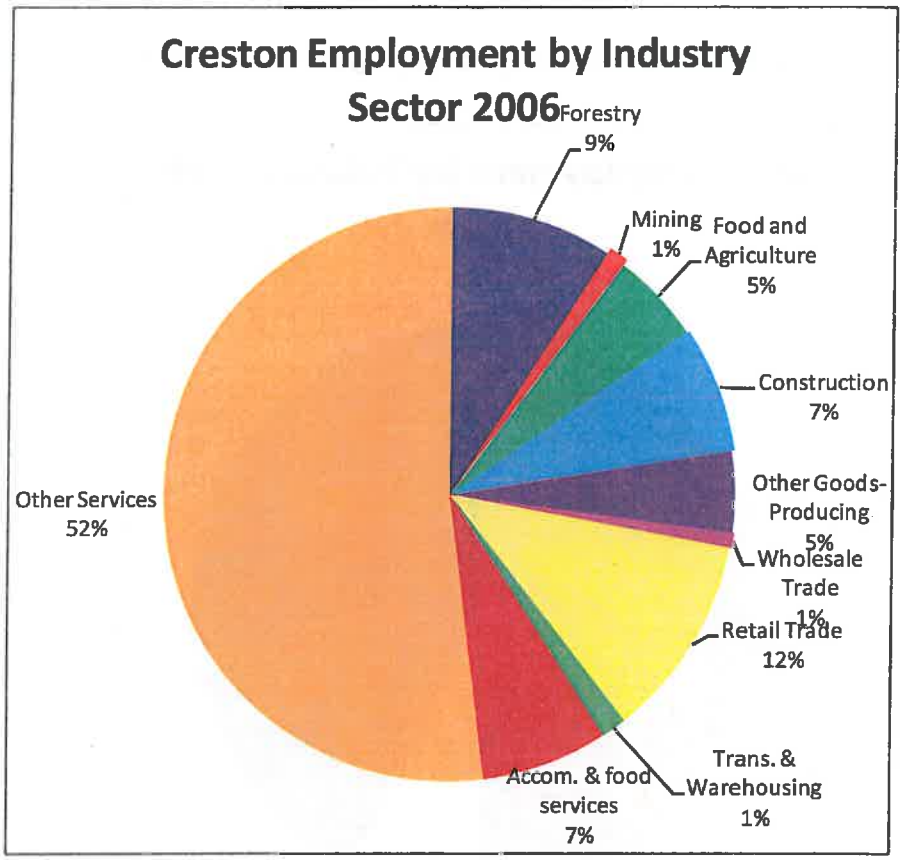
21.2 Creston

Creston was developed as a centre for forest products and agriculture. The community was incorporated as a village in 1924. The Creston Flats were reclaimed in 1935. Dykes were built along the Kootenay River, and the Goat River was diverted and dyked. Large-scale cultivation of the flats began almost immediately and wheat farming became common in the Creston Valley. In 1935, in anticipation of a 165,000bushel wheat crop, Creston's first grain elevator was built. A second followed in 1936.[114]

[114] "History of the Town of Creston" http://www.crestonvalley.com/historypg7.html

Creston's population was estimated at 5245 in 2010. The distribution of employment by industry sector in 2006 based on census data is shown below:

Figure 21-3 Creston Employment by Industry Sector 2006



Creston Major Industry

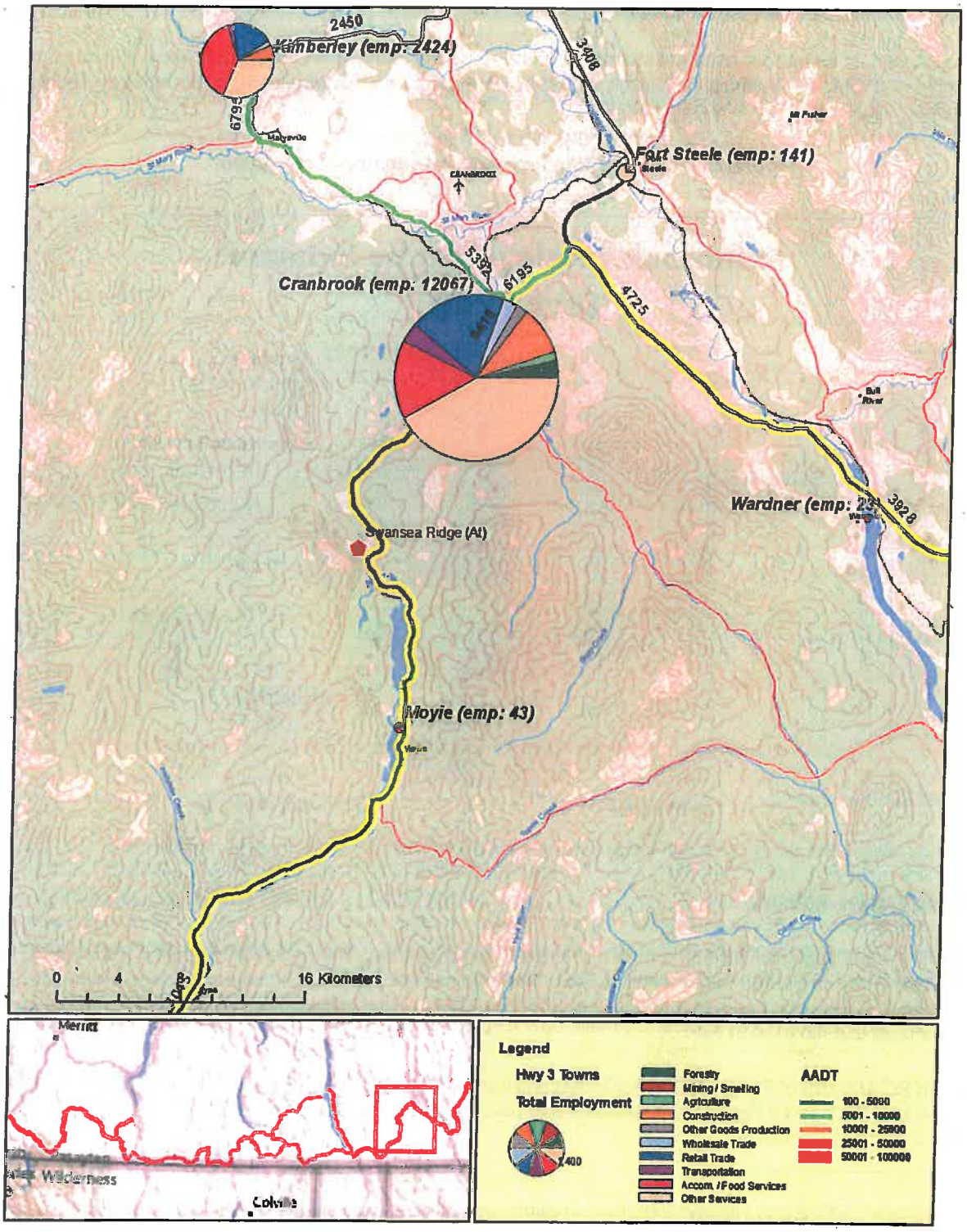
The Columbia brewery is a major industrial employer in Creston. By the early 1950's only four small breweries remained in the Kootenay area. They were located in Cranbrook, Fernie, Nelson, and Trail. These breweries amalgamated in 1957 to form the Interior Brewing Company. After amalgamating, the decision was made to have one brewery built in Creston in 1959. In 1972 the company name was changed from Interior Brewing Company to the Columbia Brewery. In 1974, the Labatt Brewing Company purchased Columbia Brewing Company. Employment was estimated at 143 in 2010.[115]

Based on Ministry of Forests data Wyndell Box and Lumber operates a sawmill with a capacity of 58 mmbfm approximately 6 km north of Creston. Employment was estimated at 149 in 2010. J.H. Huscroft operates a sawmill with a capacity of 34 mmbfm. Employment was estimated at 97 in 2010[116].

[115] "Top 120 Kootenay Employers 2010" Kootenay Business http://www.kootenaybiz.com/120employers/
[116] Ibid.

22 Appendix 8 Community Profiles Kingsgate – Cranbrook

Figure 22-1 2010 Employment and AADT Estimates: Cranbrook

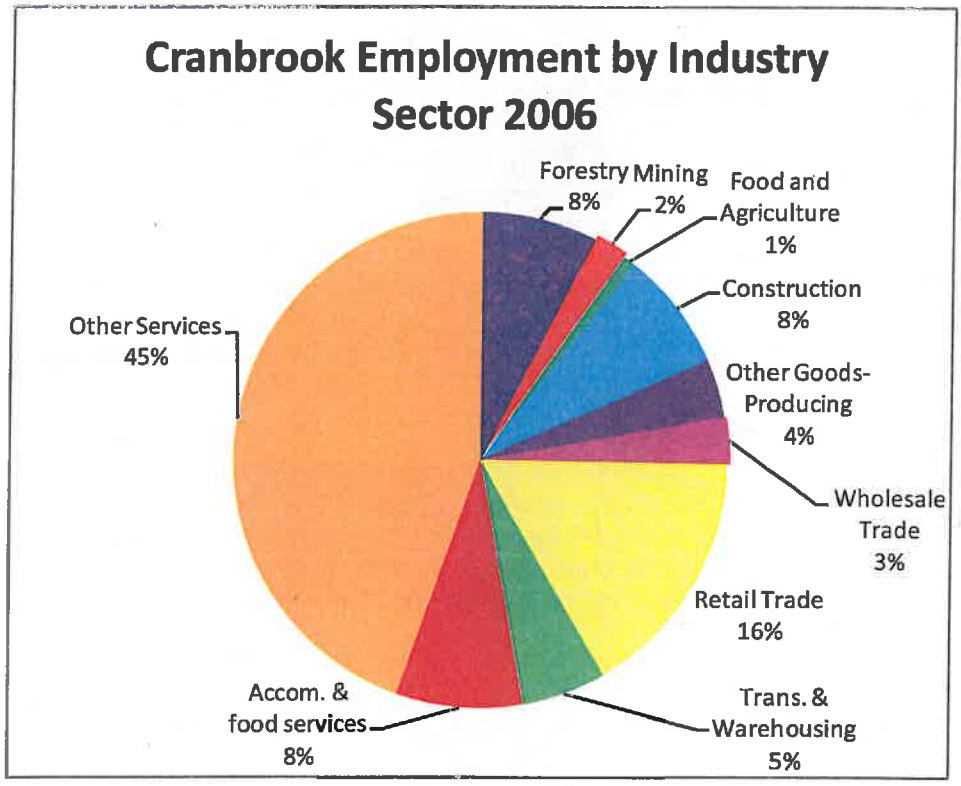


22.1 Cranbrook

Cranbrook was developed as a major rail depot, and the commercial hub of the entire region. The early years of the 20th century brought the commercial harvesting of the area's forests and new industry to town. Provincial government offices were relocated from a declining Fort Steele in 1903, and the City of Cranbrook was incorporated on November 1st, 1905.[117]

The population of Cranbrook was estimated at 19,123 in 2010, making it by far the largest community on the Highway 3 Corridor; second is Nelson at 9794. The distribution of employment by industry sector in 2006 based on census data is shown below:

Figure 22-2 Creston Employment by Industry Sector 2006



Cranbrook Major Industry

Tembec operates two sawmills and a pulp mill in the Cranbrook area. The sawmills include a 182 mmfbm mill at Canal Flats and a 188 mmfbm mill at Elko. The pulp mill is located at Skookumchuk approximately 50km north of Cranbrook and has a capacity of 250,000 ADMT. Total employment at Tembec facilities in the Kootenays is estimated at 800.[118]

Based on BC Ministry of Forest data other forest products mills in the area include the J.R., and Blackmore and Sons and Panhandle Forest Product poles and post mills at Lumberton, and Bear Lumber Ltd.'s 5 mmfbm sawmill at Cranbrook.

