

2019 RESOLUTIONS

Background Provided by Sponsors

(not all resolutions have background material)

PART 1 – REFERRED RESOLUTIONS

ENVIRONMENT

- RR1 BC-Wide 100% Renewable Energy by 2050 Target – Township of Esquimalt
- RR2 Support Local Governments to Plan for 100% Renewable Energy – Township of Esquimalt
- RR3 Transparent Criteria for “Green” Infrastructure Spending – Township of Esquimalt
- RR4 BC-Wide Energy Upgrade for Buildings – Township of Esquimalt
- RR5 Integrated Transportation Planning for Climate Action – Township of Esquimalt

TAXATION

- RR6 Modernization of Utility Taxation – District of Ucluelet

PART 2 – RESOLUTIONS RECEIVED BY THE DEADLINE

Part 2 - Section “A” – This section contains resolutions that feature new issues.

ELECTIONS

- R1 Allow Permanent Residents to Vote in Municipal Elections – City of Victoria
- R2 Youth Voting in Local Government Elections – City of Victoria

TRANSPORTATION

- R3 Vancouver Island Transportation Master Plan – Nanaimo RD
- R4 Traffic Calming – Nanaimo RD
- R5 Traffic Control and Enforcement on Rural Roads – Nanaimo RD
- R6 Off-Road Vehicle (ORV) Management Framework – Village of Sayward, Village of Tahsis
- R7 Support Transformational Improvements to Regional BC Transit – City of Victoria
- R8 Revitalizing Island Rail – City of Victoria

TAXATION

- R9 Property Taxation – City of Nanaimo

FINANCE

- R10 Improvement District Governance Policy – Nanaimo RD
- R11 Revenue Sharing – District of Port Hardy

ENVIRONMENT

- R12 Indoor Agricultural Fertilization Practices – City of Nanaimo
- R13 Key Marine Cumulative Effects Values – Islands Trust
- R14 Recreational Boating Access Infrastructure – Township of Esquimalt
- R15 Groundwater Extraction – Strathcona RD
- R16 Climate Emergency Declaration – Sunshine Coast RD
- R17 Recovering Municipal Costs Arising from Climate Change – City of Victoria
- R18 Cave Protection Act – Village of Tahsis
- R19 Shifting Investment to Low-Emission Transportation – City of Victoria
- R20 Promoting and Enabling GHG Reductions – City of Victoria

LAND USE

- R21 Cannabis and Farm Use Activities – City of Nanaimo
- R22 Cannabis Plants on the Agricultural Land Reserve – City of Nanaimo
- R23 Low Impact Foundation Systems for Farm Use Structures – City of Nanaimo
- R24 Retrofitting of Structures to Reduce Impact of New Construction – City of Nanaimo

HEALTH

- R25 Canada Health Transfers – Town of Qualicum Beach
- R26 Safer Drug Supply to Save Lives – City of Victoria
- R27 Observed Inhalation Sites for Overdose Prevention – City of Victoria

SELECTED ISSUES

- R28 Canada Post's Neighbourhood Mail – District of Highlands
- R29 Review of Resolutions Procedures – City of Campbell River

Part 2 - Section "B" - This section contains resolutions that support existing UBCM policy.

LEGISLATIVE

- R30 Statutory Advertising Regulations – District of Sooke

TAXATION

- R31 Funding of Fire Halls and Public Safety Buildings – Village of Cumberland
- R32 Extension of Vacancy Taxation Authority to Local Governments – City of Victoria

FINANCE

- R33 Development Cost Charges – City of Nanaimo
- R34 Property Transfer Tax Redistribution for Affordable Housing – Comox Valley RD
- R35 Share of Liquor Tax for Policing – City of Courtenay
- R36 Isolation Allowance – District of Port Hardy
- R37 Strong Fiscal Futures – Cowichan Valley RD
- R38 Agricultural Support Services – Alberni-Clayoquot RD

ENVIRONMENT

- R39 Single-Use Disposable Products – City of Powell River

LAND USE

- R40 Development Permit Area Requirements – Islands Trust
- R41 Regulation of Privately Managed Forest Lands – Cowichan Valley RD
- R42 Logging in the Urban Interface – Sunshine Coast RD
- R43 Intergovernmental Collaboration on Land Use Planning – Sunshine Coast RD
- R44 Protection of Old Growth Forests – City of Victoria

REGIONAL DISTRICTS

- R45 Regulate and Enforce Vehicle Parking on Provincial Roads – Nanaimo RD
- R46 Parking Enforcement in Rural Areas – Sunshine Coast RD

SELECTED ISSUES

- R47 Wireless Connectivity in Rural Areas – Alberni-Clayoquot RD
- R48 Provincial Universal School Food Program – City of Victoria

Part 2 - Section "C" – Resolutions in this section refer to other similar resolutions in Sections "A" or "B".

