

Review of the Pemberton Boundary Expansion Proposal

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Sussex
Consultants Ltd

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1. Introduction

Overview

This report is prepared for the Squamish-Lillooet Regional District (SLRD). It follows a decision made by the Village of Pemberton to pursue an expansion to its municipal boundary. In August of 2008 the Village’s consultant, Stantec Consulting Ltd., prepared a report (entitled “Village of Pemberton Boundary Expansion”) that outlines the process, identifies and describes a potential expansion area, and presents some preliminary findings.

The Stantec report focuses on boundary extension from the viewpoint of the Village and owners in the expansion area. The SLRD engaged Sussex to briefly review the Stantec material and advise on impacts that boundary expansion might have on the SLRD — in other words, to look at the matter from the SLRD viewpoint.

Of course, there would be a separate set of impacts on the Village too, since (among other things) adding the large power facility to the Village would mean a significant rise in the Village’s tax base and thus a significant rise in Village revenues. However, the responsibility for investigating changes to the Village’s finances rests with the Village and the topic is not addressed here.

Early stages

It is recognized that the Village’s proposal is preliminary. There are multiple steps in the boundary extension process, and the matter is still in the early stages. The Village has done extensive work on the matter, though it has not yet made any submissions or formal application to the Ministry of Community Development (the lead provincial agency on local government matters).

The Village’s interest in boundary extension follows some of the recommendations in the SLRD’s “Pemberton & Area Sub-Regional Land Use Planning Study”, which identified the hillside area east of the Lillooet River as a potential area to accommodate the demands of future development. That report suggested that a municipal government — and specifically the Village of Pemberton — would be best suited to manage such growth and provide urban services if this area is used to meet the needs of future growth, and recommended that a boundary expansion study be done to assess the desirability of this.

As noted in the Stantec report, the provincial policy on municipal boundary extension calls for the municipality itself to initiate the process, establish dialogue with affected parties, document various technical aspects (like property taxes, for example), and prepare an information plan. In the end, however, boundary expansion can only be implemented by the provincial government; municipalities cannot change their own boundaries. It is important to bear this in mind when discussing boundary restructuring.

The Regional District’s interests in this process are well recognized. As set out on the Ministry of Community Development’s website on municipal boundary extensions:

“Although not prescribed in legislation, the regional district has an important role in the boundary extension process. The regional district is the local government for areas outside municipal boundaries and they may provide services in the area. Consequently, regional district interests must be considered and municipalities should make their best efforts to accommodate

those interests. However, the regional district does not have a veto on municipal boundary extensions.”

Elector assent is required

The Local Government Act requires a municipality to either (a) obtain the assent of its electors (that is, voters in the Village) in a formal referendum, or (b) conduct an alternate approval process. Again, from the Ministry’s website:

“Section 20 of the Local Government Act, which outlines the process requirements for a municipal boundary extension, was amended to formalize the manner in which a municipal council confirms that it has the approval of the municipal electorate to proceed with the boundary extension process.

Approval of the electors may be obtained either by conducting a vote or conducting an alternative approval process. Approval of the electors is granted if a majority of voters support the boundary extension in a referendum or if less than ten percent of municipal electors request a vote on the issue in response to the statutory advertising.

The municipal council may choose which process to undertake, and may follow an alternative approval process with a referendum. A boundary extension proposal cannot proceed if municipal electors withhold approval in a referendum.”

In addition, provincial guidelines call for the approval of a majority of those in the proposed expansion area. The method for confirming their approval depends on the how many properties are involved. If there are many properties, the Province often requires a referendum; if there are few, the Province might use a less complicated method, such as written assent.

The proposed expansion area

Appendix A shows maps of the proposed expansion area, from the Stantec report. Appendix B presents a list of the individual properties.

Report outline

This report consists of the following chapters.

1. Introduction
2. Expansion area fundamentals (property types and tax bases)
3. Financial uncertainties (elements affecting financial impacts that are not yet known)
4. Financial impacts on the SLRD (tax base shifts and tax impacts)
5. Boundary selection guidelines and restructure study procedures
6. Summary and conclusions.

2. Expansion Area Fundamentals

As shown in the maps in Appendix A, the proposed expansion area has four main components:

- Southwest: The highway corridor south of the Village, which includes (among other things) the power generating facilities of Rutherford Creek Power. This facility has a significant taxable value (about \$40 million) for property tax purposes.
- Southeast: The Airport Road area, which consists mainly of the lands immediately west of the airport (notably the Big Sky Golf Club) plus one lot at the eastern edge of the airport.
- West: A large piece of Crown land comprising the Pemberton Creek watershed, on the western edge of the Village core.
- East: Various lands on the east side of the Lillooet River. These mainly undeveloped parcels include areas identified as potential growth areas in the sub-regional plan.

The proposed expansion area consists of about 26 parcels, of which 22 are taxable (the others are three Crown parcels and one CN right of way — see Appendix B for the property list). The following figure shows that by far the dominant financial feature of the area is Rutherford Creek Power’s \$40.5 million Class 2 - Utility values.

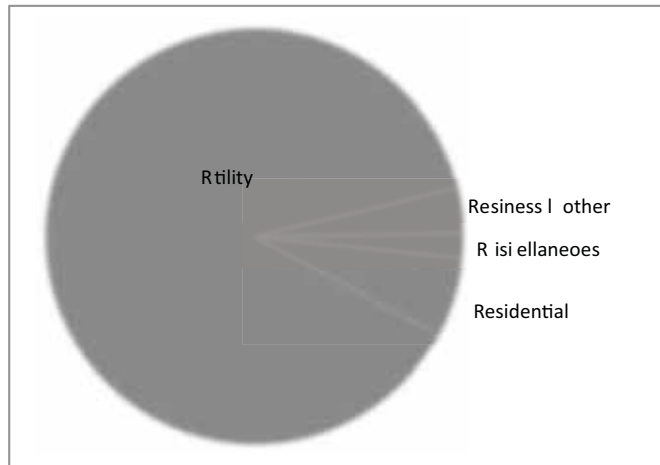
2008 Property Tax Base in the Proposed Expansion Area

	Actual values in expansion area	Hospital base		General tax base		
		Tax rate Multiple	Weighted tax base	Village tax rates	Tax rate Multiple	Weighted \$
Class 1 Residential	\$9,906,550	1.00	\$9,906,550	\$1.6832	1.00	\$9,906,550
Class 2 Utility	\$40,525,900	3.50	\$141,840,650	\$11.9700	6.00	\$243,155,400
Class 3 (not used)	\$0	0.00	\$0	n.a.	0.00	\$0
Class 4 Major industry	\$0	3.40	\$0	n.a.	3.40	\$0
Class 5 Light industry	\$0	3.40	\$0	\$6.7829	3.40	\$0
Class 6 Business + other	\$2,280,800	2.45	\$5,587,960	\$4.8877	2.50	\$5,702,000
Class 7 Managed forest	\$0	3.00	\$0	n.a.	3.00	\$0
Class 8 Rec'n + non-profit	\$3,023,700	1.00	\$3,023,700	\$1.9950	1.00	\$3,023,700
Class 9 Farm land [^]	\$72,437	1.00	\$72,437	\$1.9950	1.00	\$144,874
Totals	\$55,809,387		\$160,431,297			\$261,932,524

[^] Farm land has a 50% exemption for regional district taxes but not for municipal taxes

Using the hospital tax rate multiple of 3.5 (and not the Village’s current 6.0), Rutherford Creek Power still accounts for almost 90% of the area’s tax-paying power. The area includes several farm properties, whose taxable property assessments for hospital and SLRD purposes is 50% of the value used for municipal taxes; in addition, homes of farm land are exempt from the province’s general tax (the “rural tax”) but must pay the municipality’s general tax if they join a municipality.

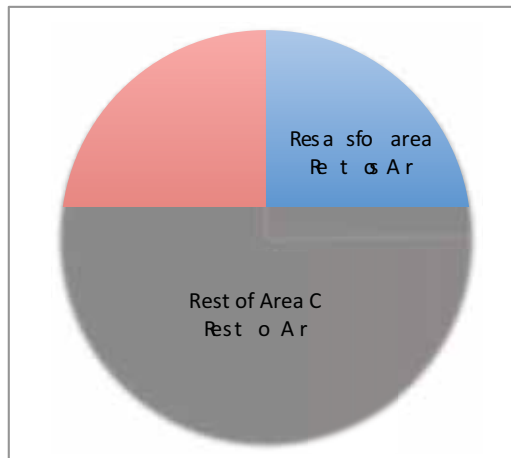
Tax-Paying Power in the Expansion Area (Hospital Weights)



Note that not all of this tax base helps fund *all* the SLRD functions in the study area. While 100% of it helps fund electoral-area-wide functions like land use planning, portions of the expansion area lie outside some of the local service areas (LSAs) and thus not all the properties pay all the LSA taxes.

In terms of tax-paying power, the proposed expansion area is a meaningful part of Area C and potentially a bigger part of the Village of Pemberton.

Area C Tax Base (tax-paying power in \$ millions)

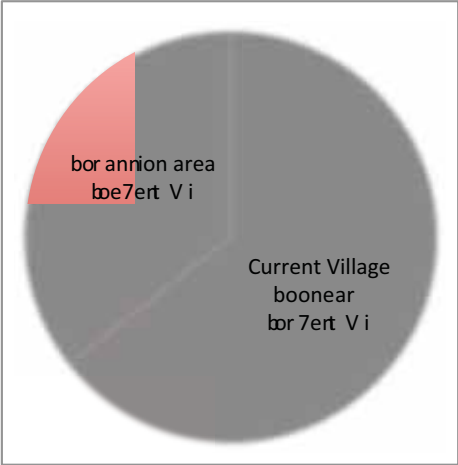


Weighted to reflect the higher taxes paid by industry and business (using hospital multiples)

As can be seen from the preceding figure, the expansion area accounts for one quarter of Area C's tax-paying power (that is, its weighted tax base after accounting for the higher tax rates faced by business and industry). However, the effective tax-paying power of the expansion area depends on which jurisdiction it's in. As shown in the following figure, the same area would have a tax-paying power of \$262 million as part of the Village — assuming the Village is allowed to maintain its current tax rate multiples, which are higher than the hospital multiples used for Area C. However, it is probable that the Province would impose a tax cap for Rutherford Creek Power, and this could reduce the

Village's tax rate multiple for the power property and thus reduce the Villages effective tax-paying power.