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[117] "Cranbrook Culture and History" http://www.hellobc.com/en-CA/CultureandHistory/Cranbrook.htm
[118] "Top 120 Kootenay Employers 2010"

Cranbrook Tourism

As the largest city in South East British Columbia, Cranbrook is the regional centre for the East Kootenays, offering a range of healthcare, social and educational services; expanding retail sector. The community' is linked by a transportation network includes access to major highways, railway and an international airport. Air Canada Jazz, Pacific Coastal Airlines and Integra Air serve the community. As a result, the community's tourism role in the region is different than the designated resort municipalities. The City serves as a hub for resorts and outdoor tourism facilities such as ski hills, hot springs and golf courses in the East Kootenay region. There are approximately 1,000 bed units as well as meeting facilities available locally. Cranbrook is also a key player in sports tourism as a result of the multi-purpose Cranbrook RecPlex and numerous indoor and outdoor recreation facilities.[119] The community has a Western Hockey League franchise, live theatre and a jazz festival. The Ktunaxa Nation has developed the St. Eugene Golf, Resort, Casino property into an international destination resort that includes a First Nations Interpretive Centre. Integra Air offer packaged tour products from Edmonton International Airport.[120] As a result of Cranbrook's amenities it is an attractive destination for lifestyle residential or tourism related development. For example, the ambitious Boulder Creek development at Wildstone Golf Course. Presented by Ernst & Young Inc. with Sales and Marketing by Colliers International Residential Marketing the sale the purchase of a luxury home with up to 5 bedrooms and a media room for as much as $200,000 off the original price.[121]

Cranbrook Major Projects

Havaday Developments Inc. has proposed a golf and residential development to include two Gary Player-designed 18-hole championship courses and 3000 unit residential development. Phase 1, The Whins, will include 76 home sites is underway. Phase 2 is Boulder Creek Villas with 43 units. Construction has been placed on hold for the $750 project. Colliers International has been appointed as part of the financial restructuring process to sell a small inventory of existing new homes at the Wildstone Golf and Residential Development.

Columere Park Developments Ltd.'s Spirits Reach Resort Development is a 250 acres of a 500 acre site will include 400 units in 4 neighbourhoods with amenity buildings. Phase 1 of 63 duplex and triplex units, Spirit of the Lake, has started construction. Phase 2, Spirit Rise began pre-sales of 112 units in Summer 2007. Phase 3 of 135 units, called Hardie Creek and phase 4 of 36 units, called Mustangs Crossing will follow. Construction on the $80 million development started in the Spring 2007 and scheduled to be completed in 2014.

22.2 Kimberley

Kimberley was named in 1896 after the Kimberley mine in South Africa. From 1917 to 2001, it was the home to the world's largest lead-zinc mine, the Sullivan Mine that provided concentrates for smelting at the Trail refinery. Kimberley was incorporated as a city in 1944. In recognition of the importance of tourism to the local economy Kimberley was designated as one of the 13 resort municipalities in British Columbia as a result of a 2007 agreement signed under the B.C. Resort Municipality Initiative with the Province[122].

Kimberley's population was estimated at 6648 in 2010. The distribution of employment by industry sector in 2006 based on census data is shown below:

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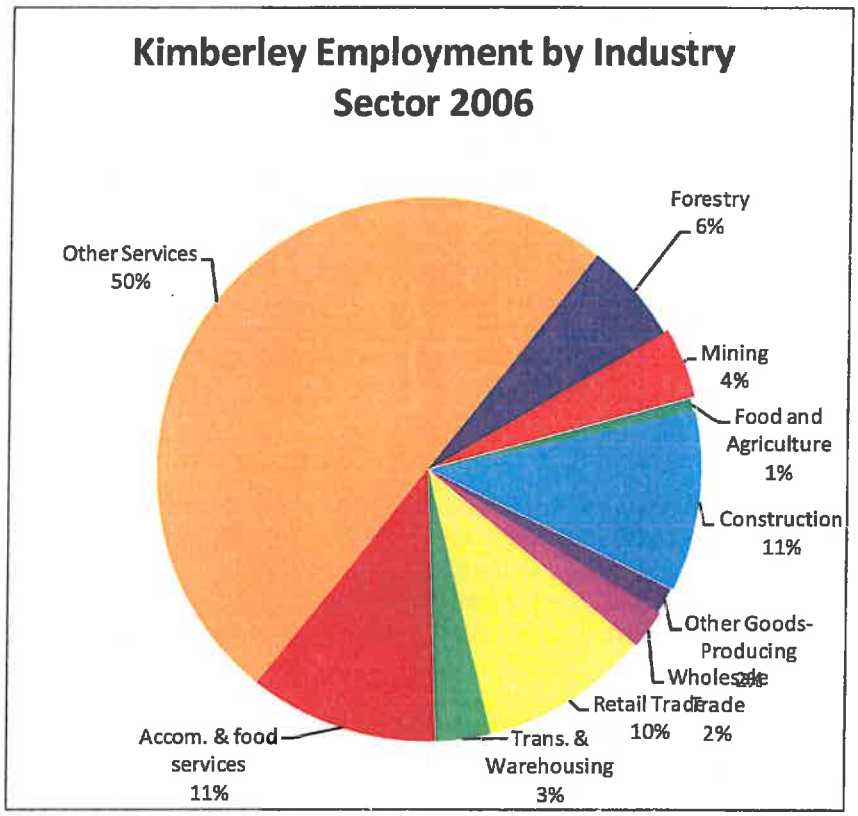
[119] Canrbrook Your Business is Here www.cranbrook.ca
[120] http://www.steugene.ca/
[121] http://www.whyboulderccreek.com/
[122] http://www2.news.gov.bc.ca/news_releases_2005-2009/2007CS0113-001609.htm

Figure 22-3 Kimberley Employment by Industry Sector 2006



Kimberley Tourism

Kimberley is known as both the "City of Festivals" and the "Bavarian City of the Rockies". It's not just the European alpine theme that sets this picturesque little city apart from nearby communities. Kimberley is unique in the number of recreational activities that can be enjoyed close to or within the city limits – including three championship golf courses, Kimberley Alpine Ski Resort, and Kimberley Nature Park, one of the largest municipal parks in Canada, offering 800 ha of parkland filled with hiking, biking, Nordic/cross-country skiing and snowshoeing trails.[123] Major attractions in the summer include the Arts on the Edge Festival, International Oldtime Accordion Festival and Kimberly Artwalk. The Underground Railway takes visitors on a journey into the former Sullivan Mine, which was the main economic generator for the community for more than a century,[124] In March of 2006 the City of Kimberley received $ 3.9 million from the BC Government for the development of a Paralympic Training Centre under the 2010 Major Sport Infrastructure fund. The vision for the Paralympic Training Centre was for Kimberley to become the only place in North America where disabled athletes could train for all four-winter disciplines. In January of 2008 the City of Kimberley received $2 million from the Federal and Provincial Governments through the Municipal Rural Infrastructure Fund to construct a conference centre increasing Kimberley's capacity to support business and tourism opportunities. The City of Kimberley proposed co-locating the Athlete Training Centre and the Conference Centre. As a result the 24,000 square foot Kimberley Conference & Athlete

[123] http://www.hellobc.com/en-CA/RegionsCities/Kimberley.htm & http://www.kimberley.ca/
[124] Go Kimberely, Summer 2011, Issue 15 published by Kimbereley Promotions Production.

Training Centre is located in the heart of the Kimberley Alpine Resort. 76% of Kimberley's current tourism market comes from Alberta, [125]

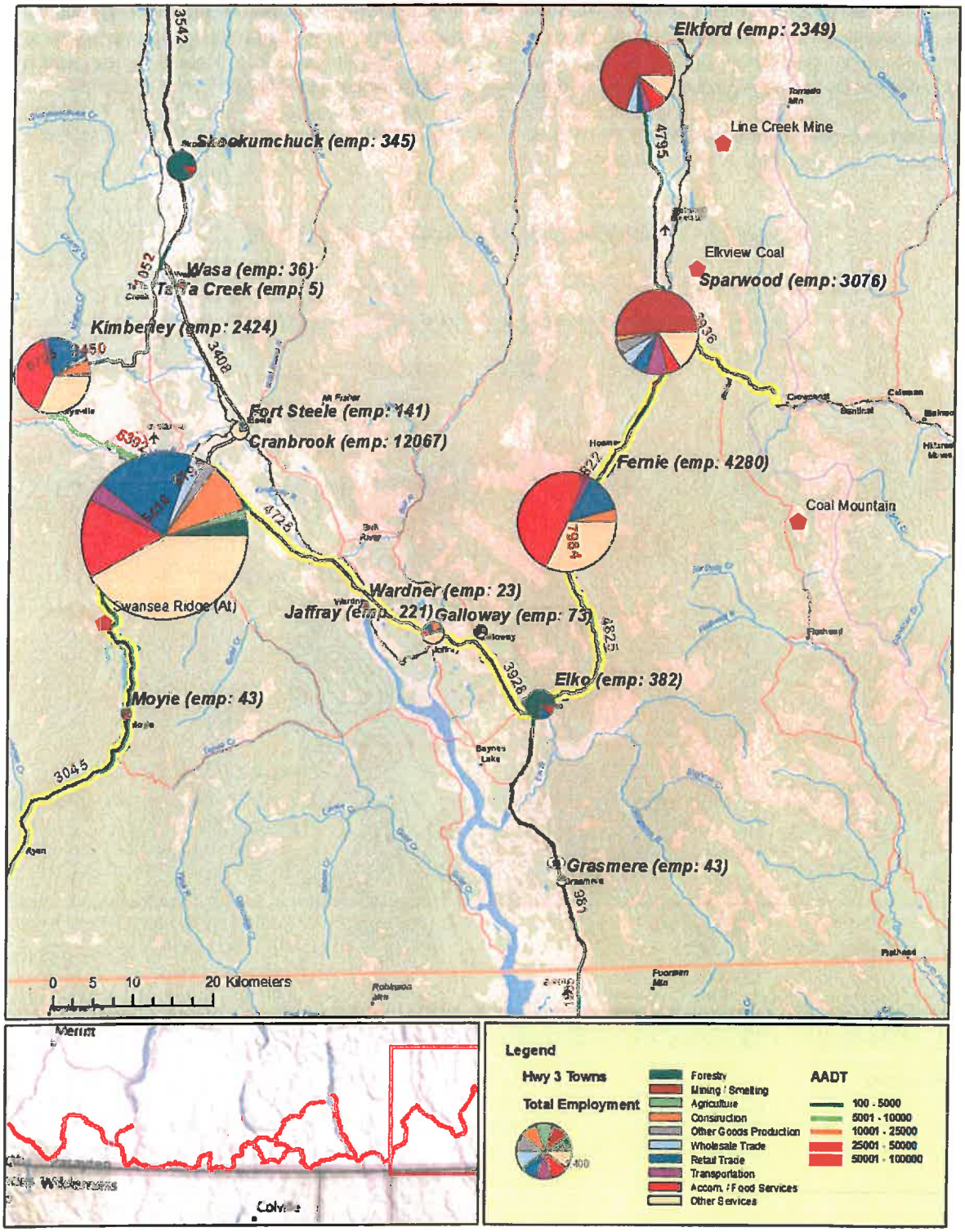
Kimberley Major Projects

Resorts of the Canadian Rockies started in 1998 on a ski resort expansion to include upgrades to existing facilities and additional on-hill accommodation with construction of an Alpine village in phases over the next 10 years. An 80-room Marriott Hotel (renamed Trickle Creek Lodge) is complete. Polaris Lodge, which includes skier services and accommodation, is complete. A Conference and Athletic Training Centre was completed in Late 2010. 469 residential units have completed, with 212 additional units planned. The $200 million project is to be completed in 2011.