- R49 Climate Emergency – City of Powell River



COUNCILLOR REPORT TO COUNCIL

Council Meeting: AUGUST 7, 2018

500 Matterson Drive, Ucluelet, BC V0R 3A0

FROM: COUNCILLOR MAYCO NOEL

FILE NO: 0410-20

SUBJECT: MODERNIZATION OF UTILITY TAXATION

REPORT NO: 18-80

ATTACHMENT(S): SECTION 644 - LOCAL GOVERNMENT ACT

MOTION:

1. **THAT** Council submit the following late resolution for consideration at the 2018 UBCM Convention:
WHEREAS Section 644(2) of the Local Government Act is intended to define the requirements of a 1% annual tax on utilities carrying on business in a municipality;
AND WHEREAS utility company services have expanded beyond electrical light, electric power, telephone, water, gas or television services to include internet and cellular services;
THEREFORE BE IT RESOLVED that the Province initiates the modernization of Section 644(2) of the Local Government Act to include internet and cellular services;
2. **THAT** Council send a letter to the Minister of Municipal Affairs & Housing; and
3. **THAT** Council send a letter to all UBCM member municipalities encouraging them to write to the Minister of Municipal Affairs & Housing.

PURPOSE:

The purpose of this report is to seek Council's support in the District of Ucluelet advocating for the modernization of the 1% utility tax rate in the *Local Government Act* (LGA) to include internet and cellular services.

BACKGROUND:

Section 644 of the LGA provides for the taxation of utility companies (attached as Appendix A). Sub-section 2 requires municipalities to tax utility companies at a rate of 1% on telephone or television services.

Staff have confirmed with a Telus representative that the 1% utility tax applies only to telephone land lines. Many households have replaced their land line telephone with a cellular phone, so while the utility company continues to offer a calling service it is not required to forward 1% of their revenue to municipalities.

Like the telephone, television subscriptions have also decreased due to the internet and online tv streaming services. Internet services are delivered to households using cable and wire – both of which are included in the LGA's definition of a utility company's "specified improvements". However, the legislation is completely silent on the revenue from internet services which are still largely provided by "traditional" telephone and television service providers.

The updating of the LGA to reflect advancements in technology and changes to utility companies' revenue streams is overdue. I would like Council to support my motion to send a resolution for modernizing the 1% utility tax rate to the 2018 UBCM Convention as well as sending a letter to all BC municipalities. Local municipalities are always struggling to find new revenue streams and it appears this is one revenue stream that has been forgotten.

Respectfully submitted: Mayco Noel, Councillor

APPENDIX A - Local Government Act (Excerpt)

Taxation of utility company property

644 (1) In this section:

"specified improvement" means an improvement of a utility company that is

- (a) a pole line, cable, tower, pole, wire, transformer, equipment, machinery, exchange equipment, main, pipe line or structure, other than a building,
- (b) erected or placed in, on or affixed to
 - (i) land in a municipality, or
 - (ii) a building, fixture or other structure in or on land in a municipality, and
- (c) used solely in the municipality or a group of adjoining municipalities by the company for local generation, transmission, distribution, manufacture or transportation of electricity, telephonic communication, water, gas or closed circuit television;

"utility company" means an electric light, electric power, telephone, water, gas or closed circuit television company.

(2) A utility company that is carrying on business in a municipality in which it has specified improvements must be taxed annually by the municipality at the rate of 1% as follows:

- (a) for a telephone or closed circuit television company, on the gross rentals received in the 2nd preceding year from its subscribers for telephone or television service located in the municipality, including telephone interexchange tolls for calls between exchanges in the municipality;
- (b) for any other utility company, on the amount received in the 2nd preceding year by the company for electric light, electric power, water or gas consumed in the municipality, other than amounts received for
 - (i) light, power or water supplied for resale,
 - (ii) gas supplied for the operation of motor vehicles fuelled by natural gas, or

(iii) gas supplied to any gas utility company, other than a government corporation as defined in the *Financial Administration Act* or a subsidiary of a government corporation.

(3) Tax under subsection (2) is subject to the same remedies and penalties as taxes under Part 7 [*Municipal Revenue*] of the *Community Charter*.

(4) A utility company liable to tax under subsection (2) must

- (a) by October 31 in each year, for the purpose of determining the tax payable in the next year, file with the collector a return of the revenue referred to in that subsection that was received in the preceding year, and
- (b) pay the tax imposed under subsection (2) in accordance with Division 10 [*Property Tax Due Dates and Tax Notices*] of Part 7 of the *Community Charter*.

(5) As an exception to subsections (2) and (4), in the case of a company to which this section applies for the first time in the municipality,

- (a) the company must pay the tax imposed under subsection (2) in the 2nd year of its operation on the basis of revenue earned in the first year, and
- (b) the report of revenue earned in the first year must be filed before May 8 of the 2nd year of operation.

(6) Tax imposed on a utility company under subsection (2) is in place of tax that might otherwise be imposed on the specified improvements under section 197 (1)

(a) [*municipal property taxes*] of the *Community Charter*, and taxes may not be imposed under that provision on the specified improvements although they may be imposed on those improvements under section 197 (1) (b) [*property taxes for other bodies*] of the *Community Charter*.

(7) For certainty, all land and improvements of a utility company in a municipality, other than specified improvements, are subject to tax under section 197 [*annual property tax bylaw*] of the *Community Charter*.