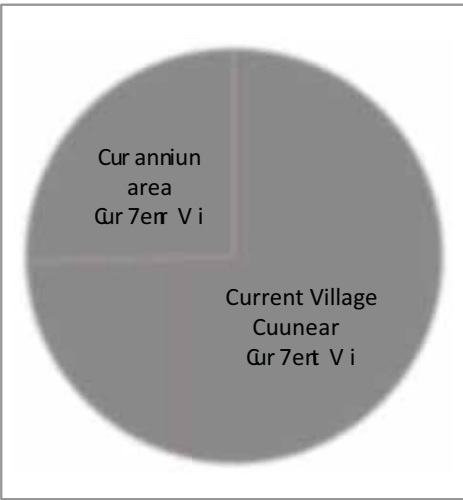
Village of Pemberton Tax Base (tax-paying power in \$ millions) - Uncapped



*Weighted to reflect the higher taxes paid by industry and business (using Village multiples)
Note: Assumes no tax cap is applied to Rutherford Creek Power*

If, as is assumed in this report, the Village's tax rate on Rutherford Creek Power properties would be capped at the equivalent of 3.5 times the rate for homes, the expansion area would play a smaller role in the Village's tax base than shown above; after all, the effective tax-paying power above counts the utility property assessments at 6.0 times the residential rate. But as shown following, even with a utility tax-multiple cap of 3.5, the expansion area would still mean a notable increase in the total for the Village.

Village of Pemberton Tax Base (tax-paying power in \$ millions) - Capped



3. Financial Uncertainties

There are various uncertainties in estimating the tax impacts of Pemberton’s proposed boundary expansion, including these three important ones.

- Would the Province cap the property taxes for Rutherford Creek Power, and if so, how? This could affect the calculation of the tax base used to apportion and fund SLRD taxes.
- Would the Province preserve the current local service area (LSA) boundaries for some expansion-area SLRD functions after boundary expansion? This could affect the share of SLRD service costs apportioned to the Village.
- What would happen to the Village’s own tax rates as a result of boundary expansion? Certainly, its tax revenues would rise (even if Rutherford Creek Power’s taxes are capped), but what would happen to its budgets for municipal services like road maintenance, development services, and administration? This would affect the “after” picture in a before-and-after comparison of taxes on expansion area properties.

Capping the property taxes on Rutherford Creek Power

The Province often implements a policy of property tax neutrality for major industrial and utility properties that lie within a proposed municipal boundary expansion area. The general principle is that the property should not pay more as part of a municipality than it does as part of an electoral area. In the case at hand, Rutherford Creek Power properties are categorized at Class 2 - Utility by the BC Assessment Authority.

There are various ways to implement this goal. One of the most common is to limit the tax rate multiple used by the municipality in setting its tax rate for industry. For regional district taxes the Province has set the multiple for Class 2 at 3.5; whatever the residential tax rate is, the utility tax rate is 3.5 times as high.

Municipalities set their own multiples. The Village of Pemberton has chosen an above average multiple of 6.0 (the Village’s Class 2 rate is \$11.97 per \$1000 and the residential rate is \$1.99, for a ratio of 6:1). The Village’s consultant (Stantec) has projected that keeping the Village’s 6:1 ratio would produce a property tax rise of 112% for the largest utility folio and 48% for the smaller property folios.

Why would the Village’s own tax rates matter when assessing the SLRD tax impacts? Because the SLRD apportions some of its tax burdens to participating municipalities based on the rates. For the electoral areas the SLRD must use the *hospital* tax multiples (3.5 for utility property), but for the municipal shares it can use the *general* tax multiples — that is, the multiples chosen by the municipality for its *own* taxes. For about half of the SLRD service functions in the study area, the SLRD uses the *general* tax base to apportion the tax load; for the other half it uses the *hospital* base.

There would be no meaningful difference if the municipalities all used the same 3.5 hospital ratio for their municipal taxes (many municipalities do), but that is not the case here. For many SLRD functions, boundary extension would see Area C’s weighted tax base (that is, its effective total after factoring in the higher tax burdens on utility and other non-residential properties) fall by about \$140 million. But that doesn’t mean a rise of \$140 million in Pemberton’s effective tax base; it means a rise of \$240 million, because the Village multiple is 6.0, not the 3.5 used by the SLRD in the electoral areas.

There would be no problem in our analysis if we knew that the Village's 6.0 multiple would remain in effect. But we don't know this, because of the potential for a property tax cap. If the Province capped the Village's Class 2 tax ratio at, say, 3.5, then the \$140 million fall in Area C's tax base would be matched by a \$140 million rise in Pemberton's. And, in fact, 3.5 is about the ratio needed for tax neutrality for Rutherford Creek Power. The Village's consultant has estimated that a ratio of 3.3 would keep the utility's property tax bill the same under both Village and electoral area status (of course, this tax neutrality also requires a cap on the Village's general rate for the Class 2 - Utility properties).

It is too early to know whether, or how, the Province would impose a tax cap on the utility properties. However, given that a cap of some form seems probable, ***this report assumes a 3.5 ratio would be implemented.***

Treatment of local service areas

It is too early to know how the Province would handle the matter of Local Service Area taxes. This would need to be resolved for five LSA functions:

- Pemberton fire protection
- Pemberton fire truck acquisition
- Pemberton recreation commission
- Pemberton Valley recreation trails
- Pemberton TV and radio rebroadcasting

A sixth LSA, Pemberton refuse grounds, is not an issue in this regard because all of the properties in the expansion area already participate in this SLRD function, so the before and after pictures would be identical.

In each of the five affected LSAs, only a *portion* of the expansion area pays into the LSA, but *all* of Pemberton does. For example, the Rutherford Creek Power penstock property lies outside the fire truck LSA and so doesn't help pay for it, but all properties in the Village participate and pay taxes for it.

The Province has several policy choices for the LSAs.

- It could say that the post-expansion LSA boundary will be those parts of the LSA left in Area C, and all the properties in the Village, *including all the newly added ones*. This would include properties (like the penstock property) that were previously exempt from this LSA tax. This is not tax neutral. The larger tax base for the LSA would mean a fall in the tax rate, particularly for taxpayers in the Village.
- Alternatively, the Province could stipulate that the current LSA boundary will remain in effect after boundary extension. The tax picture wouldn't change much at all; the number (and tax base) of properties funding this service would stay as is, so there would be no meaningful change in the tax rates. Under this option all the *existing* Village properties would pay taxes for the fire truck but some of the *newly added* ones would not. This is essentially a tax neutral option. ***This option is assumed in this report.***

This matter needs to be resolved by the Province once it becomes involved more deeply in the boundary extension process.

The Village's own tax rates

The third significant uncertainty involves the Village of Pemberton's own finances after expansion. This matters for several reasons.

- First, it will affect the “after” taxes in the before-and-after tax comparison presented to owners in the expansion area, and this clearly might affect their support or rejection of boundary expansion.
- Second, the “after” tax picture for the Village will affect the benefits perceived by the *existing* Village taxpayers and officials, and thus affect their appetite for boundary expansion.
- Third, the “after expansion” tax rates of the Village for its own services would affect the tax rates on Rutherford Creek Power, and this in turn can affect the tax rate multiple used to determine the Village's share of certain SLRD taxes,

The Stantec report includes a quick look at the before-and-after tax impacts for each property in the expansion area; for the “after” snapshot it uses the Village's 2008 tax rates (\$1.995 per 1000 for residential and \$11.970 for utility property). But adding the substantial utility company taxes to the Village budget — even if they are capped taxes — could clearly have an effect on the Village tax rates for residential and business properties too. For example, the report notes that the Village and SLRD rates on Class 2 (utility) properties would have to be \$4.060 and \$4.602 respectively. This translates into a tax rate multiple of 3.3 for the Village's SLRD tax and 2.0 for the Village's general rate — but only if the pre-expansion rates for residential properties remain *unaffected*. A change in the residential rates would change the other numbers. The Village would have to identify more about the potential budget effects on its own services and taxes in order to determine the revised Village rate — and even then the calculations would still require details about a utility tax rate cap.

It is also worth noting that there are multiple ways to hold Rutherford Creek Power's taxes at their pre-expansion levels. Tax neutrality for the company is attained by using a combined Village-SLRD tax rate of about \$8.66 per 1000 — but this total might be reached a number of ways by shifting more, or less, from the Village rate to the SLRD rate.

Note that this problem would be much simpler if the SLRD used only the *hospital base* for its tax apportionment (the hospital base uses a Class 2 tax rate multiple of 3.5). The SLRD's use of the *general base* (rather than the hospital base) for many functions has a spillover effect for Pemberton tax projections because while both the Village and the SLRD tax rates now use the same non-residential tax rate multipliers, this would be greatly complicated by a tax cap on the power company. Clearly, if expansion proceeds and a tax cap is in place, the Village would have to amend its tax rate multiple policy.

In the absence of a fuller analysis of what the post-expansion Village budget and tax rates might look like (and of course a clear picture of what the utility tax rate cap might look like, which can so strongly affect the Village tax rates), it is not possible to draw accurate conclusions about the impacts of boundary expansion on either Village or expansion area taxpayers.

4. Financial Impacts on the SLRD

Overview

The tax impacts on the SLRD would flow from the shift in the tax base from Area C to the Village. This is more serious for some SLRD functions than for others.

- For those functions involving both the Village and Area C, the impacts would be generally minor because, while the tax base may shift from Area C to the Village, it would still be part of the tax-paying base for the function. For example, the list of taxpayers funding the Pemberton library would remain the same; some Area C taxpayers would become Village taxpayers but they would still pay into the function.
- For functions involving only the electoral areas — building inspection, elections and UBCM, electoral area emergency plan, and electoral area community parks — the shift of taxpayers out of Area C would reduce the revenues to the SLRD (note that changes to the Village’s tax base don’t matter because it does not participate in these functions).

SLRD taxes that would not be affected

Many SLRD taxes would not be affected in any meaningful way by the Village of Pemberton’s boundary expansion, for one of several reasons.

- Pemberton and the expansion area don’t participate in some SLRD functions (for example, SLRD services at Furry Creek), so the boundary extension wouldn’t affect these functions.
- Both Pemberton and all the expansion area share in the funding of some functions. The total tax base for these functions would not change, as the property assessments merely shift from Area C to the Village. The tax rate would be unaffected. Examples include general government, land use planning, solid waste, Pemberton recreation complex, and the Pemberton library.

SLRD Functions in the Study Area That Would Not Be Materially Affected

Function	Who participates
General government	All SLRD members
Land use planning	All SLRD members
Regional growth strategy	All SLRD members
Solid waste mgmnt plan	All SLRD members
Pemberton-Lillooet TAC	All SLRD members
Lower Mainland TAC	All SLRD members
Pemberton fire rescue	Pemberton + Area C
Pemberton search and rescue	Pemberton + Area C
Pemberton District recr’n complex	Pemberton + Area C
Pemberton & District museum	Pemberton + Area C
Pemberton library	Pemberton + Area C
Pemberton & area cemetery	Pemberton + Area C
Sea to Sky trails	All SLRD members
Pemberton & area econ development	Pemberton + Area C

SLRD functions that would be affected

Four SLRD functions are funded only by the electoral areas, and the taxes for them *would* be affected by boundary extension:

- Building inspection
- Elections and UBCM
- Electoral area emergency planning
- Electoral area community parks.