[125] http://www.meetkimberley.ca/index.html

23 Appendix 9 Community Profiles Cranbrook to Alberta Border

Figure 23-1 2010 Employment and AADT Estimates: Fernie, Sparwood & Elkford

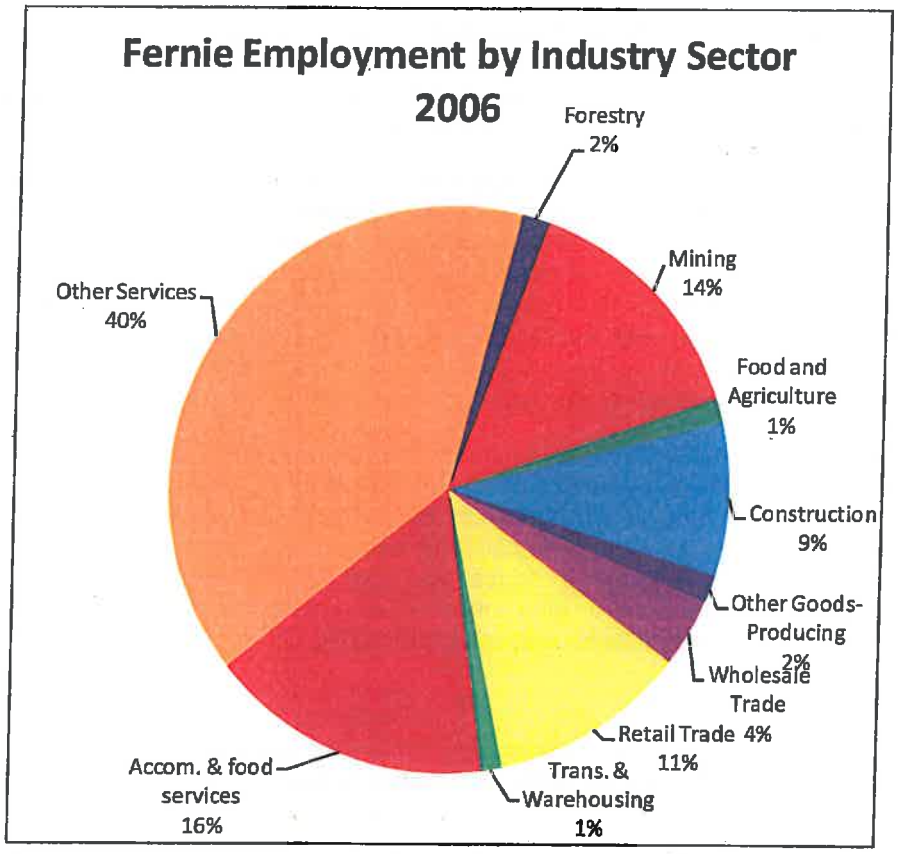


23.1 Fernie

Founded in 1898 and incorporated as the City of Fernie in July 1904. Fernie was founded as a company town in which Crowsnest Pass Coal erected hundreds of cheap cottages to rent to its workers, and offered leases to merchants who wished to erect their own buildings. Clothing and food was available only through the company's own store, which charged exorbitant prices. Labour unrest brought change in 1901, when the company began to sell residential building lots. In recognition of the importance of tourism to the local economy Fernie was designated as one of the 13 resort municipalities in British Columbia as a result of a 2009 agreement signed under the B.C. Resort Municipality Initiative with the Province[126].

The population of Fernie was estimated at 4410 in 2010. The distribution of employment by industry sector in 2006 based on census data is shown below:

Figure 23-2 Fernie Employment by Industry Sector 2006



The large share of mining in community employment is due to the proximity of the major Teck Cominco coalmines in the neighbouring communities of Elkford and Sparwood.

Fernie Tourism

Fernie is home to a collection of century old brick and stone buildings originally built to service as the commercial centre for the local coalmines. Outdoor recreation opportunities attract both local residents and

[126] http://www2.news.gov.bc.ca/news_releases_2005-2009/2009CD0121-000603.htm

visitors alike. In the summer, mountain biking is a significant attraction with an extensive network of trails and bike park at Fernie Alpine Resort. In the winter the Alpine Resort and surrounding area offers a number of snow related attraction (cat skiing, cross country skiing, curling, dog sledding, ice skating, ski touring, downhill skiing, snowboarding, snowmobiling and snowshoeing) but at the present time the resort's ski hill does not operate seven days a week. In terms of resort related tourism real estate the resort community offers on-mountain BC ski resort lodging, or in-town accommodation, there is a wide selection of condos and town homes ranging in size to suit a couple, family or a groups. In terms of leisure property opportunities and secondary home quarter-ownership and whole ownership opportunities are available at developments such as Juniper Lodge.[127]

Fernie Major Projects

Cline Mining Corporation's Lodgepole Coal Mine project is a proposed mine that is anticipated to produce 2 million tonnes of coal per year. Lodgepole is located on the Northern side of McLatchie Ridge in the Crowsnest Coal field. Infrastructure will include maintenance and office facilities. The $150 million project is currently in the pre-application stage under the BC Environmental Assessment Act.

Premier Renewable Energy's Marten Ridge Wind Energy Project is a proposal to develop a wind power generation facility with 40 wind turbines of 2.0 MW each and an interconnecting collector system. An overhead transmission line will connect to the existing Fernie substation. The $172 million project is currently in the pre-application phase of the BC Environmental Assessment Act.

Blackstone Resort Development is undertaking a maximum of 1,484 equivalent residential unit project. The $100 million development includes single- and multi-family residential and accommodation development, condominium hotels, 120-room hotel and conference centre, mixed use residential, a clubhouse, 4.7 acre spa and wellness centre, 1.9 acre entertainment centre, recreation amenities, and a 2 acre commercial development. A resort-oriented 18-hole golf course and driving range, designed by the Greg Norman Group, with a mixed commercial use and accommodation clubhouse will also be built. Part of the area is rezoned; however an additional area is being included in a rezoning application. In 2005 Golf course financing of $34 million, was secured and ground was broken to start on the golf course.

Calgary - based Resorts of the Canadian Rockies has a long-term program for construction of ski resort facilities at Fernie Alpine Resort. The resort centre, express quad lift, and a number of facilities and accommodations are completed. Start of construction on the sixth and final lodge in the group, the Juniper, has not been determined. The sewage treatment plant has been rebuilt. Timber Landing subdivision, Bear Paw Lodges, Snow Creek cabins, Polar Peak Lodges, and other developments are awaiting infrastructure improvements. New development will occur after infrastructure planning is completed. The $250 million estimated capital cost is over 10 years. Construction started in 1998.

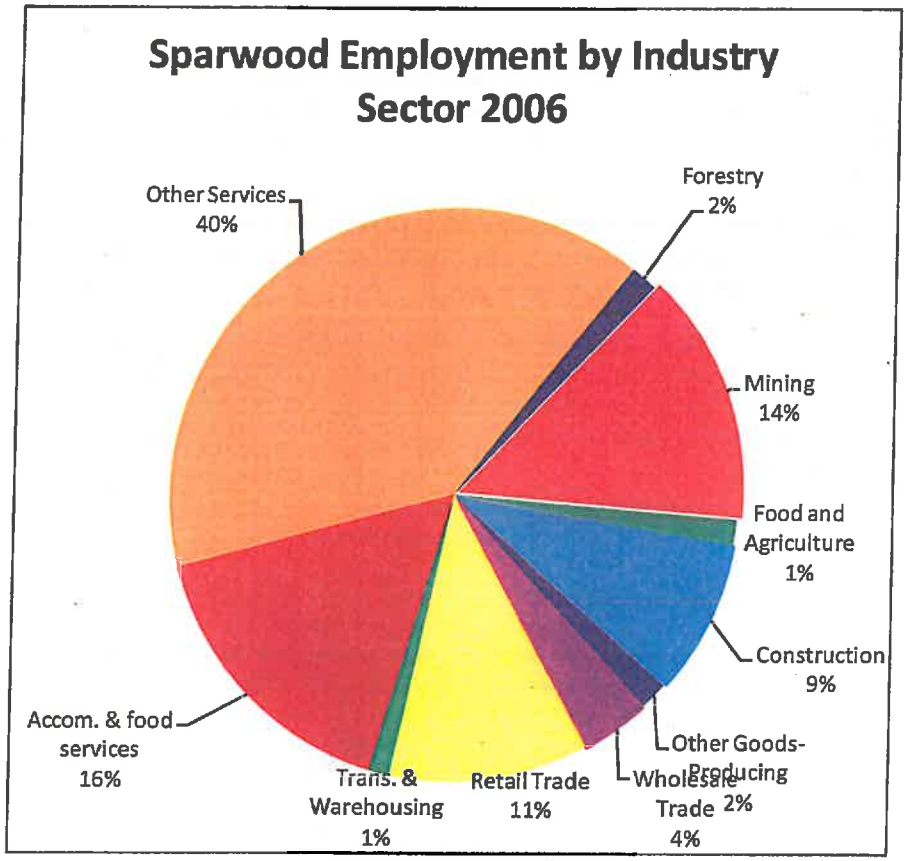
23.2 Sparwood

Sparwood was developed as an alternative location to communities clustered around the Crowsnest Pass Coal mines. In 1966 the District of Sparwood was incorporated, absorbing Michel, Crowsnest, Natal, part of the Elk valley and Sparwood.

Sparwood's population was estimated at 3771 in 2010. The distribution of employment by industry sector in 2006 based on census data is shown below:

[127] http://www.rockymountainliving.com/links.html

Figure 23-3 Sparwood Employment by Industry Sector 2006



Sparwood Major Industry

The major industry in the Sparwood – Elkford region is coal mining. There are five mines in the area – Fording River, Greenhills, Line Creek, Elkview and Coal Mountain – all majority owned and operated by Teck Coal. In 2010, Teck produced 23.1 million tonnes of coal; in addition to the mines in the Crowsnest pass area, this total includes production from the Cardinal River Mine in Alberta that has a capacity of 2 million tonnes of clean coal.[128]

Sparwood Tourism

Given the community's close proximity to the resort municipality of Fernie the range of tourism products and services in limited in the community. Nevertheless, the community has some experience with destination resort development and lifestyle community real estate opportunities. The Whiskey Jack Resort was conceived initially as having 940 residences, including 400 single-family homes, an 18-hole Fred Couples signature course; hiking, biking and cross-country ski trails, spa, and retail. In 2007 work had already started on the golf course and was expected to be complete by 2009. Servicing for residential lots was expected to begin in 2007, but no build out date has been finalized.[129] The develop reports that Phase 1 of the project has been completed and some homes have been constructed and Phase 2 is getting underway

[128] Annual Information Form 2011, Teck Resources, Ltd., March 15 2011 p. 21.
[129] ttp://www2.canada.com/calgaryherald/news/newcondos/story.html?id=bb067ccb-8f38-4757-9d59-797ff2819caa&p=2

in the Spring of 2011.[130] A complementary residential development is the 675 acre residential community called the Vantage Point at Whiskey Jack.[131]

Sparwood Major Projects

Teck Coal Ltd.'s Line Creek Coal Mine Phase 2 is the proposed development of two new mine sites near the existing Line Creek Operations, 20 km NE of Sparwood. The mines would have a total of 52 million tonnes production over a 20-year mine life. The $140 million project is in the pre-application stage under the BC Environmental Assessment Act.

Altagas Ltd is planning a11 MW Crowsnest Pass Power Project to convert waste heat to energy, recovered from a natural gas pipeline compressor station located near Sparwood. The $30 million project has been selected by BC Hydro for an energy purchase agreement.