MEMORANDUM

May 3, 2018

SUBJECT: Vancouver Island InterRegional Transit Service: A Case for Provincially-Funded System

At its regular meeting held January 24, 2017, the RDN Board approved that the following resolution be forwarded to the Association of Vancouver and Island Coastal Communities for consideration at their annual meeting:

WHEAREAS a Vancouver Island Transportation Master Plan would outline Inter-Regional necessary improvement to the Island's transportation network;

AND WHEREAS the Ministry of Transportation and Infrastructure has the ultimate responsibility for transportation planning on Vancouver Island;

THEREFORE BE IT RESOLVED that the Province of British Columbia prepare a Vancouver Island Transportation Master Plan.

Vancouver Island Inter-Regional Model

It is recommended that an inter-regional transit system for Vancouver Island be a provincial initiative, developed and operated at the provincial level. The prospect of a transit system being operated at a regional level introduces instability and volatility due to its dependence upon multiple yearly municipal budgets and their continued approval for participation in the program. A cost-sharing model between municipalities would be difficult to manage due to the current BC Transit cost-sharing model requiring annual contract renewals and the lack of parity between local government fiscal year and the provincial fiscal year.

A further complication to a municipally-run inter-regional transit service is the dependence on transit routes and schedules to remain static over time, in order to ensure the transfer of a rider from one system to another. In this case, if one of the routes or schedules changes, the inter-regional system fails to provide the intended service.

With a Provincially administered inter-regional transit system, a zone system or a distance-pay system could be implemented based on the service. Without a provincially administered inter-regional transit system fare parity would be difficult to achieve due to each local government setting fares (as well as added cost and inconvenience to riders, needing to pay each time they change municipalities).

A provincially developed inter-regional transit service on Vancouver Island would also ensure that small local governments and rural areas of the island receive inter-regional transit service. This will encourage economic growth in these areas as well as offer residents options to stay in place as they age.

The current B.C. Transportation Plan (*BC On The Move*) includes some areas of enhancement to transportation infrastructure for Vancouver Island; however, there is no specific mention of enhancements to transit on Vancouver Island or creating an inter-regional transit plan to link Island communities together. Due to this gap, it recommended that the Province of British Columbia prepare a Vancouver Island Transportation Master Plan to address the need for an inter-regional transit service on Vancouver Island.

Background

BC Transit partners with municipalities and regional districts across the province, in a cost-sharing model (53.31% Local Government, 46.69% BC Transit), to provide public transit service to residents within the boundaries of municipalities or regional districts. This provides a vital, local transit service within established boundaries. This model often does not offer transit options for residents to travel between municipalities or between regional districts.

On Vancouver Island, BC Transit partners with the Regional District of Nanaimo (RDN) to provide public transit service from Electoral Area 'A' in the south of the RDN to Electoral Area 'H' in the north. There are also transit partnerships between BC Transit and each of the Cowichan Valley Regional District and the Comox Valley Regional District, which provide public transit within each of these regional districts. At this time, however, there is no public transit service option for residents to travel amongst these regional districts, or to other locations on Vancouver Island.

Connecting Vancouver Island communities via inter-regional transit services would help pave the way for a more economically stable, sustainable future for Vancouver Island. An inter-regional transit system on Vancouver Island would enable cost-effective, Island-wide (long term goal) access for residents to post-secondary education, healthcare facilities, employment opportunities and other regionalized amenities. Further benefits of implementing an inter-regional transit service on Vancouver Island would include the reduction of vehicle emissions and an increase in sustainability for the regions it would service.

As part of the planning processes with its regional district partners, BC Transit has helped to develop area-specific Transit Future Plans, with the goal of outlining those regions' long term visions & goals to help shape future transit direction. Within many of these '*Transit Future Plans*' on Vancouver Island, there is a reference to '*Inter-City*' (Cowichan Valley Region Transit Future Plan), '*Inter-regional Network*' (Comox Valley Future Regional Transit Network Map), and '*Inter-Regional Transit*' (Regional District of Nanaimo Transit Future Plan). All of these terms can be used interchangeably, as each refers to a transit network that operates between the respective regional districts, allowing residents to travel amongst them. Also, BC Transit clearly recognizes the importance of providing such inter-regional services, ensuring that this measure has been added to transit future plans for their transit partners on Vancouver Island. What is not addressed in the 'Transit Future Plan' documents, however, is a methodology to achieve the goal of inter-regional transit.

An example of inter-regional transit in BC is the new Highway 16 transit service, implemented in 2017 and operated by the Bulkley-Nechako transit system. This system connects the Northern communities along Highway 16 and is funded through a collaborative, multi-year funding agreement between multiple communities and BC Transit. This type of inter-regional transit partnership is subject to the continuous

approval of the local communities involved, which creates volatility for the service if one of the partners decides to pull out of the agreement.

In order to make such an inter-regional service be more sustainable and stable for communities and municipalities, a different service model that instead utilizes provincial funding should be developed to ensure the goal of inter-regional transit remains a constant.

A handwritten signature in black ink, appearing to read 'D. Pearce', with a stylized flourish at the end.

Daniel Pearce, Director
Transportation and Emergency Services

The importance of linking Vancouver Island communities together by inter-regional transit, as well as other modes of transportation, is crucial for Vancouver Island's economic growth.