Taxes for these would be affected because the tax base would fall as properties shift to the Village. The SLRD would face two choices: either cut spending in order to reduce the need for taxes, or raise the tax rate enough to offset the loss. These options are shown in the following table.

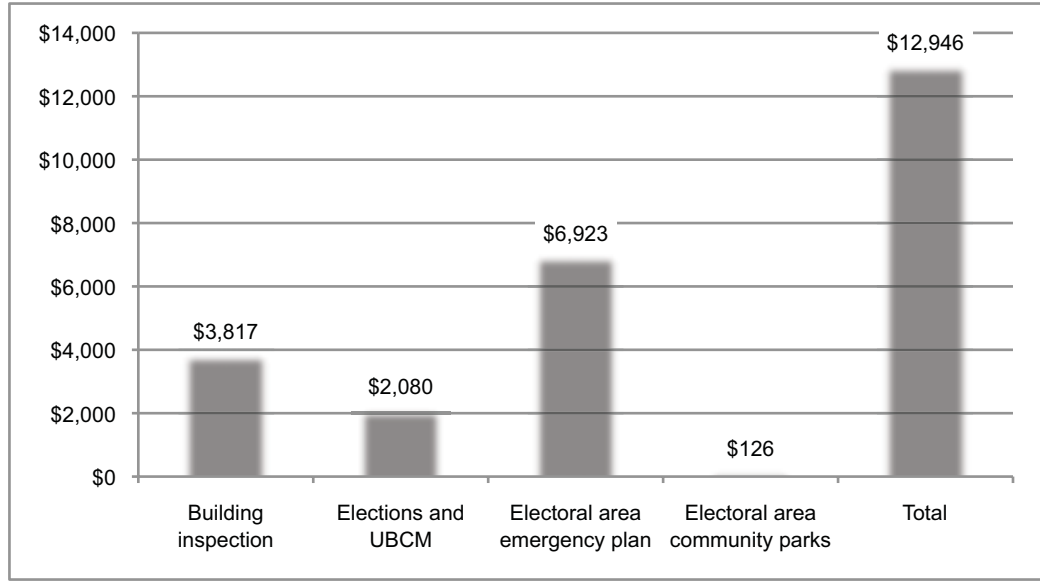
If the lost revenues are to be made up by raising the tax rates, the proposed boundary extension would add \$3 to the tax bill on an average home in the electoral areas (the average home value used here is \$300,000, though it is higher in some areas and lower in others). Alternatively, if the current tax rates are held constant and spending is curtailed, the SLRD would have to cut a total of \$13,000 from the four function's budgets.

The Four Electoral Area Functions That Would Be Affected

Weighted tax base (\$ millions)	Before	After	Pct fall
Building inspection	\$1,409.3	\$1,248.9	11.4%
Elections and UBCM	\$1,409.3	\$1,248.9	11.4%
Electoral area emergency plan	\$1,409.3	\$1,248.9	11.4%
Electoral area community parks	\$1,409.3	\$1,248.9	11.4%
Reaction 1: Lose revenues and reduce spending			
	Taxes before	Taxes after	Tax loss
Building inspection	\$33,915	\$30,098	\$3,817
Elections and UBCM	\$18,191	\$16,111	\$2,080
Electoral area emergency plan	\$61,000	\$54,077	\$6,923
Electoral area community parks	\$1,000	\$874	\$126
Total	\$114,106	\$101,160	\$12,946
Reaction 2: Raise tax rate and maintain spending			
	Taxes before	Tax rate before	Tax rate after
Tax rates:			
Building inspection	\$33,915	\$0.0241	\$0.0272
Elections and UBCM	\$18,191	\$0.0129	\$0.0146
Electoral area emergency plan	\$61,000	\$0.0433	\$0.0488
Electoral area community parks	\$1,000	\$0.0007	\$0.0008
Total	\$114,106	\$0.0810	\$0.0914
Taxes on a \$300,000 home			
	Before	After	Rise
Building inspection	\$7.23	\$8.16	\$0.93
Elections and UBCM	\$3.87	\$4.38	\$0.51
Electoral area emergency plan	\$12.99	\$14.64	\$1.65
Electoral area community parks	\$0.21	\$0.24	\$0.03
Total	\$24.30	\$27.42	\$3.12

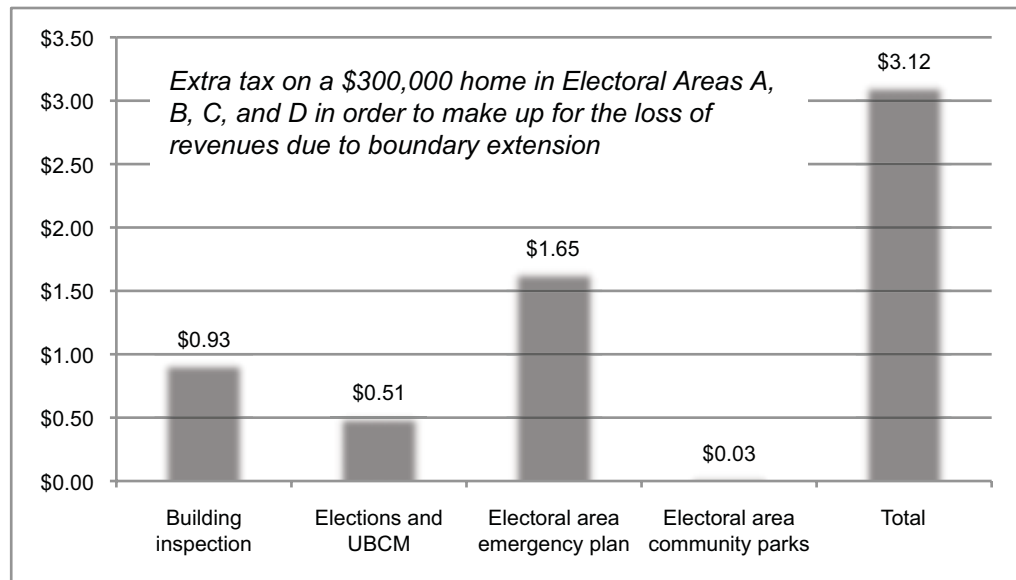
Note: Tax rates exclude the provincial 5.25% tax collection fee

Tax Loss in the 4 Electoral Areas Due to Boundary Extension



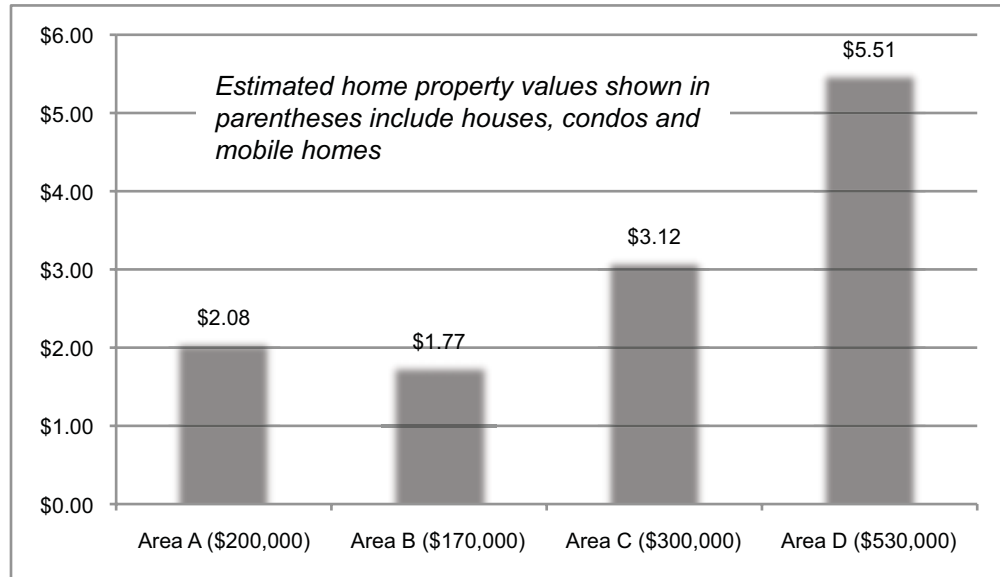
It is worth noting that the Province can arrange transitional assistance for a regional district to help mitigate the lost revenues flowing from a municipal boundary extension. One rule of thumb used by the Province is whether the net tax impact on a service is greater than 10%. In the case at hand, the net loss for the four functions is just over 11%. Assistance can include the requirement that the municipality must keep contributing tax dollars to offset the regional district losses, either for a transition period (say, for 3-5 years) to give the regional district time to adapt to its reduced tax base, or permanently (though permanent help is rarer). Note, however, that while the *relative* loss exceeds 10%, the *absolute* loss, expressed as a \$3 tax rise on an average home, is quite small. Given this small impact, it is unlikely that the Province would view this case as warranting special financial assistance. Of course, that would be up to the Province.

Tax Rise on a \$300,000 Home to Offset the Revenue Loss Due to Boundary Extension



The preceding figure shows the tax rise on a home with an assessed value of \$300,000, but the average actually varies a lot among the four electoral areas. The following figure shows the impact on an average home in each of the four areas.

Extra Tax on an Average Home in Each Electoral Area to Offset the Lost Revenues



The local service areas

The study area includes six LSAs of the regional district:

- Pemberton fire protection
- Pemberton fire truck acquisition
- Pemberton refuse grounds
- Pemberton TV and radio rebroadcast
- Pemberton recreation commission (technically, this is a “defined area” function rather than a “local service area” function, but there is no meaningful difference here)
- Pemberton Valley recreation trails

The entire Village of Pemberton contributes to each LSA but this is true of the expansion area only for the Pemberton refuse LSA. For the other five LSAs, some of the expansion area lies *outside* the LSA. For example, only four property owners in the expansion area pay into the Pemberton TV rebroadcast LSA.

The Province could choose two different policies for each LSA after boundary expansion:

- All the expansion area properties can be lumped into the Village as full taxpayers for the LSA service. This would include Area C properties that currently lie *outside* the LSA and thus don’t pay the LSA tax. The Village tax base that is used to recover the costs of the service would rise as previously exempt Electoral Area C properties are added to the Village’s share of the LSA tax base. The tax base of the LSA in the electoral area would fall as LSA properties are transferred to the Village, but not as much as the Village’s share would rise (remember, *all* the expansion area properties would become paying members of the LSA even though many aren’t now).
- The Province can maintain the non-LSA status of certain properties even though they become part of the Village. Under this option, being added to the Village doesn’t mean you automatically start paying LSA taxes. Those newly added properties that

paid *before* would pay *after*, and those that didn't pay the LSA tax before would not pay after. The total tax base of properties contributing toward the LSA's costs would be unchanged. For each LSA, the tax base shift out of Area C would be matched by the shift into the Village. ***This is the default assumption here.***

Another important question has to do with how the tax load of each LSA function is apportioned between the Village and the LSA parts of the electoral area. As shown in the next table, a variety of ways are used to calculate the tax split between the Village and Area C.