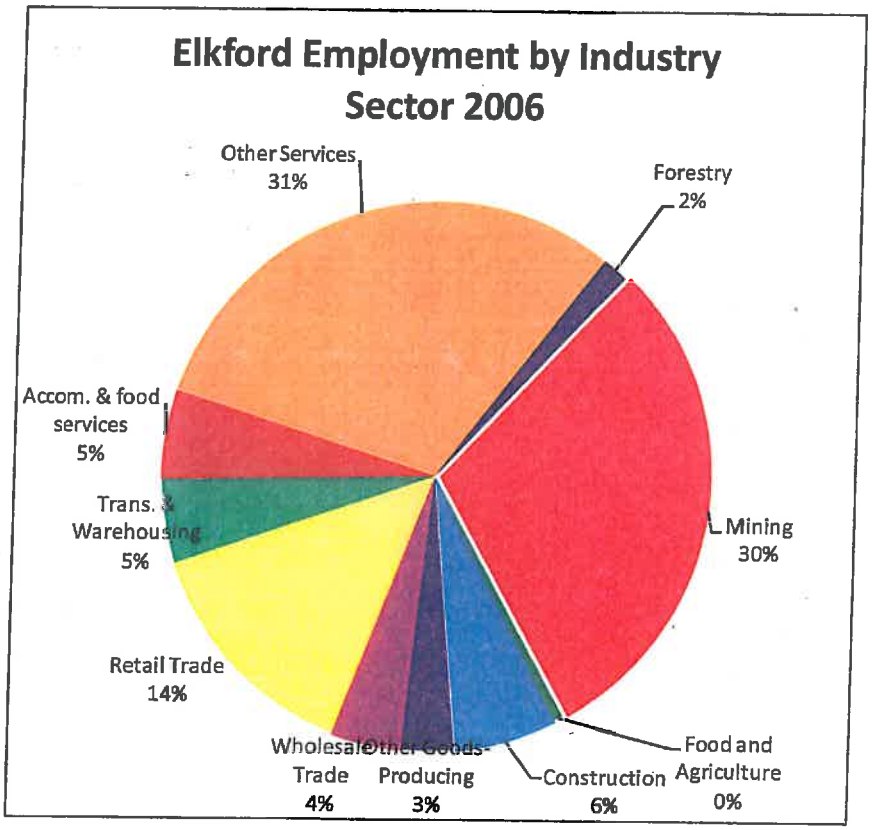
The District of Sparwood Properties Whiskey Jack Resort Development is a single- and multi-family residential development with condominium hotels for a maximum of 900 equivalent mixed-use residential units that commenced in 2007. The $200 million project will include a conference centre, clubhouse, a 15 acre commercial development and a resort-oriented 18-hole golf course with driving range, designed by the Fred Couple/Gene Bates Group.

[130] http://www.whiskeyjackresort.com/homes.html
[131] http://www.myvantagepoint.ca/about

23.3 Elkford

The District of Elkford was incorporated in 1971. Elkford's population was estimated at 2705. The distribution of employment by industry sector in 2006 is shown below.

Figure 23-4 Elkford Employment by Industry Sector 2006



Elkford Tourism

Founded in 1971 as a home for miners the community has limited a very tourism industry. Elkford main tourism attraction is the close proximity to the Elk Lake Provincial Park and Height of the Rockies Provincial Park and the mines. Outdoor recreation opportunities such as snowmobiling, ATV Trail Riding, skiing, fishing and hiking would be the types of activities on which to build future tourism products.[132]

[132] Go Wild, District of Elkford Community Profile 2009. http://www.tourismelkford.ca/Statistical%20Profile.html

Attention: Grand ForksCity Council

The Grand Forks BMX Society would like to be able to have access to the washroom facility adjacent to the campground on Wednesday Nights for a maximum of 3 hours, from May through to the end of September.

We the undersigned are all either members of the Grand Forks BMX Society, family or friends of riders as well as the general public. We would really like access especially for the kids and the elderly. There are alot of people here.

Please City Council, take another look. Come on down.

Date	Name/Signature	How are you Associated With BMX
Aug 22/12	Melissa Thomson	Volunteer + Parent
✓	Michele Weiberg UCB	" "
✓	Jalene Padmanoff.	Parent.
✓	JAUNA TAYLOR	PARENT & VOLUNTEER
✓	Paul McArthur	Parent
✓	Tina Maina	Parent
✓	Erin Olson	Volunteer + Parent.
✓	Phoenix Thomson	BMX Rider
✓	Levi Weiberg	BMX Rider
✓	Harley Kovacs	BMX Rider
✓	Brian Backen	Parent
✓	Colin Johnston	Parent
✓	CLAYTON KIENAS	RIDER, PARENT
✓	Carolyn Padmanoff	Grandparent.
✓	Marilyn Anderson/M. Anderson	Great Aunt

FILE CODE
G.F. BMX Society - Request for Washroom Campground Access
WE3, G1

Attention: Grand ForksCity Council

The Grand Forks BMX Society would like to be able to have access to the washroom facility adjacent to the campground on Wednesday Nights for a maximum of 3 hours, from May through to the end of September.

We the undersigned are all either members of the Grand Forks BMX Society, family or friends of riders as well as the general public. We would really like access especially for the kids and the elderly. There are alot of people here.

Please City Council, take another look. Come on down.

Date	Name/Signature	How are you Associated With BMX
AUG 2012	Gavin Redting	Rider
"	Brian Eyre	old Rider
"	Lisa Malone	friend
Aug 22 2012	Josh Reddings	PARENT
"	Harley Sovols	Rider
"	ANDREA PADMOROFF	AUNTY
"	ALEX PADMOROFF	GRANDPA
"	[illegible]	PARENT
"	Margo Deane	Grand Parent
"	Iain Deane	Grand Parent
"	ALEX PADMOROFF	" "
"	Doug Howarth	VISITOR
"	Dylan Zorn	Parent
"	BRUCE MARTHUR	UNCLE
Aug 22/12	Becky Deane	Parent

Attention: Grand ForksCity Council

The Grand Forks BMX Society would like to be able to have access to the washroom facility adjacent to the campground on Wednesday Nights for a maximum of 3 hours, from May through to the end of September.

We the undersigned are all either members of the Grand Forks BMX Society, family or friends of riders as well as the general public. We would really like access especially for the kids and the elderly. There are alot of people here.

Please City Council, take another look. Come on down.

Date	Name/Signature	How are you Associated With BMX
Aug 22, 2012	[illegible]	parent
Aug 22/2012	[illegible]	volunteer
Aug 22/12	Addilynn Clemens	racer
8/22/12	[illegible]	parent
Aug 22/12	DALE ROMAINE.	Mad Parent + track official.
Aug. 22/2012	Tirsya Jorgensen	parent
Aug 22/2012	Kai Marie Dolfine	racer (age 4)
Aug 22/2012	ZAVIER ROMAINE.	racer (age 6).
Aug 22/2012	TJ Kuromi	friend of racer.
Aug 22/2012	Caleb Tomilin	brother of racer
Aug 22/12.	Linden Tomilin	RACER!
Aug 22/12	[illegible]	VOLUNTEER.
Aug 29/12.	Sarah Unruh	Parent
Aug 29/12.	Sam Robb	Parent.
Aug 29/2012	SUE THOMSON	GRANDPARENT.

Council mtg. Mon Sept 24, 12 7pm

Attention: Grand ForksCity Council

The Grand Forks BMX Society would like to be able to have access to the washroom facility adjacent to the campground on Wednesday Nights for a maximum of 3 hours, from May through to the end of September.

We the undersigned are all either members of the Grand Forks BMX Society, family or friends of riders as well as the general public. We would really like access especially for the kids and the elderly. There are alot of people here.

Please City Council, take another look. Come on down.

Date	Name/Signature	How are you Associated With BMX
Aug 29 /12	Cindy Albas Cindy albas	Club Member
Aug 29/12	HUGUETTE KIHC	Visitor
Aug 29	Diane Meeuwsen	Visiting (WOW!!)
Aug 29/12	Denis Kemper	Visiting (Wow)
Aug 29/12	Marvin Wiebe	member
Aug 29/12		member
Aug 29/2012	Dave Caulfield	member
Aug 29/12		Member
Aug 29/12	Galene Padmoroff	MEMBER.
Aug 29/12	JARED PADMOROFF	MEMBER
Aug 29/12	Jim Adams	Member

cbal
Columbia Basin Alliance for Literacy

Sept. 10th, 2012

Regarding CBAL's second annual **Reach a Reader campaign** – and an **invitation to participate.**

To the Grand Forks Mayor and Council;

As some of you may recall, this time last year I approached you about participating in the **Reach a Reader campaign**. This is a day set aside in early October, where local VIPs work side by side with our Border Bruins, soliciting donations for our local community literacy programs. For the donors generosity they receive a copy of the Gazette. Last year we raised $500, which allowed us to include additional spring programs to our family literacy schedule.

We are doing this again this year on October 10th and would like to invite you all to assist us in this effort. I am working closely with the Gazette on the planning and am confident that this will be a bigger success this year.

Some changes to the campaign are as follows:

- We will be using only two locations; in front of Jogas, and Overwaitea. This will allow us to concentrate our efforts and build on a bit of a "look" and spirit for each spot.
- We are also working to include GFSS in the campaign with an editorial written by the students in that weeks issue.
- It won't rain.
- We are going to raise more money.

This letter is to give you a heads up, and that **I plan to be at your October 1st Council meeting**. At that time I will be asking for your commitment to this project, and perhaps we can identify the specifics of time of day and location for those of you that can participate.

Thanks in advance for your time and commitment to Community Literacy!

Sincerely,

Sheila Dobie

Sheila Dobie
Community Literacy Coordinator
Columbia Basin Alliance for Literacy
sdobie@cbal.org

Community Literacy in the Boundary Region - Fact sheet;

CBAL serves the Region and holds programs in 6 communities in the Boundary.

15 organizations and individuals passionate about literacy participate on the Community Literacy Advisory Committee- and carry the work of the District Literacy Plan. They meet 5 times a year.

There are 15 literacy initiatives held by the Literacy Committee with 14 organizations collaborating on these initiatives.

CBAL coordinates 9 literacy programs; 4 for adults, 5 for families.

163 children and adults participated in CBAL family programs and events in 2011/12

146 adults participated in CBAL adult programs and workshops in 2011/12.

CBAL in the Boundary is funded by: BC Ministry of Advanced Education, BC Gaming Commission, College of the Rockies, Selkirk College, Government of Canada, Decoda Literacy Solutions, RDKB.

Our Local partners include School District #51, Boundary Family Centres, Boundary Child Care Resources and Referral, Boundary Family and Individual Services, Grand Forks Public Library, Community Futures of the Boundary.

CBAL is generously supported by numerous businesses in the community.

CBAL relies heavily on the in-kind support within the community to deliver its programs – to the value of over $15,000/ year.

Fundraising efforts are continually needed to cover the literacy needs identified in the community.

Mayor and Council Members **Sept. 10th 2012**

Regarding attached letter – for Reach a Reader campaign.

Your efficient staff member, Ms. Heinrich, has just informed me that there is not an October 1st meeting- where I was going to have this table ready to present to you. I am unable to attend the Sept. 17th meeting.

Please take this opportunity to look this over and pick a location and time.

I will stop by City Hall the week of Sept. 24th and follow-up then. Once you have considered this form and have picked a spot if you can, I would appreciate if this could be handed over to Ms. Heinrich, so that I can continue to benefit from her efficiency.

Thanks all, Sheila Dobie

Place your name beside the time for the location you wish to be at on October 10th.

Jogas	Name	Overwaitea	Name
11:00-12:30		11:00- 12:30	
12:30- 2:00		12:30- 2:00	
2:00- 3:30		2:00- 3:30	
3:30- 5:00		3:30- 5:00	

Visitor Centre

SUPER, NATURAL BRITISH COLUMBIA

BOUNDARY BC COUNTRY

August 29, 2012

City of Grand Forks
Box 220
Grand Forks, B.C.
V0H 1H0

Attention: Lynne Burch

Dear Lynne:

Once in awhile it's nice to get some positive feedback and here at the Visitor Centre we hear it quite frequently. It occurred to me that you and the City staff probably hear more than your fair share of complaints and criticism and it may be about time to have a sense of all the affirming, upbeat comments we get, both verbally and by way of the Guest Book. We can't take all the credit and wanted to share.