ALTERNATIVES

1. The Association of Vancouver Island Coastal Communities be requested to consider the resolution to request that the Province create a Vancouver Island Master Transportation Plan that includes inter-regional transit solutions.
2. The alternate direction be provided.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC PLAN IMPLICATIONS

Focus On Service And Organizational Excellence - We Will Fund Infrastructure In Support Of Our Core Services Employing An Asset Management Focus



Daniel Pearce
dpearce@rdn.bc.ca
November 28, 2018

Reviewed by:

- P. Carlyle, Chief Administrative Officer



STAFF REPORT

TO: Regional District of Nanaimo Board **MEETING:** January 22, 2019

FROM: Chris Midgley
 Manager, Strategic Initiative and
 Asset Management **FILE:**

SUBJECT: AVICC Resolution – Traffic Calming

RECOMMENDATION

That the following resolution be forwarded to the Association of Vancouver Island and Coastal Communities for consideration at its 2019 Annual General Meeting:

WHEREAS regional district efforts to build more complete, compact communities within electoral areas have increased pedestrians and cyclists on roads in areas designated for growth;

AND WHEREAS the safety of pedestrians and cyclists on roads in rural areas designated for growth would be enhanced with traffic calming measures designed to reduce vehicle speeds and prioritize non-motorized traffic;

THEREFORE BE IT RESOLVED that the Provincial Ministry of Transportation and Infrastructure develop new criteria and standards for traffic calming in areas designated for growth in Electoral Areas.

SUMMARY

The resolution for Association of Vancouver Island and Coastal Communities (AVICC) for endorsement at the 2019 Annual Meeting requests that the Ministry of Transportation and Infrastructure (MOTI) develop new criteria and standards for traffic calming in Electoral Areas.

BACKGROUND

The Regional District of Nanaimo (RDN) has maintained a long-standing commitment to responsible growth management, including focusing growth and development in rural village centres in the region's Electoral Areas. As these village centres, and other desirable locations within the region have grown into larger, more complete communities, there has been a corresponding increase in pedestrians, cyclists and other users of non-motorized transportation. At the same time, authority for the design, construction and maintenance of roads in Electoral Areas resides with MOTI.

Recognizing the growing risk of injury or death to pedestrian and cyclists on high speed, high traffic volume roads, RDN staff and Electoral Area directors have repeatedly raised the issue of traffic calming at meetings with MOTI staff. Responses have consistently focused on MOTI's

mandate to construct and maintain roads to standards that prioritize commercial traffic flow; the high cost of constructing traffic-calming measures within an existing road right-of-way; exposure to liability; and financial uncertainty arising from potential changes to the maintenance contract for provincial roads. Further, in order to justify any changes to provincial right-of-ways the Province must complete a comprehensive engineering study that includes an analysis of vehicle flows, speeds and accident history. This effectively eliminates any proactive effort to mitigate the risks to pedestrians and cyclists of high speed, high volume traffic on provincial roads.

It is not realistic for such a change to be considered on all provincial roads. To provide some focus, this resolution stresses the importance of developing new criteria and standards for traffic calming in areas designated for growth, where there is an increasing number of pedestrians or cyclists occupying the right-of-way.

The AVICC Annual General Meeting provides the appropriate forum for further consideration of the resolution. If supported at AVICC, the resolution will be further debated at the Union of British Columbia Municipalities (UBCM Conference) later in 2019.

ALTERNATIVES

1. That the Board forward to the Association of Vancouver Island and Coastal Communities the resolution to develop new criteria and standards for traffic calming in areas designated for growth in Electoral Areas, for endorsement at the 2019 AVICC Annual General Meeting.
2. That alternate direction be provided to staff.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC PLAN IMPLICATIONS

Focus On Relationships - We Will Facilitate/Advocate For Issues Outside Of Our Jurisdiction

The preparation of draft resolutions for the Board's consideration and submission to the AVICC aligns with the Board's key focus area within the Strategic Plan of 'Relationships'. Through the AVICC resolutions process, the Board is provided with opportunities for the RDN to partner with other governments to advance our region's interests, and to advocate for issues outside of our jurisdiction.



Chris Midgley
cmidgley@rdn.bc.ca
January 14, 2019

Reviewed by:

- G. Garbutt, General Manager, Strategic and Community Development
- P. Carlyle, Chief Administrative Officer

Traffic Control and Enforcement on Rural Roads – Background Information

The best deterrents against traffic violations, including speeding, reckless or distracted driving, illegal parking and other violations are a visible presence of enforcement officers on the road, and consistent enforcement of regulations. However, resources available to the RCMP for traffic enforcement are limited, resulting in the lack of an RCMP presence on roads in rural areas throughout the Province, including in the Regional District of Nanaimo (RDN).

The result is consistent disregard for traffic regulations on rural roads. This puts the health and safety of other roads users, including pedestrians, cyclists, and other drivers at risk. This is a particular problem in growing communities in Electoral Areas.

To ensure the safety of citizens on roads in more rural areas, it is necessary for the Province of BC and the RCMP to allocate adequate resources to increase the RCMP presence, and enable effective enforcement of traffic regulations on rural roads.