Local Service Area Tax Requisitions If LSA Boundaries Are Maintained After Expansion

LSA tax apportionment

Local service area function	Sharing of tax load is based on ...	Tax rate is based on ...
Pemberton fire protection	Property assessments (hospital base)	Hospital tax base (land + impr)
Pemb. fire truck acquisition	Property assessments (hospital base)	Hospital tax base (land + impr)
Pemb. refuse grounds	Property assessments ("mixed" base)^	"Mixed" tax base (land + imp)^
Pemb. TV rebroadcast	Based on residential property count	Hospital tax base (impr only)*
Pemb. rec'n commission	Property assessments ("mixed" base)^	"Mixed" tax base (land + imp)^
Pemb. Valley rec'n trails	Property assessments ("mixed" base)^	"Mixed" tax base (land + imp)^

SLRD tax requisitions*

Local service area	Before boundary expansion			After boundary expansion		
	Pemberton	LSA-	Total	Pemberton	LSA-	Total
Pemberton fire protection	\$317,772	\$84,471	\$402,243	\$326,737	\$75,506	\$402,243
Pemb. fire truck acquisition	\$4,176	\$1,142	\$5,318	\$4,297	\$1,021	\$5,318
Pemb. refuse grounds	\$50,921	\$55,079	\$106,000	\$68,199	\$37,801	\$106,000
Pemb. TV rebroadcast	\$12,711	\$5,265	\$17,976	\$12,943	\$5,033	\$17,976
Pemb. rec'n commission	\$1,638	\$1,186	\$2,824	\$2,153	\$671	\$2,824
Pemb. Valley rec'n trails'	\$37,248	\$12,752	\$50,000	\$38,389	\$11,611	\$50,000

* Excludes 5.25% provincial tax collection fee in electoral area

- Those parts of the LSA in the electoral area

^ "Mixed" means the general tax base for Pemberton and the hospital tax base for Area C

* Weighted tax base for improvements only (not land), using hospital tax rate multiples

' For Area C, the 2008 tax rate includes 2007's \$11,340 tax requisition; this "catch-up" portion is excluded here

Note: All the "after" figures assume that Village taxes on Rutherford Creek Power are capped

In one particular case — TV and radio rebroadcast — there is virtually no link between each party's share of the tax load and its tax base. Instead, the taxes are shared on the basis of residential property counts. Because of this financing disconnect, the shift in the ability to pay (that is, the taxable property assessments) is not matched by the shift in the tax load. As a result, the tax consequences for the Village are very different from those for Electoral Area C properties. The following table shows the LSA tax rates and tax loads on a typical home in the LSA portion of Electoral Area C (the Village's numbers would be different).

As can be seen in the following table, boundary extension would not have any tax consequence for five of the LSAs. For the TV rebroadcast function, boundary extension would mean \$20 tax rise for those Area C properties remaining in the LSAs but outside the expansion area. This is because the remaining Area C *tax base* falls significantly but the *taxes required* hardly change at all. The same tax load must be recovered from a very much smaller tax base.

Raising taxes \$20 for Area C properties is one way to offset the shift. Another option that would avoid this tax jump is to redefine the basis for the tax load apportionment. Instead of apportioning the tax load on the basis of residential folios, the LSA funding bylaw could be altered to base the split on property assessments, as is used for the other shared functions.

Local Service Area Taxes on a \$300,000 Home That Remains in Electoral Area C

Weighted tax base (\$ millions)

Local service area	Which tax base?	Before expansion			After expansion		
		Pemberton	Area C-	Total	Pemberton	Area C-	Total
Pemberton fire protection	Hospital	\$471.61	\$128.99	\$600.60	\$485.30	\$115.30	\$600.60
Pemb. fire truck acquisition	Hospital	\$471.61	\$128.99	\$600.60	\$485.30	\$115.30	\$600.60
Pemb. refuse grounds	Mixed [^]	\$472.80	\$511.41	\$984.21	\$633.23	\$350.98	\$984.21
Pemb. TV rebroadcast	Hosp imp.*	\$214.86	\$195.48	\$410.34	\$355.79	\$54.55	\$410.34
Pemb. rec'n commission	Mixed [^]	\$472.80	\$342.23	\$815.03	\$621.33	\$193.70	\$815.03
Pemb. Valley rec'n trails	Mixed [^]	\$472.80	\$161.87	\$634.67	\$487.29	\$147.38	\$634.67

Taxes for the LSA part of Area C

Local service area	Tax rates" (\$ / 1000)			Tax on a \$300,000 home"		
	Before	After	% Rise	Before	After	Rise
Pemberton fire protection	\$0.6549	\$0.6549	0%	\$196.47	\$196.47	\$0.00
Pemb. fire truck acquisition	\$0.0089	\$0.0089	0%	\$2.67	\$2.67	\$0.00
Pemb. refuse grounds	\$0.1077	\$0.1077	0%	\$32.31	\$32.31	\$0.00
Pemb. TV rebroadcast	\$0.0269	\$0.0923	243%	\$8.07	\$27.69	\$19.62
Pemb. rec'n commission	\$0.0035	\$0.0035	0%	\$1.05	\$1.05	\$0.00
Pemb. Valley rec'n trails [']	\$0.0788	\$0.0788	0%	\$23.64	\$23.64	\$0.00

" Excludes 5.25% provincial tax collection fee in electoral area

- That part of Area C remaining in the original LSA boundary

[^] "Mixed" means the general tax base for Pemberton and the hospital tax base for Area C

* Weighted tax base for improvements only (not land), using hospital tax rate multiples

['] For Area C, the 2008 tax rate includes 2007's \$11,340 tax requisition; this "catch-up" portion is excluded here

Note: All the "after" figures assume that Village taxes on Rutherford Creek Power are capped

What if the Province does not maintain the current LSA boundaries inside the Village?

If the Province says that the *all* newly added properties in the Village will contribute to the Village's share of LSA costs, the tax impacts for Area C properties would be better than shown above. This is because the total tax base used to finance the costs would be bigger, since all newly added properties would be part of the equation. The result is a lower LSA tax rate for both the Village and the LSA parts of Area C (though obviously not for the newly added properties that didn't pay the LSA tax before; for them it would be a new tax). As it turns out, this really affects taxes for only two LSAs — Pemberton fire protection and recreation trails.

Using this option would have no effect on the taxes for the Pemberton refuse grounds and almost no effect on the taxes for the Pemberton recreation commission, because these two LSAs already have the large Rutherford Creek Power tax base in their calculations, and this optional LSA policy wouldn't change that. And the option wouldn't have much of an effect on the fire truck taxes simply because they are very low no matter what LSA policy is used. The taxes for TV rebroadcasting wouldn't be affected, because the tax load isn't apportioned on the basis of the tax base, and anyway, Rutherford Creek Power's big taxpaying parcels already pay into this LSA.

But the tax rates for fire protection and for recreation trails would fall by about 20% as a result of the large utility company properties being added to the taxpaying base. For an average home remaining in the LSA part of Area C, this translates into a tax fall of \$4 for the trails LSA and \$35 for fire protection. This exceeds the \$3 tax rise projected for the four electoral area functions outlined earlier (building inspection, elections and UBCM, emergency planning, and community parks) — though of course this \$3 rise affects *all* electoral area properties, whereas the \$35 savings on fire protection applies only to those properties in Area C that lie in the fire LSA.

The impacts on *Village* taxpayers, and in particular on those newly added properties currently lying outside the LSA areas, would be greater than the impacts on electoral area Taxpayers (the Village should assess these impacts if the boundary extension progresses).

LSA Taxes If All Expansion Area Properties Pay the LSA TAX as Part of the Village

Weighted tax base (\$ millions)

Local service area	Which tax base?	Before expansion			After expansion		
		Pemberton	Area C~	Total	Pemberton	Area C~	Total
Pemberton fire protection	Hospital	\$471.61	\$128.99	\$600.60	\$632.04	\$115.30	\$747.34
Pemb. fire truck acquisition	Hospital	\$471.61	\$128.99	\$600.60	\$632.04	\$115.30	\$747.34
Pemb. refuse grounds	Mixed^	\$472.80	\$511.41	\$984.21	\$633.23	\$350.98	\$984.21
Pemb. TV rebroadcast	Hosp imp.*	\$214.86	\$195.48	\$410.34	\$361.88	\$54.55	\$416.43
Pemb. rec'n commission	Mixed^	\$472.80	\$342.23	\$815.03	\$633.23	\$193.70	\$826.93
Pemb. Valley rec'n trails	Mixed^	\$472.80	\$161.87	\$634.67	\$633.23	\$147.38	\$780.61

Taxes for the remaining LSA part of Area C

Local service area	Tax rates" (\$ / 1000)			Tax on a \$300,000 home"		
	Before	After	% Rise	Before	After	Rise
Pemberton fire protection	\$0.6549	\$0.5382	-18%	\$196.47	\$161.46	-\$35.01
Pemb. fire truck acquisition	\$0.0089	\$0.0071	-20%	\$2.67	\$2.13	-\$0.54
Pemb. refuse grounds	\$0.1077	\$0.1077	0%	\$32.31	\$32.31	\$0.00
Pemb. TV rebroadcast	\$0.0269	\$0.0923	243%	\$8.07	\$27.69	\$19.62
Pemb. rec'n commission	\$0.0035	\$0.0034	-3%	\$1.05	\$1.02	-\$0.03
Pemb. Valley rec'n trails'	\$0.0788	\$0.0641	-19%	\$23.64	\$19.23	-\$4.41

" Excludes 5.25% provincial tax collection fee in electoral area

~ Those parts of the LSA that remain in the electoral area

^ "Mixed" means the general tax base for Pemberton and the hospital tax base for Area C

* Weighted tax base for improvements only (not land), using hospital tax rate multiples

' For Area C, the 2008 tax rate includes 2007's \$11,340 tax requisition; this "catch-up" portion is excluded here

Note: All the "after" figures assume that Village taxes on Rutherford Creek Power are capped

Amenity payments

The 2001 "Community Benefits Agreement" between Rutherford Creek Power Ltd. ("RCPL") and the SLRD refers to payments to be made by RCPL to the SLRD. Several different types of payments are outlined. In particular, "amenity payments" are identified. Relevant portions of the Agreement include these paragraphs.