Yesterday, Val Rilkoff of the Farmer's Market told us how much she thought of the public flower gardens and pots and the admiration she hears from the customers (both local and visiting) at the Market. Today a lady who is just in the process of moving from Rossland to Christina Lake stopped in to pass on her gushing compliments to City staff who are so creative in their plantings and caretaking of the public spaces. She was especially appreciative of the veggie/herb plantings mixed in with the florals. I can't tell you how many times I've had to walk outside to name the "unusual plant" (datura) that visitors were pointing out to me and wondered what it was. Last year, visitors from the Netherlands asked if they could clip a particular unique sunflower head for the seeds that they were going to "sneak" into their suitcase. In addition, the comments about the building, the architecture, the woodwork, the renovation, the grounds, the public use and access to the building ..... the praise goes on and on daily. I personally, often think to myself as I'm entering the building on my way to work.....how lucky I am to be working in such a place.

The frequent and common thought that is expressed over and over again is the neat, clean, tree lined streets, lovely heritage buildings and the beauty of the gardens in our town. I know the City is facing challenges in the future but I hope these are areas that continue to be maintained and grow as they really are the "face "of Grand Forks and are important in making good first and lasting impressions.

I'm enclosing a few pages of comments from July and August in our Guestbook. Hope you enjoy getting the good news for a change. I've enclosed an extra copy to please pass on to all staff who deserve a pat on the back are responsible for, or have a hand in the creation and maintenance of the wonderful gardens and streets in the City of Grand Forks.

Sincerely,

Dawsha

Dawsha Hunt, Manager

Grand Forks Visitor Centre, Box 2140, 524 Central Avenue, Grand Forks, B.C., V0H 1H0

Ph: 250-442-5835 Fax: 250-442-0099 Email: gftourism@shaw.ca.

Grand Forks Visitor Centre Guest Book

	Date	Name	Where are you from?	Impression of Grand Forks?
1	7-16-12	Gloria Nester	Crookeville, TN	Beautiful!
2	7-17-12	Jerry & Bill Henderson	Kelowna	Interesting!
3	7-18-12	Rodney & Tammy	Victoria	DID NOT STAY LONG BUT LOOKS BEAUTIFUL.
4	7-17-12	Nick. Eric Nicholes	ARMSTRONG	THANKS FOR INFO ON SANI DUMP
5	7-19-12	McCormacks	Brooklyn, NY	Beautiful
6	7 19 12	WALLIS RAE Esther	Enderby BC	NICE place.
7	7-20-12	ROWNEY JIM/EILEEN	CALGARY AB.	Just arrived
8	7-21-12	Barista + Lance Fyon	Fort St John, BC	Cute
9	7-21-12	Christa Neal	VANCOUVER	ERICA WAS AMAZING
10	7-21-12	Donielle Bray Brouillet	Cornwall ON.	helpful @ information ctre!!
11	7-21-12	MARIE DESLONGCHAMPS	MTL. QC.	MANY THANKS!!
12	7-23-12	Michael Hubatz	KAMLOOPS	Very helpful. Great Community
13	~	Carol Bauer	VANCOUVER	
14	7-23-12	Boo + George Schneider	Bainbridge Is, WA (+ Twisp, WA)	wonderfully helpful!
15	7-23-12	EILEEN + NEIL FROESE	AYLMER, ON	Lovely town. Thanks for your help.
16	7/24/12	Ken + Connie McConnell	Quesnel BC	
17	7-24-12	Carol & Ron Pawlick	Halfmoon Bay, B.C.	Excellent! Very quaint!
18	7-24-12	Brian + Kim Forster	Calgary AB	
19	7-24-12	Frank Lois Turner	Cochrane AB	
20	7-24-12	Rico Petrucci	VERNON BC	BEST BATHROOM EVER!!
21	7-26-12	Dave + Sarah Gabriel	Totnes. England.	Make your own stop!
22	26.07.12	Ron Doucette	Burdsall, BC	Wonderful
23	26/7/12	PATRICK ECKFORD	SISTERS, OREGON	VERY NICE – DAWSHA WAS VERY HELPFUL
24	26/7/12	Bob Dupee	Christina Lake	wow, what cute staff!
25	26/7/12	Charles-Olivier Dumont	MTL, Qc	naturally, perfect

Grand Forks Visitor Centre Guest Book

2012

	Date	Name	Where are you from?	Impression of Grand Forks?
1	July 2/12	Aimee van der Meulen	Victoria BC	Beautiful and very Picturesq.
2	" 2/12	Melanie Leask	Victoria, BC	Very beautiful and peaceful.
3	July 2/12	Arthur & Monique	Alkmaar, NL	Just arrived and staying for 1 night
4	July 2/12	Elizabeth Hardwood	Ver. Jaland. BC	Nice place. Excellent info.
5	July 2/12	Corry Schimmel/H.v Balen	Onnen NETHERLANDS	
6	July 03/12	Brenda + Earl Church	Devon, AB	Nice
7	July 4-12	MARK & NATHALIE MOBERG	SEATTLE, WA	BEAUTIFUL - CLEAN
8	JULY 4, 2012	DALE ANSTETT	EDMONTON, AB	The best tourist information I have seen by far
9	July 4/12	Mary Lesiuk + Family	Hamilton ON	beautiful scenery!!
10	July 4th	Ricki & Dave Pallman	KAMloop's	
11	" 5/12	Sebastien MEFFRE	HOBART TASMANIA AUSTRALIA	great!
12	July 5th	HEATHER McAULIFFE	NORTH VANCOUVER	Lovely town interesting history
13	July 5th	Paul + Nancy Maruska	Stevensville MT	great views + people, & scenery
14	July 5th	Stephanie & Lorenzo Bonenfant	Calgary AB	pretty
15	July 5	Doug & Elaine Schermerhorn	Calgary AB	
16	July 5	Kolin, Kalya, Jesse	Calgary AB	
17	July 5	Megan Cooper	Sweden	Don't know yet.
18	" "	[illegible]	Washington State	Great
19	" "	Roger + Patricia Beaumont	Cloverdale BC	Good job on restoration
20	" "	The Wallaces	Lake Arrowhead, CA	Info Ctr. very helpful
21	"	Deb + Jim Jeffman	Mississauga, ON	Friendly. Beautiful Rockies
22	July 6	W Guzy Bus Driver ISL	Japanese Tour Group (22)	
23		GRANT TURNBAIN	PEACHLAND	SCENIC HISTORY
24	July 6th	Nancy Arrieta	Thousand Oaks, California	very beautiful!
25	July 6th	Jeanne Hamacher	Liberty Lake, WA	Lovely

Grand Forks Visitor Centre Guest Book

	Date	Name	Where are you from?	Impression of Grand Forks?
1	Aug 09	J Jones	Pt Moody, BC /	VANCOUVER
2	Aug 2012	J Strickland	Myrtle Beach S.C	
3	Aug 9	Stephanie Smith	Baxter TN.	
4	aug. 9	Gloria Hester	Cookeville TN	Yes very pretty
5	9	Wilkinson		Beautiful
6	9	R. Dunn Hemmerling	New West BC	VERY nice.
7	9	Sharon/Bob Helt	Calgary	
8	9		Crozet, VA USA	
9	10th	L + L Smith	Port Moody B.C.	Very nice
10	Aug 10	Mr+Mrs James	Burnaby BC	Thanks!
11	Aug 10	Kelly & AL. no REVOST	COQUITLAM	GREAT
12	Aug 10	Lorraine Surinder Dhillon	PORT ALBERNI B.C.	HAVING A GREAT TIME IN YOUR TOWN.
13	Aug 10	Charlie + Diane Gilbert	Seattle WA	Lovely - Thanks
14	Aug 10	Margaret Robertson	Norman OK	great river + parks.
15		Berna Wallach	"	
16		Dorothy Robertson	Victoria BC	
17		Sarina Robertson	"	
18	Aug. 10/12	Denied + Richard	Labignan Oshawa, Ont.	Great help!
19	Aug 11	THOMSONS	Saskatoon SK	
20	Aug 11	DAVE + HEATHER WATT	KELOWNA B.C.	NICE
21	Aug 12	Brady Ruth Leis + family	Langley, BC	Wonderful small town
22	Aug 12	Billa Lesley Virtue	Nanaimo.	Nice Community R.V. Park.
23	day	Ulter Anton + Annette	Loisachstr. 4, Germany Nahl dorf	thank you
24	Aug 13	BARRY & JUDY ADAMS	PONOKA, AB.	VERY NICE, THANKS.
25	Aug 13	Alicia Vanin + Valerie Varlin + Michael Jensen	Parksville BC	Lovely.

Grand Forks Visitor Centre Guest Book

	Date	Name	Where are you from?	Impression of Grand Forks?
1	Aug 14/12	Sandra Harmony	Beaverlodge AB	Beautiful city & fun - Hockey outfitters!
2	"	Mary Ann Lambert	Devon, AB	Great welcome
3	"	[illegible]	Beaverlodge, AB.	Great help, make us proud to be Canadians
4	Aug 14/12	George & Louise Lightfoot	Grande Prairie AB	Awesome !!
5	Aug 14	Lee & Mary Alston	Gold Hill, CO	Very friendly helpful staff.
6	14	Josie & Mike Dyer	VI	
7	Aug 14	Carrie/Sean Klein	VICTORIA, BC	
8	Aug 14	Doug + Sue Oakley	Courtenay VI BC	
9	Aug 15/12	Naomi + Jeff + Kaleb Davies	Berg Estevan Sask	Great spot - love the "Reat"
10		T.G. DOOLITTLE	TORONTO.	Beautiful !
11	Aug 15/12	Chiung-chen Hsu	B.C.	Jesus !
12	LIN, MING	-YEN 8/15	B.C	
13	Aug 15/12	Heidei shih	B.C.	
14	Aug 15/12	CORDER	FRANCE	
15	Aug 16, 2012	Lance & Donna Lewis	Beaverlodge AB	
16	Aug 16/12	E. OK	Cloverdale. BC	
17	"	Darwin-Karen Withy	Lynden ON	Thanks for your help
18	8/17/12	Jason Wingo	Davis CALIFORNIA	Wonderful. Love the market and friendly visitor centre
19	8/17/12	Lawrence Kaempffer	DUNDAS, ON	NICEST TOURIST INFO CENTRE I'VE EVER SEEN.
20	8/17/12	Gerri Madill	Saskatoon, SK	Nice City - Lovely Flowers
21	8/17/12	[illegible]	Burnaby B.C.	Great
22	8/17/12	Charles Lin	Burnaby B.C.	Great fine.
23	8/17/12	Murray & D. Shelling	NZ	" "
24	8/19/12	Thomas Tannert	Vancouver	Friendly staff
25	8/19/12	Jürgen Tannert	Ruhla, Germany	Very friendly !

Grand Forks Visitor Centre Guest Book

	Date	Name	Where are you from?	Impression of Grand Forks?
1	Aug 19	Andrea Wood & family	Maple Ridge	awesome, friendly
2	Aug 20	Elena, Andre	Russia, Kaliningrad	Beautiful!!!
3	Aug 20	Dave Kathy King	Armstrong BC.	Beautiful
4	"	Linda Metalla	Edm. AB	just arrived, first stop was visitor center
5	"	HO P/C	Vancouver	Beautiful
6	"	N S SEHANC	Edmonton	Beautiful.
7	12	J H Bowditch	Sherwood Park Alta	"
8	" 22	S & R Emery	Victoria B.C	Very nice.
9	8/22	Virtue Family	Seattle, WA.	Lovely!
10		CAVE	PEACHLAND BC.	
11		Mailander	Alsfeld, Germany	Very nice
12	8/23/12	Shirley and Fred Ehrlich	Rockford, Mich	used to live close to Grandford. Beautiful Area
13	8/23/12	Jae Heith Tucson	Toronto, Ontario	lovely.
14	8/23/12	RICHARD + JAN DOUGLAS	SARDIS	SUNNY + LOVELY --- WE WILL BE BACK!!!
15	8/23/12	Martin + Gloria Emmett	Reno, NV	Beautiful, very nice
16	8/23/12	Garett Somers	Calgary	Awesome building
17	8/23/12	Nathan Stephenson	Calgary	Crazy old man in park made the stop!
18	8/24/12	Carolyn Secord	Vancouver	Cute. love the market!
19	8/24/12	Shelley Haslett	Wilson	So Pretty great Farmers Market
20	8/24/12	WEHLING / ANITA	GERMANY	Holiday, awesome friendly, Beautiful!
21	8/24/12	Leah Barkhuizen	Vancouver	Loved the rivers and the plums!
22	24/8/12	Rinze + Natasha Schuurmans	The Netherlands / NZ	Interesting Russian culture.
23	25/8/12	Gord + Julie Stuart	KAMLOOPS	Gorgeous gardens + nice facilities + friendly!
24	25/08/12.	KELLY AARONS	NEW WESTMINSTER	VERY BEAUTIFUL!
25	25/08/12	Lores Currah (BRESSANUTTI)	WARFIELD	Beautiful! lovely + gorgeous outdoor gardening Keep it up!