ORV MANAGEMENT FRAMEWORK IMPROVEMENTS TO FACILITATE TOURISM

Background information Council/Board Report

The Off-Road Vehicle (ORV) Act was intended to create safe and more convenient incidental access to public roads and highways to better connect BC's rural communities and support a first-rate ORV trail network, and to allow local governments to expand their trail networks to take advantage of economic development opportunities by way of tourism.

The ORV Management Framework developed by the Province of BC is a cross-government initiative, consisting primarily of the Off Road Vehicle Act, which includes changes to the Motor Vehicle Act to provide safe, convenient incidental access to highways including free police-issued operation permits.

As intended the ORV Act is creating significant economic opportunities for rural communities to establish inter-community ORV tourism. In BC we have vast crown land and trail networks connecting our rural communities that easily allow communities to establish a designated ORV trail network that has the potential to connect thousands of kilometers of trails and communities.

For an ORV trail network to be a viable tourism product, it must provide riders the ability to access food, fuel, and lodging for extended trips, which means riders must have ride-in access to services in communities along the route. Many rural communities are now issuing the operation permits required to access these services along a designated route, however currently a separate operation permit from each jurisdiction or community is required, which isn't conducive for tourism, as a rider first must travel to each of the communities to obtain their operation permit.

Currently Operation Permits are issued only by the RCMP. ORV riders wishing to make a journey involving multiple communities must go to a community prior to making their trip hoping an officer will be there and available, then track down that local RCMP member. When they find the officer, they must hope he/she is able to take the time to issue an Operation Permit for that community. Then the riders must repeat this process in each community they plan to ride into. They might need 6 different permits or more and could take an ORV tourist days of travel to the various RCMP detachments by car prior to their ride, just to get their Operation Permits, before they can even begin their actual ORV trip.

For many ORV routes, such as the North Island Inter-Community ORV Trail Network which is over 1,000 km's and connects 8 communities, approximately only 1% of the route requires incidental public road access for which operation permits must be issued, however currently tourists must travel the whole 1,000 km route to obtain the required operation permits, before their ORV trip can begin.

It would make the Operation Permit process much more conducive to tourism if, once the connecting designated route has been approved by each jurisdiction, only one operation permit needs to be issued to cover the entire route; and that one permit could be issued by any of the jurisdictions along the route, so that a tourist could start their adventure at any location along the route. The permit would list the communities and the specific unique designated routes by which it will allow ride-in access.

Currently Operation Permits are issued only by local RCMP, however that is a drain on local RCMP resources as many rural towns do not have the staffing for these types of administrative tasks, therefore once a safe designated route has been approved by local RCMP or local government, then the local townhall or community office could issue the Operation Permits.

This will allow ORV tourism to flourish between communities, reduce the amount of time and resources for local RCMP and communities to issue operation permits, while creating a viable tourism product.

The ATV rider demographic includes family folks and mature adults, with above average income that enjoys outdoor recreation, cultural activities, dining out, with preference to camping near lakes and rivers, plans trips around specific destinations and are willing to travel. In short, they are the perfect tourist, as many are retired with lots of time to travel, utilizing all four seasons in many areas.

ATV tourism contributes hundreds of millions to the BC economy through product and service purchase from fuel, gear, accessories, to food, accommodation and more. There are roughly 125,000 ORV riders in BC with an additional 495,000 estimated to be within a one-day drive of the province. A 2015 economic impact study indicates the combined investment and operating expenditure of ATV/SxS activities in BC has an annual impact of \$400 million to \$502 million.

Vera Vukelich, the Manager Responsible for ORVs, Ministry of Forests, Lands, Natural Resource Operations and Rural Development, issued a letter dated July 2016 advising:

“I would also encourage your members to continue to work collaboratively with local staff from the Ministry of Transportation and Infrastructure, the Ministry of Forests, Lands and Natural Resource Operations, and local governments on proposals for ORV trails/routes that provide safe incidental access to highways (i.e. ORV travels along portions of the highway right-of-way to access a trail, ability to access gas stations and signage is in place for ORVs that may need to travel on the road for a short distance – of course, local circumstances will vary)”

The UBCM 2018 Annual Report (pg 41) advises that UBCM continues to monitor the implementation of the new Off Road Vehicle (ORV) Act and its accompanying regulations, and that engagement continues with local governments interested in expanding their trail networks to take advantage of economic development opportunities by way of tourism, therefore the mechanisms are in place, and is in the best interest of local governments to work in collaboration with UBCM to advocate for improvements to the ORV Management Framework to better facilitate tourism and economic potential for our rural communities.

SPECIAL COUNCIL MEETING

2019 JAN 14

9. REPORTS:

(a) 2019 Association of Vancouver Island Coastal Communities Resolutions

It was moved and seconded that Council direct Staff to forward the following resolutions regarding Development Cost Charges and Property Taxation to the Association of Vancouver Island Coastal Communities for consideration at their 2019 Annual General Meeting and Convention:

(a) Development Cost Charges:

WHEREAS the *Local Government Act* currently restricts the imposition of Development Cost Charges to areas of sewage, water, drainage, highway facilities and park land;

AND WHEREAS new development creates capital cost burdens on municipalities in other areas, such as emergency services, solid waste management, and recreational and cultural facilities;

THEREFORE BE IT RESOLVED that Association of Vancouver Island and Coastal Communities and Union of BC Municipalities request the provincial government amend the *Local Government Act* to allow for the imposition of Development Cost Charges in areas other than sewage, water, drainage, highway facilities and park land.