- Section 2.1 states: "RCPL shall pay to the District for the benefit of Electoral Area C of the District the sum of \$40,000 (the "Amenity Payment") ... on July 1st of each and every year .. so long as RCPL continues to sell, distribute or otherwise transmit electricity from the Project in exchange for any consideration."
- Section 4.6 states: "All monies received by the District on account of the Amenity Payments shall only be used by the District for services within Electoral Area C of the District."

Note that the "Amenity Payment" is different than the "Community Benefits Fund". Monies from this Benefits Fund can only be used by the District for recreational services in Area C, and at least half must be used for capital works. This Fund totals \$200,000 and is not part of any annual payment plan or schedule. However, the "Amenity Payment" has no such restrictions. The SLRD has been putting the \$40,000 into a special reserve fund for recreation amenities in Area C, near the Village of Pemberton.

It is extremely difficult to imagine what rights, grounds or appetite the Province would have to try to change the Agreement, since the Province is not a party of the Agreement. However, the Province could transfer this "asset" (that is, the right to receive the money) to the Village. The Province, after all, often transfers regional district assets (and liabilities) to municipalities as part of boundary extension, and has done so for

agreements that share similarities with the one at hand. If the Province's actions one way or the other are challenged, it could require a formal legal process to determine the disposition of the rights to the money. This could be a costly solution to a problem more appropriately solved by discussion and negotiation between the Village and the SLRD.

It is worth pointing out that the current SLRD plans for the amenity fund money — that is, enhancing Area C recreation amenities near the Village — would benefit the residents of the Village as well as the residents of Area C. If the money were restricted to this use no matter who actually receives the funds, the benefits to residents in the area would be more or less the same.

This is one matter the Province must clarify if the Village's boundary extension process continues further. Clearly, there should be a dialogue between all three parties — the Village, the SLRD, and the Province — over the rights to this money and how it is to be used. It would simplify the matter substantially if the Village and the SLRD (particularly the Area C director) could agree on a process by which the funds can be applied for the benefit of all resident of the area. One possible solution could be to agree on which specific projects are to be funded, in which case it wouldn't matter much who actually receives the funding. An alternative would be to split the funds — say, based on population — and let each party determine on its own how its share should be spent (though this may leave both sides with an inadequate amount to properly fund targeted projects).

As a final comment, it should be noted that the intent of the original agreement was to help fund Area C services, not Village services. Even though there might be a legal basis for doing so, transferring the whole sum to the Village to use as it sees fit would not only run counter to the original goal of the agreement, but it would also be an additional gain to the Village on top of the already substantial tax revenue benefits. This double gain would stand in contrast to the fact that the SLRD will be *losing* \$13,000 in tax revenues for the four electoral area services discussed earlier in this chapter.

5. Boundary Extension Process

Boundary guidelines

The Ministry of Community Development has developed criteria for assessing the merits of boundaries for municipal extensions. From the Ministry's website:

"The Criteria define the technical and process requirements for a boundary extension to proceed. Generally, a proposal must meet the following basic technical requirements:

- *The area proposed to be included within the municipality must be contiguous with the existing municipal boundary;*
- *The proposed municipal boundary should not divide legal parcels;*
- *Roads and road rights-of-way adjacent to the boundary extension area should be included in the municipality;*
- *Indian reserves will not be included within municipal boundaries; and*
- *The ministry prefers to see one proposal for a logical block of parcels, rather than a number of incremental boundary extensions over time to include the same area."*

There are other considerations, too, including these:

- Consistency with existing service boundaries;
- The notion of a "whole community";
- Protection of community amenities and features.

The following comments are offered with respect to these points in the case at hand.

- **Contiguous area:** The proposed boundary is technically contiguous with the existing Village boundary. However, it is worth noting that the existing Village boundary is itself somewhat convoluted, with several umbilical extensions snaking along road allowances both to the river and across it. The proposed expansion would in fact reduce the umbilical effect somewhat. However, the boundary would leave several parcels in Area C surrounded by the Village, along the east side of the Lillooet River immediately north of the highway bridge.
- **Legal parcels:** The proposed boundary follows legal lot lines with the exception of the watershed area on the west, which is unsurveyed Crown land and which thus has no legal boundary.
- **Roads:** The boundary generally includes all adjacent roads. There are several areas where CN Rail rights-of-way and BC Hydro rights-of-way are "trapped" in the electoral area between sections of the municipality.
- **Reserves:** No Indian Reserves are included in the proposed expansion area.
- **Logical block of parcels:** While the proposed expansion area is fairly large, it leaves out a considerable amount of mainly farm or ALR land between what will become the two nodes of the municipality — that is, between the existing urban center on the west and the growth area on the hillside across the river.
- **Service boundaries:** For most local services, the proposed boundary would present no inconsistencies. Both Pemberton and the expansion area share in a number of SLRD functions now, and this would not change due to boundary expansion. It is true that even after expansion, several SLRD functions would still be split between the Village and parts of Area C, but that is not a meaningful change from the present situation (fire protection is an obvious example). However, the proposed boundary would not deal the North Pemberton Water service. This is an SLRD-administered

service but the Village is the water supplier. The large-scale boundary extension would be a good opportunity to “correct” this split service and put it all under Village’s jurisdiction, which would be much more consistent with the service’s supply. In addition, it may be premature to judge the continuity of the proposed boundary with servicing arrangements for the hillside growth area, mainly because the servicing plans for this area have not yet been drawn up.

- **Whole community:** The proposed boundary would unite much of the community under one jurisdiction with one locally accountable body, and, if the growth plans for the eastern hillside materialize, would certainly extend this concept to future growth and development. However, it excludes numerous parcels that lie between what will be the two major sections (the east and west nodes) of the Village. This exclusion would perpetuate the multiple local government system; not only would the Village be present, but other properties would receive local services from both the Province (roads, subdivision approval, and tax collection) and the SLRD (many services). That means three different forms of local government for a small population in a small geographic area.
- **Protection of amenities:** The western boundary extension is designed to bring the watershed for the Village’s water aquifer under municipal control (at least, to the extent that the municipality can control activities on the site, which may be limited). While there could be debate as to whether this is a meaningful enhancement of local control, the principle behind including it is clear and defensible. (Of course, it is also worth pointing out that the Village might also enhance its tax base if any new power generation facilities are developed in the area.)

One additional comment is that the proposed expansion area includes some Crown lands, including the unsurveyed watershed area on the west. A decision to put Crown land, and especially unsurveyed Crown land, into a municipality is one that the Province takes very seriously. Provincial policies on this involve consideration of numerous factors, including (among other things) consultation with First Nations.

Expanding the boundary

It must be acknowledged that there is rarely a “perfect” boundary for municipal expansion. However, it would make sense to start the boundary extension process by drawing a larger, more uniform boundary, and then, after analysis of the impacts, decide whether a smaller boundary is more practical. By leaving out various parcels and starting with a two-node municipality, the effects of a choosing a smoother, more inclusive boundary can’t be seen and thus can’t be judged.

It is worth pointing out that the gap between the two nodes will become more obvious as new development takes place in the hillside area. Growth and development in the new node will make the gap stand out even more from the perspectives of “whole community”.

Most of the excluded parcels between the nodes are in the Agricultural Land Reserve and some are working farms. Homes on farm land gets a property tax exemption in the electoral area that does not exist in a municipality (a home on farm land is exempt from the provincial general tax but must pay the municipal general tax); and ALR properties would see a slight shift from local taxes on 50% of their values to municipal taxes on 100%). These two factors suggest that properties in the excluded areas might face a worse tax impact than would the properties in the original expansion proposal, and this of course could be a reason to exclude them.

However, the post-expansion Village tax rates have not been worked out yet, so it is not possible to conclude what would happen to their taxes as a result of joining the Village. They may indeed go up too much to make it attractive for them to join the Village — but the information on this has not yet been assembled. (This is true for those properties already in the expansion proposal, too.) The Village’s post-expansion tax rates can’t be projected with much certainty until we know (a) the nature of a tax cap on Rutherford Creek Power; and (b) what policies the Village may develop for the use of the new taxes from Rutherford Creek Power (for example, would they be used to reduce tax rates?).

In addition, there is merit in starting from the position that the “whole community” concept could be enhanced by the “one local government” concept. There is no doubt that property owners living adjacent to the Village boundary benefit from the activities and policies of the Village, but they have little or no say in these policies. This includes the areas between the current Village boundary and the river that are left out of the expansion proposal. In a small geographical area there are two different local governments, with different sets of powers and different levels of accountability to local voters. There is merit in suggesting that the concept of one commonly shared local government system — the Village system — warrants at least a preliminary examination for the areas between the Village nodes.

It is suggested that if the boundary extension initiative progresses further, the study boundary should be expanded to include not just the properties in the North Pemberton Water area but also all the properties between the two nodes of the Village. Once the impacts of a larger boundary are known, there would be a better basis for selecting a smaller one if that makes sense.

Timing and procedure

The timing of any further look at boundary extension needs to be carefully considered. There is nothing particularly wrong with the timing of the preliminary work to date, but several factors should guide the timing of any next steps.

First of all there is the matter of the Regional Growth Strategy process. The RGS bylaw, which is nearing adoption, identifies the hillside area at a “future growth node”. Without this designation, the rationale for the proposed expansion area fades significantly. It would make sense, then, that further work on boundary extension should await the adoption of the Regional Growth Strategy bylaw.

Second, the amendments to the Official Community Plan, which should be changed to conform with the RGS, have not been completed. While this process is running parallel to the RGS work, it is a separate technical stage and should be completed before boundary extension is pursued further.

While their adoption may seem routine at this point, these two bylaws — the RGS and the OCP — are not just technicalities in the context of boundary extension. They are crucial to the underlying reasons for expanding the Village’s boundaries: the accommodation of future urban growth in a municipal system.

Third, it should be noted that the Pemberton & Area Sub-Regional Planning Study identified the need for more planning information about the proposed hillside development area. In particular, it notes that there needs to be a comprehensive servicing analysis to determine how the new growth area can best be serviced. Such an analysis has not yet been undertaken. The results could indicate that adjustments should be made to

the expansion area boundary to reflect future servicing arrangements; or they could reinforce the currently-proposed boundary. It would make sense, then, to postpone further work on boundary extension until this information has been obtained. In fact, it is reasonable to wonder why the OCP and RGS are so close to completion without the hillside area servicing analysis having been completed.

Fourth, provincial staff have indicated that the Ministry does not support major processes occurring at the same time, and it considers the Regional Growth Strategy and the proposed boundary extension both to be major processes.

When the RGS, OCP and servicing study are completed, it would be appropriate to begin assembling the missing information relevant to the Village's boundary extension, and this should include further discussion about not just the (selective) boundary chosen to date but also key matters like the cap on Rutherford Creek Power's taxes, the Village's post-expansion tax policies, and an agreement on the use of the \$40,000 annual amenity payment.