Grand Forks Visitor Centre Guest Book

	Date	Name	Where are you from?	Impression of Grand Forks?
1	8-26-12	Kurt + Mary McDaniel	OKla City, OK	Wonderful!
2		Sheila Hunter	Victoria	Lovely heritage buildings!
3	8-27-12	Mary & Bob Hoolsema	Missoula, Montana	
4	"	Chelsea & Michelle Kelly	Calgary	
5	"	Jim Lesage & Phyllis Lecoy	Tweed, Ontario	Very beautiful!
6		Karyn & Hayley Law	Nottingham, UK	We were impressed.
7	8-27-12	Mary + Anna Rozema	Netherland	Very helpful staff. Thanks!
8	8-27-12	Sid & Dee Hassall	Abbotsford.	Very, Very helpfull staff great!!!
9	8-27-12	Mary MacFarlane	Saskatoon, Sk	Great help on telephone communications!
10				Thanks for the help.
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To: The City of Grand Forks

I am writing to resign from my position with the city as the summer comes to an end. As of August 29th I am unavailable as I am returning to school on August 30th.

Thank you so much for giving me the opportunity to work for the city of Grand Forks as one of the summer student positions. This summer was a great and interesting expierence.

I hope you have a great year, again thank you very much.

- Madeline Williams

To: The City of Grand Forks.

Thank you so much for the opportunity to be employed by the City in the summer/student position. It was a great experience. My last day of work will be on August 29, 2012. I hope the rest of your year goes great.

Thanks again,

Sincerely

Annalise Rezansoff

No. E204 *"Beautiful Flowers"*
from an original painted by

Shih-Feng Chen

SHIH-FENG CHEN
Mouth Painter

The Mouth and Foot Painting Artists
183 St. Clair Avenue West, Toronto ON M4V 1P1

Thanks a bunch!!

I really enjoyed meeting you all (even though it was brief) and I'm so glad to have had the opportunity to work with you and gain such valuable experience.

Thanks for being so welcoming and helpful, I definitely won't forget it!

- Lauren LeSergent

To: The City of Grand Forks

Thank you so much for giving me the opportunity to work for the city in one of the summer student positions. I learned some valuable skills here.

I am writing to inform you that my last day of work will be August 29th.

Thank you again!

Sincerely,

Maya Wold

Ministry of Health

I have asked Interior Health employees, Cheryl Unger from Grand Forks and Juliana Gola from Trail over 2 months ago to clarify the significance of cow manure as a potential source of deadly pathogens such as the dreaded e-coli 0157. As expected I have heard nothing!

As everyone connected to water management and community health in our province is abundantly aware, excrement from all warm blooded animals including humans can be a deadly source of pathogens.

The BC Cattlemen's Association was the driving force and the primary funding source for a study in the Vernon area which used sophisticated DNA tracking and subsequently concluded that wildlife not cow manure was the primary source of pathogens in the study area. Whether this is true or not is irrelevant. In the minds of members of the BC Cattlemen's Association this study validates the political argument that all British Columbians concerned about the deplorable state of water management in rural BC no longer have to worry about cow manure as a potential source of deadly pathogens.

This point was made by the president of the BC Cattlemen's Association in a letter that appeared in the Grand Forks Gazette March 14, 2011 refuting my argument that good government will support ranching but quit denying the truth and public interest and start removing cows from sensitive, important environments. Ironically that same evening Bruce Davidson, an activist from Walkerton, Ontario made a presentation at the Grand Forks High School auditorium chronicling the story that resulted in 7 deaths, 2300 seriously ill some for a lifetime all because of cow manure in one of Walkterton's wells.

Anyone who has done extensive water testing as I have before, during and after cows in sensitive important environments such as parks, domestic watersheds and in important recreation areas is fully aware of the alarming e-coli and total coliform counts where cows are present. After all, the cow is invariably the primary suspect in many food and water born illnesses because of their size, concentration of numbers and volume of excrement.

I have asked for the assistance of MLAs, Vicki Huntington and Rob Fleming to clarify this outrageous situation in the legislature. I suggest that this outrageous behavior is a result of the belief that your government will support the BC Cattlemen's Association's position by remaining silent.

Good people do good things. Please let's put this ugly mess behind us and give us the appropriate scientific sound byte worthy of politicians and bureaucrats who truly do care about the health of British Columbians!

Barry Brandow
Grand Forks

Diane: Sept. 11

11(g)

To: For Council's W.I.S.

From the GF Environment Committee

Plan to Attend The BC Lung Association's Public Forum on Sept. 21 To Support

The participation of the many organizations represented @ the Committee from throughout our community including the BC Lung Association sponsorship on the Nephelometer Air Particulate Monitoring Program That Commenced in June 2012 with Summer Student Jordan Andrews. See the results; the role we play in continuing this project into Spring 2013; the partners' interaction

University of Victoria; Selkirk College - Data Entry

↓

sharing the data collected

Diane: Please scan the poster to include in the W.I.S.

Yhs. Cher Wyers
Chair
GF Environment Committee
Co-chair
Gay Smith

LUNG HEALTH & AIR QUALITY

A PUBLIC FORUM ADDRESSING LUNG HEALTH ISSUES

- Tobacco
- Wood smoke and its health impacts
- Asthma and COPD
- Radon: What you should know

September 21, 2012, 6 - 9 pm
Selkirk College Grand Forks Campus
486 72nd Avenue, Grand Forks, B.C.
Room #8, Lower Parking Lot Entrance

For details, contact:

THE LUNG ASSOCIATION™ British Columbia

1-800-665-5864 or
info@BC.Lung.ca

Presented by the British Columbia Lung Association in partnership with Interior Health Authority, Health Canada – First Nations and Inuit Health Branch.

House of Commons

FILE CODE

WE4.W1- Requesting support on Federal Motion regarding fed gov't having financial support programs on waste water management

Ottawa, August 15 août 2012

Dear Sir or Madam,

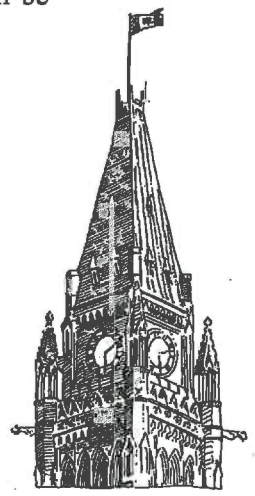
I am writing to inform you of a private members motion (M-400) that I have recently tabled in the House of Commons. I believe M-400 will be of great, practical benefit to you and your community.

Deficient waste water management is a major polluter. According to the Canadian Council of Ministers of the Environment, waste water from households contains a broad range of substances that may pose risks to human and environmental health. The federal government is correct to impose environmental standards that keep sewage water management as clean and as safe as possible. However, whereas environmental upgrades are subsidized for all municipalities, individually owned household septic systems are not. Most rural Canadians whose homes are far from municipal networks are burdened with the huge costs associated with meeting environmental standards. M-400 seeks a parliamentary resolution to implement an effective and fiscally efficient plan to make it possible for all Canadians to get the eco-upgrades they require.

The text of M-400 reads as follows:

That, in the opinion of the House, the government should study the possibility of establishing, in cooperation with the provinces and territories, one or more financial support programs, inspired by the one proposed by the Federation of Canadian Municipalities, that would bring up to standard the septic systems of homes not connected to a sanitation system, in an effort to ensure urban/rural balance, lake protection, water quality and public health.

This motion will have a practical, positive effect on all municipalities and citizens who are subject to the increased health risks associated with waste water pollution. As well, we hope to help the approximately 25% of rural citizens who have a septic system not connected to a municipal network. Hopefully, through this motion, a step towards urban/rural equality can be achieved.



Parliamentary Office:
754 Confederation Building, Ottawa, Ontario, K1A 0A6 **Tel:** (613)992-0902
Constituency Offices:
499B Main Street, Lachute, Québec, J8H 1Y4 **Tel :** (450) 562-0737
149 Main Street, Saint-André-Avellin, Québec, J0V 1W0 **Tel :** (819) 983-1577

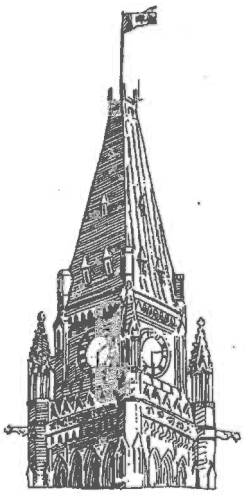
I am asking you to support this Motion by passing it as a municipal resolution in your council. As well, I've included a petition that some of your constituents may want to sign. I invite you to contact my Parliamentary office at (613) 992-0902 in order to receive more information about M-400.

Sincerely,

Mylène

Mylène Freeman, MP
Argenteuil-Papineau-Mirabel

Parliamentary Office:
754 Confederation Building, Ottawa, Ontario, K1A 0A6 **Tel:** (613)992-0902
Constituency Offices:
499B Main Street, Lachute, Québec, J8H 1Y4 **Tel :** (450) 562-0737
149 Main Street, Saint-André-Avellin, Québec, J0V 1W0 **Tel :** (819) 983-1577



Mylène Freeman, MP
Argenteuil–Papineau–Mirabel

FOR IMMEDIATE RELEASE

MP Mylène Freeman wants to help rural homeowners

MS. FREEMAN INTRODUCED A MOTION TO PROVIDE FUNDING FOR SEPTIC SYSTEMS

LACHUTE, June 26, 2012 – Mylène Freeman, MP for Argenteuil–Papineau–Mirabel, held two press conferences today in Chénéville and Gore to launch her national campaign to convince the government to establish financial support programs for citizens so they can bring their septic tanks up to standard.

Mylène Freeman took the first step in this important campaign on Wednesday, June 20, by introducing a motion in the House of Commons, which may be debated as soon as the next parliamentary session begins. The motion calls on the government to consider the possibility of implementing one or more financial support programs based on one proposed by the Federation of Canadian Municipalities (FCM). This funding would allow rural homeowners, who would otherwise have insufficient funds, to upgrade their septic systems so they meet environmental standards. This is a very important initiative, as it would not only relieve the economic burden on these citizens, but also protect water quality and public health.

The federal government invests millions of dollars to help municipalities upgrade their sewer systems. However, more than 25% of Canadians do not have access to municipal sewer systems and use stand-alone septic tanks for their homes. "This means that more than one quarter of Canadians are being left in the lurch, without any valid reason, by the Conservative government," said Freeman. "These taxpayers must take on the significant cost of replacing or upgrading their septic systems by themselves."

"Too often, rural homeowners have no choice but to put off these necessary upgrades. The delay can put everyone's health at risk," she added. "The Canadian Council of Ministers of the Environment (CCME) has compiled a list of the possible environmental consequences of septic runoff. One of these is a risk to human health associated with the consumption of contaminated water, fish and shellfish."

Mylène Freeman's motion is a step in the right direction. Over the next few months, a large-scale campaign will encourage MPs from across Canada to support the motion. Citizens will be invited to sign a petition.