(b) Property Taxation:

WHEREAS Section 193 of the *Community Charter* restricts a municipality from imposing fees or taxes except as expressly authorized under the *Community Charter* or another Act;

AND WHEREAS urban sprawl creates higher infrastructure costs, transportation costs, and other expenses borne by society;

AND WHEREAS municipalities attempt to control urban sprawl whilst encouraging healthier lifestyles and alternative modes of transportation;

THEREFORE BE IT RESOLVED that the provincial government amend the *Community Charter* to allow municipalities to adjust their property tax rates by setting density brackets in their jurisdiction, to use at their discretion, as an incentive to reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

The motion carried unanimously.

CERTIFIED CORRECT:

A handwritten signature in cursive script, appearing to read 'S. Gurrie', is written over a horizontal line.

S. GURRIE
CORPORATE OFFICER

DATE OF MEETING January 14, 2018
AUTHORED BY SHEILA GURRIE, CITY CLERK AND CORPORATE OFFICER
SUBJECT **2019 ASSOCIATION OF VANCOUVER ISLAND AND COASTAL COMMUNITIES RESOLUTIONS**

OVERVIEW

Purpose of Report

To present for Council's consideration, resolutions for submission to the Association of Vancouver Island and Coastal Communities for consideration at the 2019 Annual General Meeting and Convention.

Recommendation

That Council provide direction regarding the following resolutions:

a. Development Cost Charges

WHEREAS the Local Government Act currently restricts the imposition of Development Cost Charges to areas of sewage, water, drainage, highway facilities and park land;

AND WHEREAS new development creates capital cost burdens on municipalities in other areas, such as emergency services, solid waste management, and recreational and cultural facilities;

THEREFORE BE IT RESOLVED that Association of Vancouver Island and Coastal Communities and Union of BC Municipalities request the provincial government amend the Local Government Act to allow for the imposition of Development Cost Charges in areas other than sewage, water, drainage, highway facilities and park land.

b. Property Taxation:

WHEREAS Section 193 of the Community Charter restricts a municipality from imposing fees or taxes except as expressly authorized under the Community Charter or another Act;

AND WHEREAS urban sprawl creates higher infrastructure costs, transportation costs, and other expenses borne by society;

AND WHEREAS municipalities attempt to control urban sprawl whilst encouraging healthier lifestyles and alternative modes of transportation;

THEREFORE BE IT RESOLVED that the provincial government amend the Community Charter to allow municipalities to adjust their property tax rates by setting density brackets in their jurisdiction, to use at their discretion, as an incentive to

reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

BACKGROUND

The Association of Vancouver Island and Coastal Communities (AVICC) 2019 Annual General Meeting and Convention is held from 2019-APR-12 to 14 in Powell River. As part of the Annual General Meeting, AVICC invites its members to submit resolutions on subjects of provincial or AVICC-wide interest that fall within local government jurisdiction. Resolutions endorsed at the AVICC Annual General Meeting are automatically forwarded to the Union of British Columbia Municipalities (UBCM) for discussion and consideration at the UBCM Annual General Meeting. The deadline for receipt of resolutions is 2019-FEB-07.

At the Special Council Meeting held 2018-DEC-10, Council directed Staff to prepare draft resolutions for Council consideration on these topics:

1. Development Cost Charges

It was moved and seconded that Council direct Staff to prepare a motion for submission to the Association of Vancouver Island and Coastal Communities regarding Development Cost Charges for additional items such as fire halls, recreation centres, expanded facilities, expanded park considerations and cultural facilities to be considered by the provincial government and the appropriate legislation.

Staff have prepared the following resolution for submission:

WHEREAS the Local Government Act currently restricts the imposition of Development Cost Charges to areas of sewage, water, drainage, highway facilities and park land;

AND WHEREAS new development creates capital cost burdens on municipalities in other areas, such as emergency services, solid waste management, and recreational and cultural facilities;

THEREFORE BE IT RESOLVED that Association of Vancouver Island and Coastal Communities and Union of BC Municipalities request the provincial government amend the Local Government Act to allow for the imposition of Development Cost Charges in areas other than sewage, water, drainage, highway facilities and park land.

2. Property Taxation

It was moved and seconded that Council direct Staff to prepare a motion for submission to the Association of Vancouver Island and Coastal Communities regarding property taxation being reviewed to permit taxation based on population density, in addition to other taxation methods, as an additional tool for municipalities to enforce at their discretion.

Staff have prepared the following resolution for submission:

WHEREAS Section 193 of the Community Charter restricts a municipality from imposing fees or taxes except as expressly authorized under the Community Charter or another Act;

AND WHEREAS urban sprawl creates higher infrastructure costs, transportation costs, and other expenses borne by society;

AND WHEREAS municipalities attempt to control urban sprawl whilst encouraging healthier lifestyles and alternative modes of transportation;

THEREFORE BE IT RESOLVED that the provincial government amend the Community Charter to allow municipalities to adjust their property tax rates by setting density brackets in their jurisdiction, to use at their discretion, as an incentive to reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

DISCUSSION

1. Development Cost Charges

The *Local Government Act* allows local governments to impose Development Cost Charges (DCCs) for the purposes of providing funds to assist in the capital cost of projects required to support new growth, including:

- a) providing, constructing, altering or expanding sewage, water, drainage and highway facilities; and,
- b) providing and improving park land.