As a final comment, it is noted that while the Boundary Expansion report addresses a large number of important issues, little dialogue has apparently taken place with the key provincial agency — the Ministry of Community Development. It is crucial that the Ministry is included in any further steps or discussions about the Village's boundary extension.

6. Summary and Conclusions

1. The bulk of SLRD wide-area service taxes, like those for general government and land use planning, would not be affected in a material way by the proposed boundary expansion. There would simply be a shift in the tax base from Area C to the Village; the total need not be affected much. For these functions the tax impacts are essentially neutral for all members of the SLRD. This assumes that the Village would be required by the Province to cap the taxes on Rutherford Creek Power so that its property tax bill as part of the Village is the same as part of Area C.
2. If no cap is placed on these taxes and the Village maintains its current tax rate multiples, all SLRD members would see a slight reduction in the SLRD wide area functions. This is because the Village's current tax policies would mean a greater shift in taxes to Rutherford Creek Power and this shift would benefit all SLRD members, though to a fairly small degree.
3. It is not yet possible to identify the tax impacts on individual properties in the proposed expansion area, because the application of any cap on the power utility's taxes would have consequences for all other properties too. As an example, a cap on its total property tax bill could leave the company indifferent to having to pay taxes for fire protection (something it doesn't do now). Any tax dollars it does pay for fire protection would lower the tax burden on all other properties (but it would also reduce the Village's tax revenues). So while a cap might have no effect on the company, it could force an adjustment on the tax rate for all remaining properties.
4. The tax revenues of four SLRD functions would be affected by boundary expansion: building inspection, elections and UBCM, electoral area emergency planning, and electoral area parks. The loss of the tax base in the expansion area would mean a combined SLRD loss of about \$13,000 in tax revenues for these four functions.
5. The SLRD would have two choices for these four functions: cut spending by \$13,000, or raise the tax rate to make up for the loss. The budget cuts required to offset the revenue losses are relatively minor. If the full budgets are maintained and the lost revenue is made up by a tax rise, a \$300,000 home would face a rise of \$3.

SLRD Function	2008 Budget	Loss due to boundary expansion	Budget cut as a %	.. or ...Tax rise on a \$300,000 home
Building inspection	\$262,600	\$3,817	1.5%	\$0.93
Elections and UBCM	\$35,800	\$2,080	5.8%	\$0.51
E.A. emergency planning	\$122,890	\$6,923	5.6%	\$1.65
E.A. community parks	\$5,700	\$126	2.2%	\$0.03
Total		\$12,946		\$3.12

6. The revenue loss for each of the four functions above amounts to about 11% of the 2008 tax requisition. This is above the 10% rule of thumb often used by the Province when assessing the need for transitional assistance for the regional district. Discussions should be held with the Province to clarify this in the case at hand. However, it should be noted that the *absolute* tax impact (\$3 on a home) may be viewed by the Province as too small to warrant transitional assistance.
7. The more significant tax impacts on SLRD taxpayers relate to local service areas (LSAs). There would be no material effect on five of the LSA taxes in the study area: fire protection, the fire truck acquisition, the Pemberton refuse grounds, the Pemberton recreation commission, and recreation trails. However, there would be a

notable rise in the TV rebroadcast tax rate for those Area C properties that would still be in the LSA. This is because the fall in the share of the LSA costs is minor but the fall in the share of the LSA tax base is major.

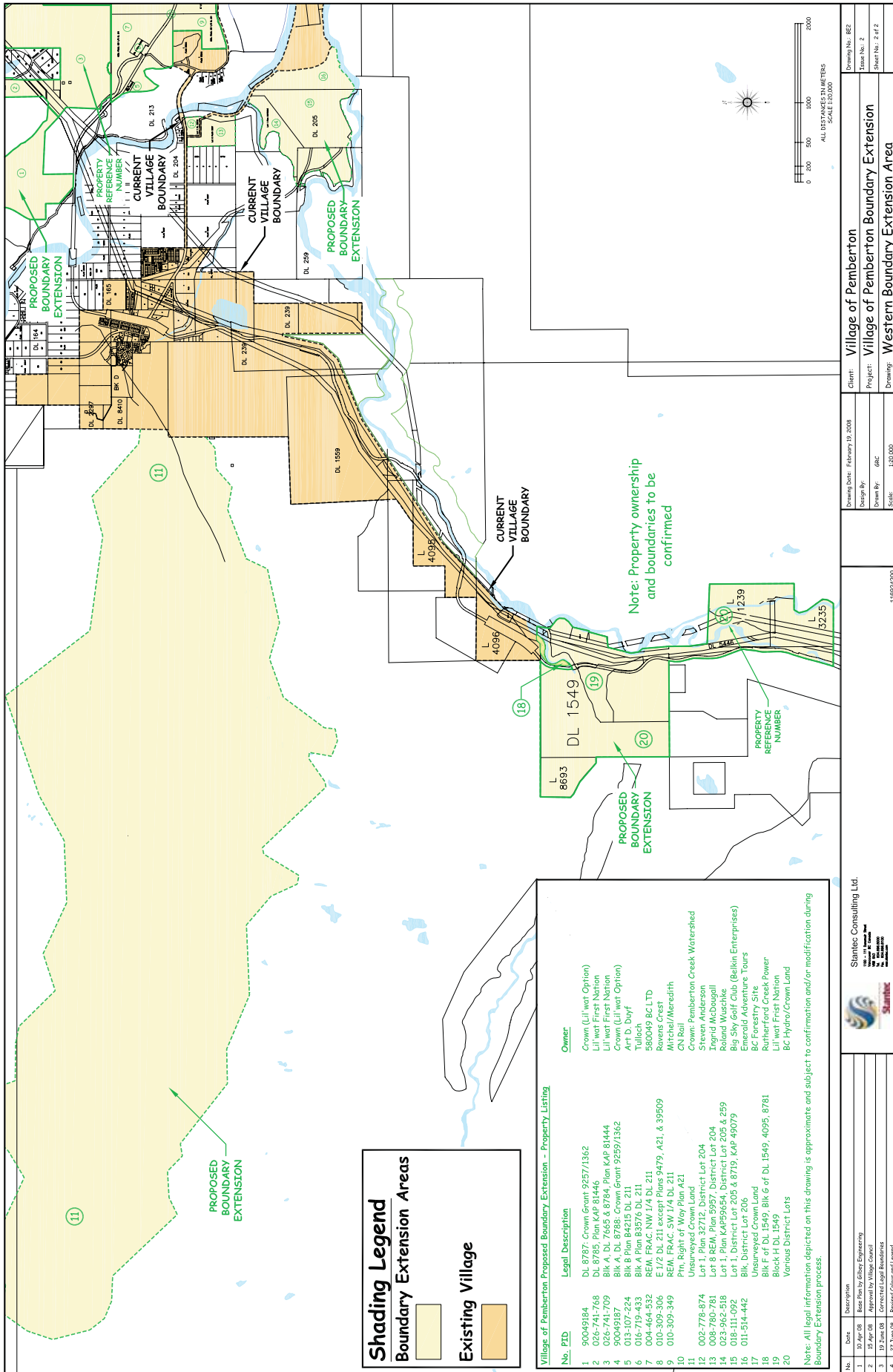
SLRD Local service area (LSA)	Tax on a \$300,000 home before boundary expansion	Tax on a \$300,000 home after boundary expansion	Rise due to boundary expansion
Pemberton fire protection	\$197.47	\$197.47	\$0.00
Pemberton fire truck acquisition	\$2.67	\$2.67	\$0.00
Pemberton refuse grounds	\$32.31	\$32.31	\$0.00
Pemberton TV rebroadcast	\$8.07	\$27.69	\$19.62
Pemberton rec'n commission	\$1.05	\$1.05	\$0.00
Pemberton Valley rec'n trails	\$23.64	\$23.64	\$0.00

8. The SLRD should consider revising the tax apportionment systems in the TV rebroadcast bylaw to more closely balance ability to pay with tax obligations.
9. There needs to be more communication with the Province as to how the local service areas are to be treated. Specifically, we need to know whether all the expansion area properties would be full taxpayers into the LSA functions if they join the Village, or, as assumed here, the original LSA boundaries would be preserved even inside the Village. This could affect the tax rates in those parts of Area C that are outside the expansion area, though to a small extent. It could have a potentially much greater effect on the taxes paid by some of those properties in the expansion area, since they might have to face SLRD taxes that they do not pay now.
10. We need to know whether the Province would place a cap on the property taxes faced by Rutherford Creek Power, and if so, how it would be designed. A cap on these taxes would affect the Village's tax rates, which in turn would affect the Village's share of SLRD taxes (in addition to affecting the Village's own taxes, of course). Clearly, this information is also important to Rutherford Creek Power and the Village itself, as well the other expansion area property owners. It is likely that some form of property tax cap would be imposed.
11. The Province could shift Rutherford Creek Power's \$40,000 annual amenity payment from the SLRD to the Village. This matter requires investigation and discussion with both the Village and the SLRD. It is quite possible that the disposition of the annual sum can benefit both parties. Discussions on this should commence early in any next phase of boundary extension.
12. The proposed boundary is generally consistent with the criteria set by the Province. However, it would create a two-node municipality and the gap between the nodes will become more obvious as development takes place in the eastern, expansion area node. It also perpetuates the split water service in North Pemberton.
13. It is recommended that the boundary for further analysis should be a larger, more inclusive one that eliminates the gap between the nodes and extends up the river to include the North Pemberton water service area.
14. A refinement of the tax impacts and other factors can be used to reduce the larger boundary as warranted. Starting with the proposed boundary does not allow judgments to be made about a more inclusive, larger boundary.
15. It is premature to advance further with the expansion proposal until the OCP has been amended, the Regional Growth Strategy bylaw has been adopted, and the hillside servicing plans identified.
16. Communication with the Ministry of Community Development is crucial if boundary extension receives further examination.

Appendix A

Maps of the Study Area

The following two maps are taken from an August 12, 2008 report entitled, “Village of Pemberton Boundary Expansion” prepared by Stantec Consulting Ltd. for the Village of Pemberton.