Lachute: 450-562-0737 Saint-André-Avellin: 819-983-1577 Ottawa: 613-992-0902
Mylene.Freeman@parl.gc.ca www.MyleneFreeman.ca

Mylène Freeman, MP
Argenteuil–Papineau–Mirabel

FOR IMMEDIATE RELEASE

"Before I close, I think it is important to mention that this initiative for obtaining financial assistance so that rural homeowners can upgrade their septic systems was started by local elected officials. I would like to thank Scott Pearce, Mayor of Gore, who has been championing this issue for a number of years, as well as the Argenteuil RCM, which has supported his efforts. As the Member of Parliament for Argenteuil–Papineau–Mirabel, I heard Mr. Pearce's call and I am very happy to be lending him a hand today to raise awareness of this issue, which is so very important," she said.

-30-

For more information, please contact:
Sébastien Rollin, Constituency Assistant, Argenteuil–Papineau–Mirabel
450-562-0737 or mylene.freeman.c1a@parl.gc.ca

Petition to the House of Commons

"Protecting the water and public health of our rural communities"

Whereas:

- In rural areas, a large number of septic systems of isolated dwellings are outdated and need to be brought up to standard, work that is both important and urgent;
- This situation poses a significant potential risk to the water quality;
- Because of the high cost of the work, some residents are delaying bringing their system up to standard, which means an increased risk to water quality and public health;
- The federal government supports the municipalities that need to build or repair their waste water systems.

Therefore, we, the undersigned citizens of Canada, call upon the House of Commons to support motion M-400, moved by MP Mylène Freeman, to protect the water and public health of our rural communities.

Name	**Email**	**Address** ***(province and postal code)***	**Signature**

Petition to the House of Commons

"Protecting the water and public health of our rural communities"

Please send the signed petition to Mylène Freeman, MP for Argenteuil-Papineau-Mirabel, House of Commons, Ottawa, K1A 0A6

TASK LIST FOR MEETINGS SCHEDULED FOR SEPTEMBER 4TH , 2012		
ISSUE	ASSIGNED	COMPLETED
REGULAR MEETING OF COUNCIL		
Reports, Questions & Inquiries from Members of Council:		
1. Councillor Wyers:		
RESOLVED THAT THE CITY SEND A LETTER OF CONGRATULATIONS TO JERRY FOSTER AND HIS TEAM OF 300 VOLUNTEERS ON THE SUCCESS OF THE 32ND GRAND FORKS INTERNATIONAL BASEBALL TOURNAMENT.	Mayor Taylor/Diane	Done
Recommendations From Staff for Decisions:		
a)Chief Administrative Officer's Report – School Connections Grant Application **RESOLVED THAT** COUNCIL RECEIVES THE CHIEF ADMINISTRATIVE OFFICER'S REPORT, DATED AUGUST 27TH, 2012, REGARDING THE SCHOOL DISTRICT 51 BOUNDARY APPLICATION FOR SCHOOL COMMUNITY CONNECTIONS FUNDS, AND RESOLVES TO SUPPORT THE SCHOOL DISTRICT'S FUNDING APPLICATION FOR THE PROPOSED PERLEY SCHOOL SHED UPGRADE PROJECT.	Lynne	Done
b)Corporate Officer's Report – Assignment of Roxanne Shepherd, Deputy Finance Officer, as the Municipal Officer responsible for Financial Administration for the City of Grand Forks **RESOLVED THAT** COUNCIL ASSIGNS ROXANNE SHEPHERD, BBA, CGA, DEPUTY FINANCE OFFICER, THE RESPONSIBILITY FOR FINANCIAL ADMINISTRATION FOR THE CITY OF GRAND FORKS EFFECTIVE SEPTEMBER 17TH, 2012.	No further action required	
c) Corporate Officer's Report – Municipal Insurance Association Annual Meeting **RESOLVED THAT** COUNCIL RECEIVES THE STAFF REPORT DATED AUGUST 28TH, 2012, AND RESOLVES TO APPOINT COUNCILLOR GARY SMITH AS THE VOTING DELEGATE AT THE 2012 MIA ANNUAL GENERAL MEETING, AND APPOINT MAYOR BRIAN TAYLOR AND COUNCILLOR BOB KENDEL AS THE ALTERNATES.	Diane	Done
d)Manager of Environmental and Building Construction Services- Carbon Neutral Kootenay Municipal Buildings Energy Audits **RESOLVED THAT** COUNCIL RECEIVES THE STAFF REPORT DATED AUGUST 28TH, 2012, REGARDING THE CARBON NEUTRAL KOOTENAY GROUP PLAN ENERGY AUDIT, AND FURTHER AUTHORIZES STAFF TO COMPLETE THE ENERGY AUDIT IN 2012 UNDER THE CARBON NEUTRAL KOOTENAY GROUP PLAN AND AT A COST OF $3,600.	Wayne	In Progress
e) Chief Financial Officer's Report – Use of Community Works Fund (CWF) Agreement (Gas Tax) **RESOLVED** THAT COUNCIL RESOLVES TO KEEP THE COMMUNITY WORKS FUND (GAS TAX FUND) AGREEMENT AS IT IS AT THIS TIME AS THE FUNDS ARE CURRENTLY COMMITTED TO WATER METERING, AND DIRECT STAFF TO PROVIDE A REPORT FOR BEST USE OF THE COMMUNITY WORKS FUNDS (GAS TAX) DURING THE FINANCIAL PLANNING DISCUSSIONS.	Cecile/Roxanne	In Progress
Summary of Information Items:		
a) Boundary Country Regional Chamber of Commerce - Proposed 2013-2015 Fee for Service Agreement between BCRCC and the City. **To refer their proposal for discussion to the 2013 budgeting process.** **RESOLVED THAT** COUNCIL REFER THE PROPOSAL FROM THE BOUNDARY COUNTRY REGIONAL CHAMBER OF COMMERCE REGARDING A 2013 TO 2015 FEE FOR SERVICE AGREEMENT BETWEEN THE BCRCC AND THE CITY OF GRAND FORKS.	Roxanne for 2013 Budget; Diane to advise BCRCC	In Progress Done
a) Grand Forks Border Bruins request for renewal of advertising - Looking for City support in the renewal of an on-ice logo in the amount of $500. **Council determines to support the Grand Forks Border Bruins by renewing an on-ice logo in the amount of $500.** **RESOLVED THAT** COUNCIL DETERMINES TO SUPPORT THE GRAND FORKS BORDER BRUINS BY RENEWING AN ON-ICE LOGO IN THE AMOUNT OF $500.	Diane	Done
b) Email request from Habitat for Humanity **-** Requesting temporary road closure of 72nd Avenue from 8th to 10th Street on September 8th to facilitate their grand opening on the multi-plex building **Recommend that Council grants approval to the Habitat for Humanity organization.** **RESOLVED THAT** COUNCIL GRANTS APPROVAL FOR HABITAT FOR HUMANITY TO CLOSE THE ROAD ON 72ND AVENUE FROM 8TH TO 10TH STREET AND AT THE END OF 9TH STREET AT 72ND FROM 1:00 PM TO 5:00 PM ON SATURDAY SEPTEMBER 8TH, 2012 TO FACILITATE THE OFFICIAL OPENING OF THEIR NEW	Hal / Dale	Done

MULTIPLEX BUILDING, SUBJECT TO THE CONCURRENCE OF THE FIRE CHIEF AND THE MANAGER OF OPERATIONS.		
Bylaws:		
Bylaw No. 1935 – Amendment to the City of Grand Forks Sustainable Community Plan Designation Bylaw – third & final reading	Kathy/Diane	Done
Bylaw No. 1936 – Amendment to the City of Grand Forks Zoning Bylaw-third & final reading	Kathy/Diane	Done
Bylaw No. 1937 – Amendment to the City of Grand Forks Residential Garbage Collection Regulation-Final Reading	Roxanne/Bev	Done
Bylaw No. 1940 - City Park Municipal Campground Charges for 2013 – Final Reading	Roxanne	Done
Bylaw No. 1941 - 2013 Annual Tax Exemption Bylaw – First three readings	Diane	Advertising for Sept 19th & 26th Final Reading To Oct 9th Regular Meeting
Late Items:		
QUESTIONS FROM THE PUBLIC & THE MEDIA:		

THE CITY OF GRAND FORKS
REQUEST FOR COUNCIL DECISION

DATE : **September 11th, 2012**

TOPIC : **Bylaw 1931 – Roxul Road Closure Bylaw**

PROPOSAL : **Final Reading**

PROPOSED BY : **Corporate Officer**

SUMMARY:

At the Regular Meeting of Council on August 20th, 2012, Council gave three readings to Bylaw No. 1931, "Roxul Road Closure Bylaw No. 1931, 2012". This bylaw intends to affect the closure of the required non-developed sections of roadway as identified on "Schedule A" attached to the bylaw. In addition, the City is receipt of a letter received from Mr. Geoff Danish of Danco Transport opposing the proposed road closure.

The Bylaw requires approval of the Ministry of Transportation and Infrastructure prior to Council considering final reading of the Bylaw. As of the agenda due date, the City has not received this approval; therefore Staff recommends that Council defer final reading of the Bylaw until the next regular meeting of Council.

The bylaw is intended to be presented for Council's consideration of the final reading at the October 9th, 2012 Regular Meeting.

STAFF RECOMMENDATIONS:

Council defers the final reading of Bylaw No. 1931 – Roxul Road Closure Bylaw, until the next regular meeting of Council.

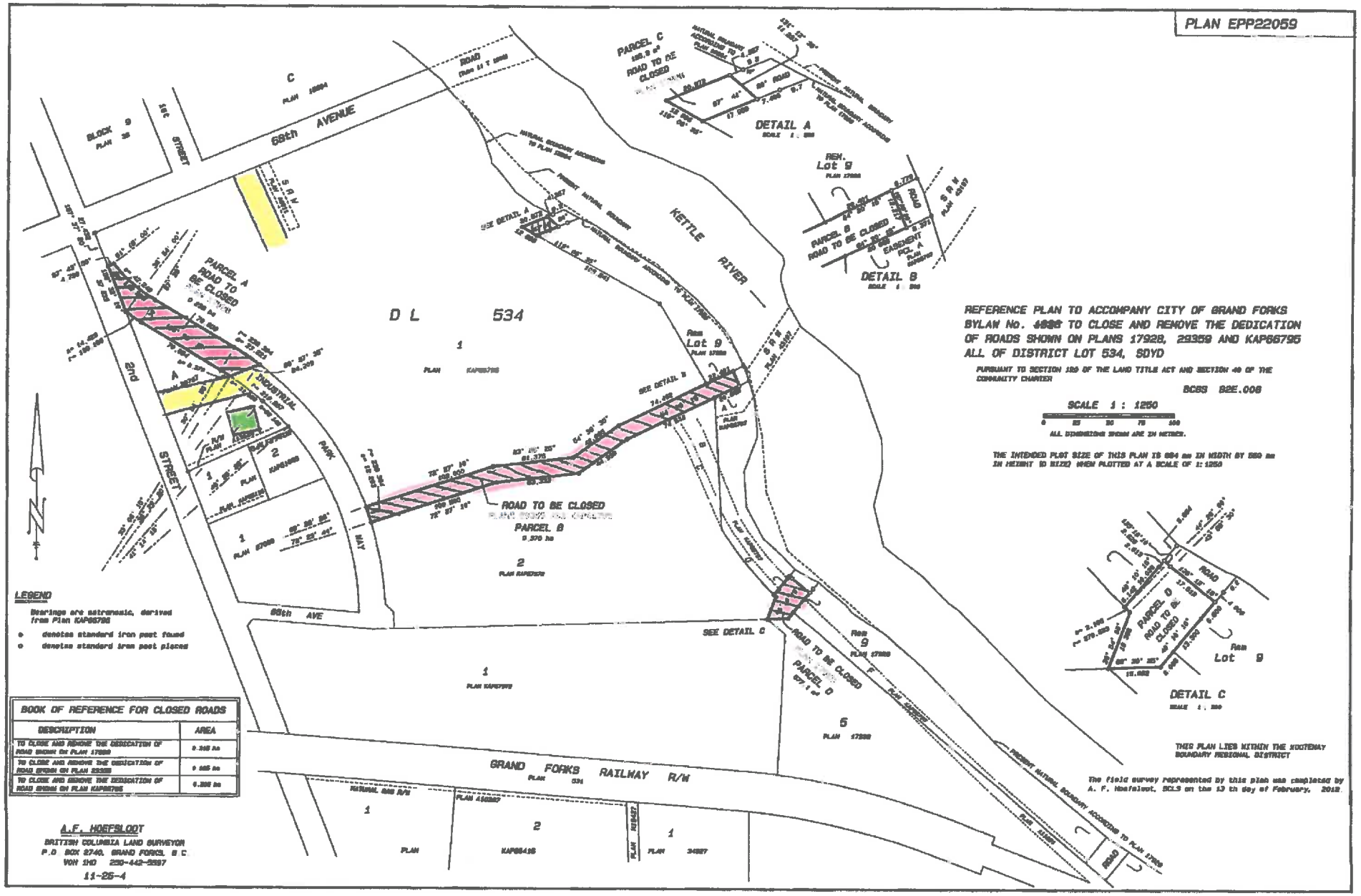
LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:

The authority to adopt this bylaw is contained in the Community Charter.