While the legislation places no restrictions on the standards or elements associated with the majority of the categories, parks DCCs are specifically restricted and limited to the capital cost associated with:

- i) Acquiring park; or,
- ii) Providing fencing, landscaping, drainage and irrigation, restrooms, changing rooms and playground and playing field equipment on park land.

The Province provides further guidance through the DCC Best Practices Guide which includes the following interpretation of what is deemed to be an eligible park DCC project:

- “Landscaping includes the construction of playing fields (levelling ground, planting grass and other plant material) but does not include the construction of parking lots or access roads.
- Irrigation includes sprinkler systems.
- Playground and playing field equipment includes items normally classified as equipment such as swings and slides, but does not include buildings or structures such as dugouts, bleachers, or field houses. The term also does not

include the construction of tennis or basketball courts, baseball diamonds, tracks or the installation of lighting systems.”

- *DCC Best Practices Guide*

As part of the most recent City of Nanaimo DCC bylaw review artificial turf playfields were included in the original list of proposed park DCC projects. Upon review of the draft bylaw the Province (Ministry of Municipal Affairs and Housing) deemed the artificial fields as ineligible projects and required them to be removed from the DCC project list.

The City complied with the requirement and removed the proposed artificial turf fields from the project list prior to the adoption of the associated revised DCC bylaw. In response to this issue Council did pass the following motion:

"WHEREAS The Province, through the Local Government Act, (Section-566(2)(b)) allows communities to collect Development Cost Charges for investments in limited park improvements;

AND WHEREAS The Province through the Ministry of Municipal Affairs and Housing has interpreted the legislation so as to allow some forms of park and playfield improvements and not others;

THEREFORE BE IT RESOLVED that the Association of Vancouver Island Coastal Communities request the Province amend the Local Government Act in order to allow local government's greater flexibility in determining and funding park and playfield improvements that are required by community growth."

The motion was a late item for Association of Vancouver Island Coastal Communities (AVICC) and as a result was forwarded directly to Union of BC Municipalities (UBCM). Although the City of Nanaimo motion was ultimately not considered at the 2018 UBCM convention there was an almost identical motion from West Kelowna which was considered and endorsed. The West Kelowna motion, along with other recent UBCM resolutions regarding DCCs and the financing of growth are included as Attachment A.

2. Property Taxation

The *Community Charter* allows municipalities to impose property value taxes on properties within their defined jurisdictions.

Property value tax is the principal source of revenue for most local governments. It is a tax levied on the value of land and improvements (i.e. building and fixtures). Municipalities may levy property value taxes for their own needs, and can levy taxes on behalf of other public authorities (for example, boards and hospitals).

Municipalities generally have broad authority to set tax rates. While tax rates may not vary within a property class (all Residential (Class 1) properties are taxed at the same rate), tax rates may vary between different property classes (the Residential (Class 1) tax rate may vary from the Business (Class 6) tax rate). Setting different tax rates for different property classes is referred to as a variable rate taxation system.

Municipalities levy property value taxes based on the tax revenue needs set out in their annual budget (financial plan). Property value taxes are calculated by applying a set tax rate against the assessed value of a property.

Municipal tax rates are annually set by the municipal council, and the assessed values are set independently by BC Assessment.

Once a municipality has determined the total amount of proper value tax to raise, it must then determine how to apportion that tax burden over the nine property classes. A guiding principle for determining the apportionment would be the Statement of Objectives and Policies for Taxation required as part of the annual municipal budgeting process.

Once the tax apportionment to each property class is determined, the municipality will then set a tax rate for each class sufficient to raise the necessary tax revenue to meet its annual budgetary needs.

The current language in the *Community Charter* does not allow for variations in the classes to allow municipalities to adjust their property tax rates as an incentive to reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

Other municipalities have submitted UBCM resolutions in the past but none have been acted upon as of yet (see Attachment B). The most recent resolution relating to taxes (2018) had the following comment from the UBCM Resolutions Committee:

The Resolutions Committee advises that the UBCM membership has consistently defeated resolutions seeking to split the residential assessment class in order to apply different tax rates to different types of residential property. Members considered, but did not endorse resolutions 2016-B105, 2008-B126 (Executive endorsed), 2003-B79, 2002-B41 and 1995-B37 on this topic.

The Committee notes that past resolutions have requested all manner of special treatment by creating new classes and sub-classes of property.

However, the Committee notes that in 2016 members endorsed B104, which asked the provincial government to create a new tax class for brownfield sites so that local governments can tax these sites accordingly.