Village of Pemberton Proposed Boundary Extension - Property Listing

No.	PID	Legal Description	Owner
1	90049184	DL 8787: Crown Grant 9257/1362	Crown (Lil'wat Option)
2	026-741-768	DL 8785: Plan KAP 51446	Lil'wat First Nation
3	90049187	Bik A DL 8758: C-6784; Plan K49 81444	Lil'wat First Nation
4	90049187	Bik A DL 8758: C-6784; Plan K49 81444	Crown (Lil'wat Option)
5	013-102-224	Bik B Plan 84215 DL 211	Art D. Doyf
6	016-719-433	Bik A Plan 83576 DL 211	Tulloch
7	004-464-532	REW: FRAC. NW 1/4 DL 211	580049 BC LTD
8	010-309-306	E1/2 DL 211 except Plans 9479, A21, & 39509	Revens Crest
9	010-309-349	REW: FRAC. SW 1/4 DL 211	Mitchel/Meredith
10		Prn. Right of Way Plan A21	GN Rail
11	002-778-974	Unsurveyed Crown Land	Crown: Pemberton Creek Watershed
12	005-767-961	Lot 1, District Lot 204	Steven Anderson
13	023-962-518	Lot 2, District Lot 204	Steven Anderson
14	023-962-518	Lot 3, District Lot 204	Steven Anderson
15	018-111-092	Lot 1, District Lot 205 & 8719, KAP 49079	Big Sky Golf Club (Belkin Enterprises)
16	011-514-442	Bik, District Lot 206	Emerald Adventure Tours
17		Unsurveyed Crown Land	BC Forestry Site
18		Bik F of DL 1549, Bik 6 of DL 1549; 4095, 8781	Rutherford Creek Power
19		Block H DL 1549	Lil'wat First Nation
20		Various District Lots	BC Hydro/Crown Land



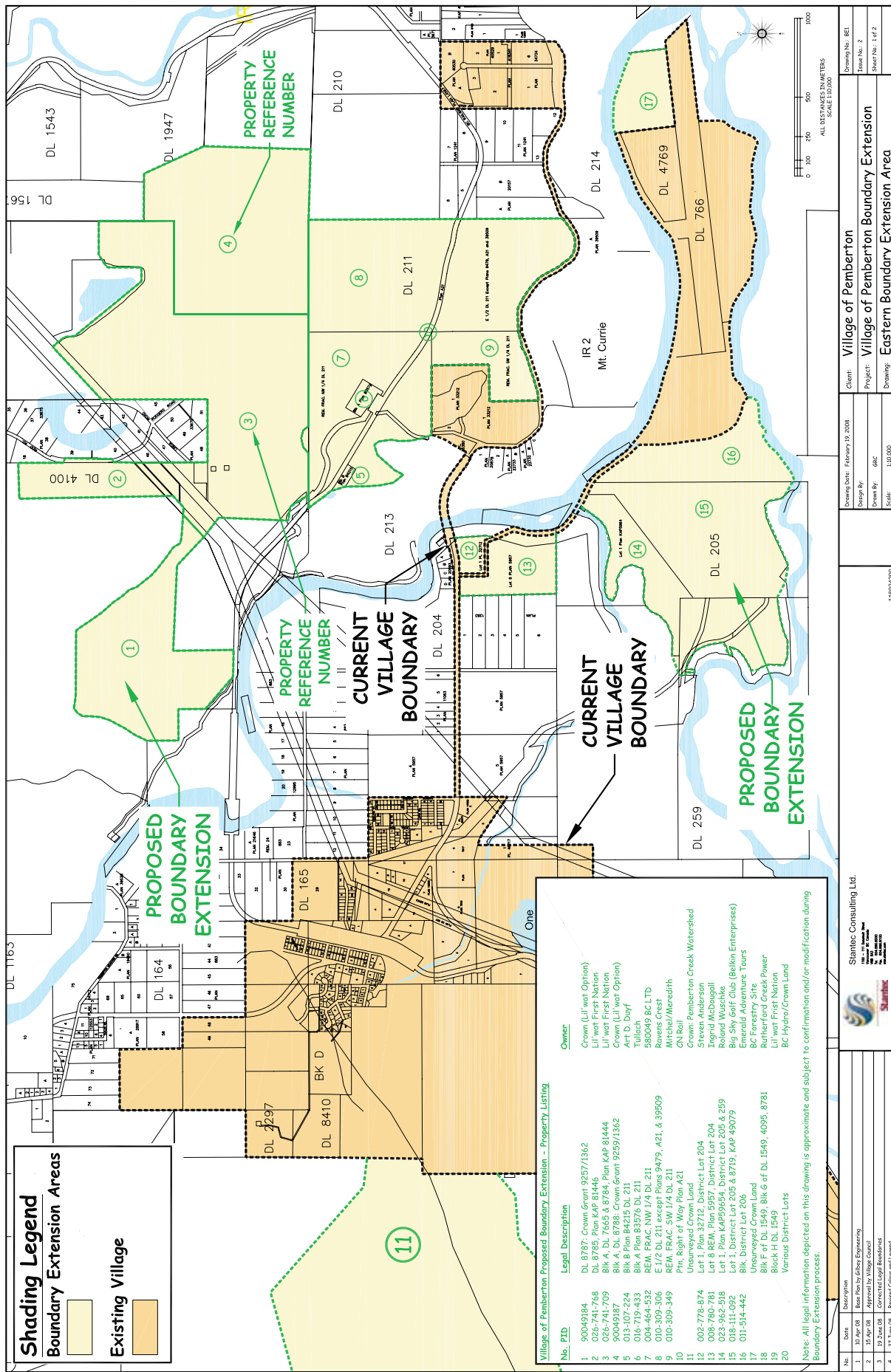
No.	Date	Description
1	10 Apr 08	Issue for Public Review
2	15 Apr 08	Approval by Village Council
3	19 Jun 08	Corrected Legal Boundaries
4	27 Jun 08	Revised Colour and Legend

Client:	Village of Pemberton
Project:	Village of Pemberton Boundary Extension
Design By:	SLC
Drawn By:	SLC
Scale:	1:30,000

Drawing No.:	REP
Issue No.:	2
Sheet No.:	2 of 2

Drawing Date:	February 19, 2008
Design By:	SLC
Drawn By:	SLC
Scale:	1:30,000

1189252061



Shading Legend

[Light Green Shaded Area]	Boundary Extension Areas
[Orange Shaded Area]	Existing Village

Village of Pemberton Proposed Boundary Extension - Property Listing

No.	PID	Legal Description	Owner
1	90049184	DL 8787: Crown Grant 9257/1362	Crown (Lil'wat Option)
2	026-741-768	DL 8785: Plan KAP 51446	Lil'wat First Nation
3	90049187	Bk A, DL 8788 & 6784: Plan 649 81444	Lil'wat First Nation
4	90049187	Bk A, DL 8788 & 6784: Plan 649 81444	Crown (Lil'wat Option)
5	013-107-224	Bk B Plan 84215 DL 211	Art D. Day
6	016-719-433	Bk A Plan 83576 DL 211	Tulloch
7	004-464-532	REW. FRAC. NW 1/4 DL 211	580049 BC LTD
8	010-309-306	E1/2 DL 211 except Plans 9479, A21, & 39509	Revens Crest
9	010-309-349	REW. FRAC. SW 1/4 DL 211	Mitchel/Meredith
10		Pin. Right of Way Plan A21	GN Rail
11	002-778-974	Unsurveyed Crown Land	Crown: Pemberton Creek Watershed
12	005-769-261	Lot 1, Plan 32716 District Lot 204	Steven Anderson
13	023-962-518	Lot 1, Plan 32716 District Lot 204	Steven Anderson
14	018-111-092	Lot 1, District Lot 205 & 8719, KAP 49079	Big Sky Golf Club (Belkin Enterprises)
15	018-111-092	Lot 1, District Lot 205 & 8719, KAP 49079	Big Sky Golf Club (Belkin Enterprises)
16	011-514-442	Bk. District Lot 206	Emerald Adventure Tours
17		Unsurveyed Crown Land	BC Forestry Site
18		Bk F of DL 1549, Bk 6 of DL 1549: 4095, 8781	Rutherford Creek Power
19		Block H DL 1549	Lil'wat First Nation
20		Various District Lots	BC Hydro/Crown Land

Note: All legal information depicted on this drawing is approximate and subject to confirmation and/or modification during Boundary Extension process.

ALL DISTANCES IN METERS SCALE 1:5000		Drawing No. BE1	
0 100 250 500 1000		Issue No. 2	
North Arrow		Sheet No. 1 of 2	
Client: Village of Pemberton		Project: Village of Pemberton Boundary Extension	
Design By: GBC		Drawing: Eastern Boundary Extension Area	
Drawn By: GBC		Scale: 1:10,000	
Drawing Date: February 19, 2020		118952010	
Design By: GBC		Slansky Consulting Ltd.	
Drawn By: GBC		100 - 11th Street	
Scale: 1:10,000		Vancouver, BC	

Appendix B

Expansion Area Properties

	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9
	Residential	Utility (not used)	Major industry	Light industry	Business + other	Managed forest	Rec'n + non-profit	Farm land	
Anderson	Land	\$293,500							
	Improvement	\$237,000							
	Total	\$530,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
McDougal	Land	\$11,250							\$13,083
	Improvement	\$1,114,000							
	Total	\$1,125,250	\$0	\$0	\$0	\$0	\$0	\$0	\$13,083
Wuschke	Land	\$810,000							
	Improvement	\$249,000							
	Total	\$1,059,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Emerald Adventures	Land	\$490,500							
	Improvement	\$0							
	Total	\$490,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Den Duyf	Land	\$56,000							
	Improvement	\$0							
	Total	\$56,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
580049 BC Ltd	Land	\$350,500							
	Improvement	\$0							
	Total	\$350,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meredith	Land	\$132,300							\$14,977
	Improvement	\$132,300							
	Total	\$264,600	\$0	\$0	\$0	\$0	\$0	\$0	\$14,977
Ravens Crest	Land	\$1,662,000							\$44,377
	Improvement	\$5,100							
	Total	\$1,667,100	\$0	\$0	\$0	\$14,200	\$0	\$0	\$44,377
Ravens Crest / Folsch	Land	\$0							
	Improvement	\$5,000							
	Total	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tulloch	Land	\$363,000							\$7,400
	Improvement	\$364,000							\$53,200
	Total	\$727,000	\$0	\$0	\$0	\$0	\$0	\$0	\$60,600

Continued ...