Department Head or Corporate Officer
or Chief Administrative Officer

Reviewed by Chief Administrative Officer

ROADS TO BE CLOSED
NEW ACCESSES
OFFICE



THE CORPORATION OF THE CITY OF GRAND FORKS

BYLAW NO. 1931

A Bylaw to Close and Remove the Dedication of Roads Shown on Plan 17928, 29359 and KAP66795 all of District Lot 534, S.D.Y.D.

WHEREAS in accordance with the Community Charter, Council may, by bylaw, close and remove the dedication of a highway or portion of it;

NOW THEREFORE the Council for the Corporation of the City of Grand Forks, in open meeting assembled **ENACTS** as follows:

1. To close and remove the dedication of municipal roads shown on Plans 17928, 29359 and KAP 66795 as follows:

   a) that portion of Industrial Park Way shown as Parcel A, being 0.238 hectares in size shown on Plan EPP 22059 and identified as Parcel A;

   b) un-named roadway traversing east/west from Industrial Park Way to Lot 9 Plan 17928, being 0.373 hectares in size as shown on Plan EPP22059 and identified as Parcel B;

   c) a portion of un-named roadway traversing east/west on the most northerly portion of Lot 9, Plan 17928, being 195.8 square meters in size as shown on Plan EPP22059 and identified as Parcel C; and

   d) a portion of un-named roadway traversing southwest/northeast on Lot 9 Plan 17928, being 577.1 square meters in size shown on Plan EPP22059 and identified as Parcel D

   as outlined on reference plan drawn by A.F. Hoefsloot, B.C.L.S. and dated February 13, 2012 identified as "Schedule "A" and attached to this bylaw.

2. That title to the above-described portions of closed roads be hereby vested in the name of the Corporation of the City of Grand Forks;

3. That this Bylaw may be cited for all purposes as the **"Roxul Road Closure Bylaw No. 1931, 2012".**

Read a **FIRST** time this 20th day of August, 2012.

Read a **SECOND** time this 20th day of August, 2012.

Read a **THIRD** time this 20th day of August, 2012.

PUBLIC NOTICE posted at City Hall and advertised in the Grand Forks Gazette on the 29th day of August, 2012, and the 5th day of September, 2012.

APPROVED by the Ministry of Transportation & Infrastructure on this _____

day of _____, 2012.

_____
Approving Officer

FINALLY ADOPTED this _____ day of _____, 2012.

_____
Brian Taylor, Mayor

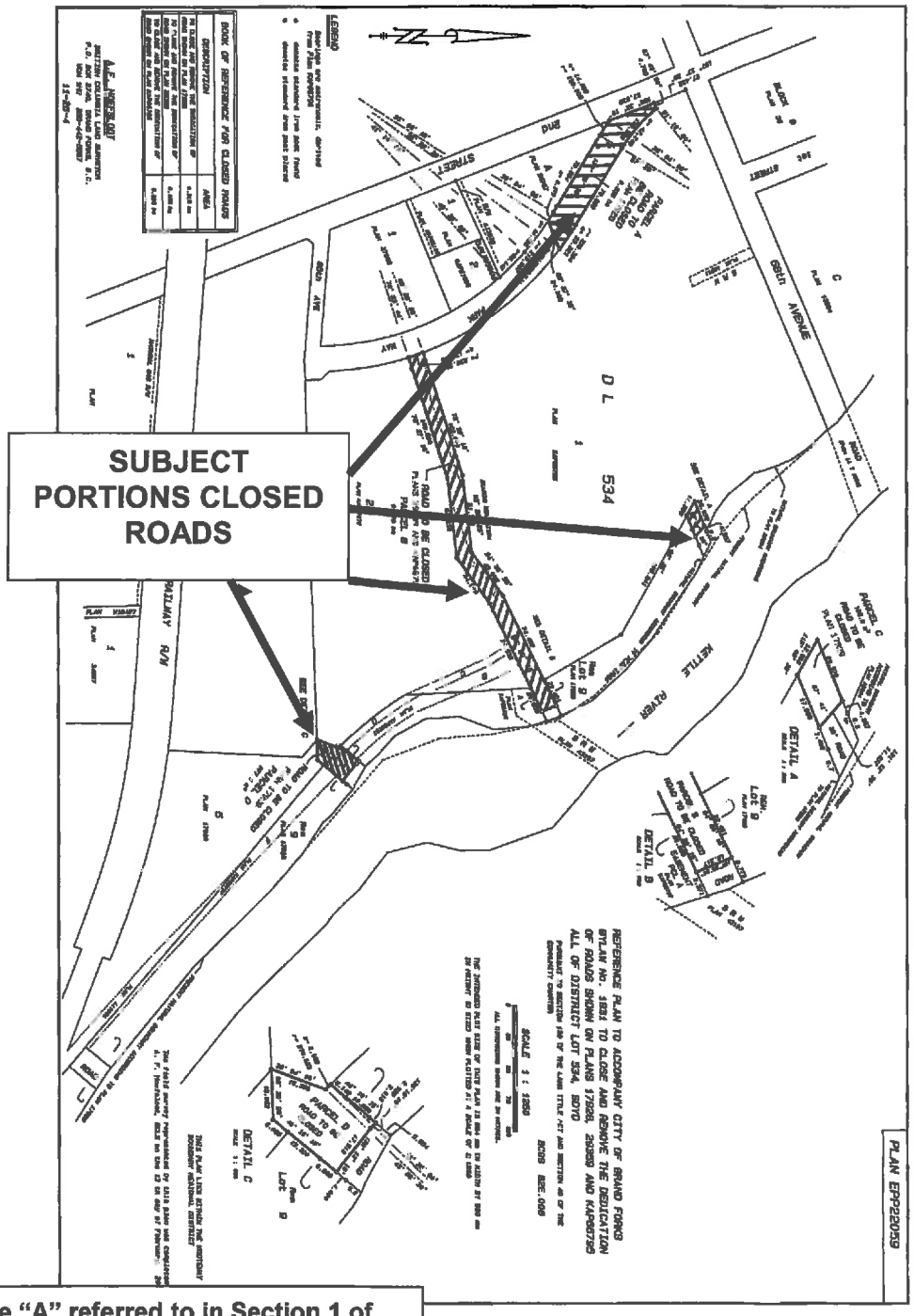
_____
Diane Heinrich, Corporate Officer

CERTIFICATE

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 1931, as passed by the Municipal Council of the City of Grand Forks on the _____ day of _____, 2012.

_____
Corporate Officer of the Municipal Council of the
City of Grand Forks

SCHEDULE "A"



This is Schedule "A" referred to in Section 1 of the Roxul Road Closure Bylaw No. 1931, 2012.

_____

Date of Adoption

_____

Corporate Officer

DANCO TRANSPORT LTD.
GRAND FORKS, B.C.

Canada Address: P. O. BOX 788, 6544-2nd St. GRAND FORKS, B.C. V0H 1H0 CANADA

USA Address: P. O. BOX 136, DANVILLE, WASHINGTON 99121 USA

Phone: (877)326-2677

Fax: (604)-648-8244

Email: gjd@dancotrans.ca Web: www.dancotrans.ca

September 10, 2012

Mayor and Council
Corporation of the City of Grand Forks
Grand Forks, BC

Re: PROPOSED CLOSURE OF INDUSTRIAL PARKWAY IN CITY INDUSTRIAL PARK

Dear Mayor and Council:
I recently became aware of a proposed road closure of Industrial Parkway in the city's industrial park.

Danco Transport Ltd. has been using Industrial Parkway on almost a daily basis since we purchased property at 6544-2nd Street and built our terminal in 1976- a period of 36 years.

I understand that a proposed land swap agreement with Roxul is in place to trade property north of the old Canpar office in exchange for the closure of Industrial Parkway as an alternative access to 2nd Street. This proposed access is not acceptable to us at Danco Transport Ltd. from an operational point of view. The stresses and additional wear and tear caused to suspensions and tires from the hard left and hard right hand turns that will be experienced will add to our operating costs. Damage to pavement and road infrastructure from trucks weighing 140,000 lbs. (63 metric tonnes) will be added to road maintenance costs paid for by the tax payers of Grand Forks from the constant side slip and skidding of tires as trailer make hard left or right turns. Furthermore, long tractor -trailers cannot turn sharply on right angles. This means that we will NOW be forced to encroach on opposite lanes of traffic (where there is none now) to enable our turns which in my opinion CAUSES AN INCREASED RISK OF ACCIDENT and a detriment to public safety.

I also took the time to approach Roxul and ask their reasoning for this closure. I met with Jim Holmes of Roxul on September 7th, 2012. He showed me a blueprint of the proposal and it appears that Roxul intends to use the proposed road closure for trailer parking. He also showed me Roxul is also requesting permission to allow an access to 68th Avenue for tractor trailer traffic to their plant. From what I can determine, it appears that **ROXUL WILL BE THE ONLY BENEFACTOR TO THIS ROAD CLOSURE** as it will give them increased flexibility to the small triangle of land at the entrance of Industrial Parkway and 2nd Street. Furthermore, with new access off 68th Avenue, the majority of Roxul truck traffic will be exempt from the operational drawbacks that others such as ourselves will be forced to endure. Allowing this benefit to Roxul at the expense of others is **JUST PLAIN WRONG**.

Danco Transport Ltd. has been a resident of the Industrial Park **LONG BEFORE** there was an Insulation Plant in the Industrial Park. Road access as currently in place **was a major deciding factor for us before we purchased in the Grand Forks Industrial Park.** The old saying "If it ain't broke, then no need to fix it" applies here.

I respectfully request the City of Grand Forks not allow this proposed closure and to leave Industrial Parkway as is.

Respectfully submitted,
DANCO TRANSPORT LTD.

G. J. (Geoff) Danish
President

0877988 BC LTD

6544 2nd ST
PO BOX 135
Grand Forks, B.C., V0H 1H0
Phone (250) 444-4065
Fax (250) 442-8435
Scot4fishin@hotmail.com

September-10-2012

Mayor and Council
Corporation of the City of Grand Forks
Grand Forks , B.C., V0H1H0

RE: Proposed Change to Industrial Parkway

Dear Mayor and Council,

It was recently brought to my attention that Industrial Parkway will be altered to include a 90 degree left and then a 90 degree right turn onto 2nd St. This in my opinion will make it hard for the 53 ft Canada Bread trailers that are delivered 3 nights a week to safely negotiate these corners without having to approach in an on coming lane. For this reason I would ask that you please reject any present and future requests to alter this roadway.

Sincerely,
0877988 BC LTD
Scott Barker (President)