	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8	Class 9
	Residential	Utility (not used)	Major industry	Light industry	Business + other	Managed forest	Rec'n + non-profit	Farm land	
Lil'wat Properties ("H")									
Land	\$1,175,000								
Improvement									
Total	\$1,175,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Village of Pemberton									
Land	\$15,400								
Improvement									
Total	\$15,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lil'wat Properties ("A")									
Land	\$1,937,000								
Improvement									
Total	\$1,937,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lil'wat Properties (other)									
Land	\$636,000								
Improvement									
Total	\$636,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beikin Enterprises									
Land					\$103,000			\$2,897,000	
Improvement									
Total	\$0	\$0	\$0	\$0	\$1,620,000			\$2,897,000	\$0
Rutherford Power									
Land									
Improvement		\$33,553,000							
Total	\$0	\$33,553,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rutherford Power									
Land		\$128,000							
Improvement		\$6,315,000							
Total	\$0	\$6,443,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rutherford Power									
Land		\$456,000							
Improvement		\$0							
Total	\$0	\$456,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rutherford Power									
Land		\$1,900							
Improvement									
Total	\$0	\$1,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rutherford Power									
Land		\$3,100							
Improvement									
Total	\$0	\$3,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rutherford Power									
Land		\$68,900							
Improvement		\$0							
Total	\$0	\$68,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rutherford Power									
Land								\$37,000	
Improvement								\$89,700	
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$126,700	\$0

2008 SLRD Tax Requisitions

2008 SLRD tax bases BEFORE restructure in millions of weighted dollars (using actual dollars, not converted dollars)

Weighted tax base in millions		SLRD services to whole of each participating member										Local service areas in the expansion area						Function total
Functions in the study area	Tax base [^]	Squamish	Whistler	Lillooet	Pemb.	Area A	Area B	Area C	Area D	P. fire protect	P. fire truck	P. refuse grounds	TV rebroad.	P. rec'n comm.	P. rec'n trails	P. Valley	Function total	
General government	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$472.8	\$143.3	\$99.9	\$647.7	\$518.5								\$18,186.9	
Land use planning	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$472.8	\$143.3	\$99.9	\$647.7	\$518.5								\$18,186.9	
Regional growth strategy	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$472.8	\$143.3	\$99.9	\$647.7	\$518.5								\$18,186.9	
Solid waste management plan	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$472.8	\$143.3	\$99.9	\$647.7	\$518.5								\$18,186.9	
P-L Treaty Advisory Committee	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$472.8	\$143.3	\$99.9	\$647.7	\$518.5								\$18,186.9	
L-M Treaty Advisory Committee	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$472.8	\$143.3	\$99.9	\$647.7	\$518.5								\$18,186.9	
Pemberton fire rescue service	Hospital			\$471.6													\$1,119.3	
Pemberton search and rescue	Hospital			\$471.6													\$1,119.3	
Pemb. district rec'n complex	Mixed			\$472.8													\$1,120.5	
Pemberton & District museum	Mixed			\$472.8													\$1,120.5	
Pemberton Library	Mixed			\$472.8													\$1,120.5	
Pemberton & Area C cemetery	Mixed			\$472.8													\$1,120.5	
Sea to Sky trails [~]	Mixed	\$3,937.6	\$12,102.4		\$472.8												\$17,679.0	
Pemb. & Area C econ. develop.	Mixed			\$472.8													\$1,120.5	
Building inspection	Hospital																\$1,409.4	
Electoral area UBCM	Hospital																\$1,409.4	
Electoral area emergency plan	Hospital																\$1,409.4	
Electoral area community parks	Hospital																\$1,409.4	
Pemberton fire protection LSA [*]	Hospital																\$1,409.4	
Pemb. fire truck acq. LSA	Hospital																\$600.6	
Pemb. refuse grounds LSA	Mixed											\$511.4					\$600.6	
Pemb. TV rebroadcast LSA [*]	Hosp imp. [*]												\$195.5				\$984.2	
Pemb. rec'n commission DA	Mixed													\$342.2			\$410.4	
Pemb. Valley rec'n trails LSA	Mixed																\$815.0	
																	\$634.7	

[^] "Mixed" means hospital values are used in the electoral areas and general values in the municipalities; "Hospital" means hospital values are used for all members
^{*} Pemberton and the local service area split the tax load based on residential parcel counts; the LSA tax rate is based on its share of taxes and the hospital values for improvements only
[~] Tax apportioned among members based on population; tax rates are based on "mixed" assessment values
^{*} Pemberton's share is shown here as an SLRD requisition, but in fact it lies in the Village budget, not in the SRD budget, and is part of the Village taxes, not the SLRD taxes

2008 SLRD tax bases AFTER restructure in millions of weighted dollars (using actual dollars, not converted dollars)

Functions in the study area	Tax base ^A	SLRD services to whole of each participating member										Local service areas in the expansion area					Function total
		Squamish	Whistler	Lillooet	Pemb.	Area A	Area B	Area C	Area D	P. fire protect	P. fire truck	P. refuse grounds	TV rebroad.	P. rec'n comm.	P. Valley rec'n trails		
General government	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$633.2	\$143.3	\$99.9	\$487.3	\$518.5							\$18,186.9	
Land use planning	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$633.2	\$143.3	\$99.9	\$487.3	\$518.5							\$18,186.9	
Regional growth strategy	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$633.2	\$143.3	\$99.9	\$487.3	\$518.5							\$18,186.9	
Solid waste management plan	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$633.2	\$143.3	\$99.9	\$487.3	\$518.5							\$18,186.9	
P-L Treaty Advisory Committee	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$633.2	\$143.3	\$99.9	\$487.3	\$518.5							\$18,186.9	
L-M Treaty Advisory Committee	Mixed	\$3,937.6	\$12,102.4	\$264.7	\$633.2	\$143.3	\$99.9	\$487.3	\$518.5							\$18,186.9	
Pemberton fire rescue service	Hospital				\$632.0			\$487.3								\$1,119.3	
Pemberton search and rescue	Hospital				\$632.0			\$487.3								\$1,119.3	
Pemb. district rec'n complex	Mixed				\$633.2			\$487.3								\$1,120.5	
Pemberton & District museum	Mixed				\$633.2			\$487.3								\$1,120.5	
Pemberton Library	Mixed				\$633.2			\$487.3								\$1,120.5	
Pemberton & Area C cemetery	Mixed				\$633.2			\$487.3								\$1,120.5	
Sea to Sky trails	Mixed	\$3,937.6	\$12,102.4		\$633.2			\$487.3	\$518.5							\$17,679.0	
Pemb. & Area C econ. develop.	Mixed				\$633.2			\$487.3								\$1,120.5	
Building inspection	Hospital					\$143.3	\$99.9	\$487.3	\$518.5							\$1,249.0	
Elections and UBCM	Hospital					\$143.3	\$99.9	\$487.3	\$518.5							\$1,249.0	
Electoral area emergency plan	Hospital					\$143.3	\$99.9	\$487.3	\$518.5							\$1,249.0	
Electoral area community parks	Hospital					\$143.3	\$99.9	\$487.3	\$518.5							\$1,249.0	
Pemberton fire protection LSA*	Hospital				\$485.3			\$487.3	\$518.5							\$600.6	
Pemb. fire truck acq. LSA	Hospital				\$485.3			\$487.3	\$518.5							\$600.6	
Pemb. refuse grounds LSA	Mixed				\$633.2					\$351.0		\$54.6				\$984.2	
Pemb. TV rebroadcast LSA*	Hosp imp.*				\$355.8											\$410.4	
Pemb. rec'n commission DA	Mixed				\$621.3								\$193.7			\$815.0	
Pemb. Valley rec'n trails LSA	Mixed				\$487.3									\$147.4		\$634.7	

^A "Mixed" means hospital values are used in the electoral areas and general values in the municipalities; "Hospital" means hospital values are used for all members
 * Pemberton and the local service area split the tax load based on residential parcel counts; the LSA tax rate is based on its share of taxes and the hospital values for improvements only
 - Tax apportioned among members based on population; tax rates are based on "mixed" assessment values
 * Pemberton's share is shown here as an SLRD requisition, but in fact it lies in the Village budget, not in the SRD budget, and is part of the Village taxes, not the SLRD taxes

Boundary Extension Criteria

The Ministry of Community Development sets out criteria for selecting a boundary for municipal boundary extensions in a publication called “Municipal Boundary Extension Criteria” (revised in July 2005). Here is Chapter 5, which describes the criteria for choosing a specific boundary.

“5. BASIC TECHNICAL CRITERIA

In order for a municipal boundary extension proposal to be considered, it must meet certain technical criteria. These criteria reflect technical factors such as: mapping, legal certainty, property assessment and taxation, and jurisdiction for local road maintenance.

Contiguity

The area proposed to be included into the municipal boundary must be contiguous with the existing municipal boundary.

- Contiguous includes any distance for which the area of the proposal is adjoining the existing boundary, but does not include:
 - a) an area adjacent to a municipal boundary that follows a right of way that is part of an ‘umbilical’ boundary configuration; or
 - b) an area that is only connected to the existing municipal boundary at the corners of the areas.
- Though an area may be contiguous, it must not fully enclose another area that would remain outside the municipal boundary. The only possible exception to these criteria is an Indian Reserve.
- An exception may be made by way of a “satellite” boundary configuration in limited cases, such as:
 - a) in the case of a major industrial site, such as a utility, saw mill or mine; or
 - b) an area owned by the municipality and used for industrial/commercial purposes, such as an airport or recreational facility.

Legal Parcels

- The proposed municipal boundary should not divide legal parcels.
- An exception may be made where the proposed new boundary is the same location as one or more of the following:
 - a) a proposed parcel boundary that is accurately defined (surveyed);
 - b) a clearly defined part of a large parcel that recognizes a natural feature or an administrative boundary; or
 - c) a major right of way, but usually not a local road right of way.

Local Roads

Efficiency in relation to local road maintenance jurisdiction (i.e. municipality or Ministry of Transportation) is a primary consideration for municipal boundary extensions. Municipal boundaries in relation to local roads should meet the following criteria.

- The boundary should not follow the centre line of a road-right-of-way, and should include the entire road within the municipality.

- Where a boundary extension area is in the vicinity of an existing boundary location following the centre line of a road, the situation shall be adjusted to include the entire road within the municipality.
- Roads and road-rights-of-way adjacent to the boundary extension area should be included.
- Roads that provide access from the municipality to the boundary extension area should be included.
- Notwithstanding the above, where inclusion of a road is illogical from the perspective of road maintenance jurisdiction, the road will be excluded from the municipality. The objective is to avoid situations where the road maintenance jurisdiction is not continuous.
- Where an Indian Reserve is located outside of the municipal boundary, and the local public roads through the Reserve are isolated from the provincial road maintenance jurisdiction, the roads may be included into the municipality by a boundary following the road-right-of-way.

Indian Reserves

Indian Reserves will not be included within municipal boundaries by a boundary extension unless the First Nation specifically requests inclusion. If a boundary extension proposal abuts an Indian Reserve, or includes roads that access or traverse an Indian Reserve, the municipality should consult with the First Nation.

Definition of Blocks

- To effectively consider boundary extensions, the ministry prefers to see one proposal for a logical block of parcels, rather than a number of incremental boundary extensions over time to include the same area.
- Various factors can define a block, the most frequent being the local road network, so that all parcels within an area bounded by intersecting local roads are included.
- Local service area boundaries (existing or future) and natural features are also used to define blocks. “