OPTIONS

1. That Council provide direction regarding the following resolutions:

a. Development Cost Charges

WHEREAS the Local Government Act currently restricts the imposition of Development Cost Charges to areas of sewage, water, drainage, highway facilities and park land;

AND WHEREAS new development creates capital cost burdens on municipalities in other areas, such as emergency services, solid waste management, and recreational and cultural facilities;

THEREFORE BE IT RESOLVED that Association of Vancouver Island and Coastal Communities and Union of BC Municipalities request the provincial government amend the Local Government Act to allow for the imposition of Development Cost Charges in areas other than sewage, water, drainage, highway facilities and park land.

b. Property Taxation

WHEREAS Section 193 of the *Community Charter* restricts a municipality from imposing fees or taxes except as expressly authorized under the *Community Charter* or another Act;

AND WHEREAS urban sprawl creates higher infrastructure costs, transportation costs, and other expenses borne by society;

AND WHEREAS municipalities attempt to control urban sprawl whilst encouraging healthier lifestyles and alternative modes of transportation;

THEREFORE BE IT RESOLVED that the provincial government amend the Community Charter to allow municipalities to adjust their property tax rates by setting density brackets in their jurisdiction, to use at their discretion, as an incentive to reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

SUMMARY POINTS

- The AVICC 2019 Annual General Meeting and Convention is held from 2019-APR-12 to 2019-APR-14 in Powell River, British Columbia.
- AVICC invites its members to submit resolutions on subjects of provincial or AVICC-wide interest that fall within local government jurisdiction.
- Staff have provided draft resolutions for Council's consideration.

ATTACHMENTS

Attachment A: Recent UBCM resolutions related to Development Cost Charges and financing of growth.

Attachment B: Recent UBCM resolutions related to property taxation. |

Submitted by:

Sheila Gurrie
City Clerk and Corporate Officer

Concurrence by:

Laura Mercer
A/Director, Financial
Services

Dale Lindsay
Director of Community
Development

Attachment B

Recent UBCM resolutions related to property taxation.

Year - 2003

Number – B75

Resolution Title

Sources of Revenue Generation

Sponsor

Houston

Resolution Text

WHEREAS the provincial government has created, consulted and announced its intention to provide new legislative powers to local governments in the Community Charter Act;

AND WHEREAS said legislation is intended to allow local governments additional considerations to obtain funding, through revenue generation by use of various taxation schemes;

AND WHEREAS funding sources are a continuing concern for many local governments which are trying to support their communities in a sustainable manner;

AND WHEREAS the provincial government has recently, through an imposed 3.5 cent per litre fuel tax increase, lessened such a revenue consideration, as the Community Charter Act was to provide:

THEREFORE BE IT RESOLVED that the Union of BC Municipalities request that the provincial government stop imposing any further revenue schemes which could become the domain of local governments.

AND BE IT FURTHER RESOLVED that the provincial government deliver on its commitment to provide new revenue sources to local government, as raised during the Community Charter development process.

Provincial Response

Legislation in recent years has made existing local government revenue tools including taxes, charges and fees more flexible. The provincial government continues to review revenue sources for municipalities. Plus, the government remains committed to sharing traffic Fine Revenue with municipalities.

The federal government has recently provided a GST rebate to municipalities and has indicated its intention to enter into discussions with both provincial and local governments

on sharing of gas tax revenues. The provincial government welcomes this federal initiative.

Of particular interest to northern British Columbia is the creation of the Northern Development Initiative and its associated legacy fund of \$135 million as a result of the BC Rail Investment Partnership. This fund will assist in a wide range of development initiatives for Northern communities.

Year - 2003

Number – B79

Resolution Title

Strata vs Fee Simple Residential Tax Rates

Sponsor

Parksville

Resolution Text

WHEREAS local governments face varying demands for levels and types of service across their jurisdictions;

AND WHEREAS the BC Assessment Authority regulations provide for only one municipal residential taxation classification;

AND WHEREAS strata developments are forced to pay taxes at the same rate as do fee simple properties, despite being responsible for operations, maintenance and replacement of their infrastructure:

THEREFORE BE IT RESOLVED that the Union of BC Municipalities, in conjunction with the Province of British Columbia, undertake a comprehensive study, including feasibility and potential impact to changes in the assessment regulations, to allow local governments to set a variety of tax rates within the same classification.

Provincial Response

ON MOTION, was NOT ENDORSED

Year - 2008

Number – B18

Resolution Title

Varying Tax Rates

Sponsor

Lake Cowichan

Resolution Text

WHEREAS the Community Charter allows for the establishment of different tax rates for raising municipal revenue from each property class;

AND WHEREAS there is no legislative provision to allow municipalities to impose separate tax rates for each of land and improvements;

AND WHEREAS the current system of property taxation provides little or no incentive for property owners to make significant improvements to their property or provide municipalities the opportunity to reduce the impact of sudden fluctuations in property values by adjusting the tax rates for either land or improvements:

THEREFORE BE IT RESOLVED that the Province amend Section 197 of the Community Charter to allow municipalities to have the flexibility of levying separate tax rates for each of land and improvements for each property class.

Provincial Response

While the variable tax rate system does not currently allow municipalities to set differing property tax rates for Land and Improvements, there are other mechanisms available through the Community Charter and Regulations. Section 216 of the Community Charter, Local Service Taxes, allows costs to be recovered through taxes imposed on land, on improvements, or on both.

Municipalities may also use tools such as the revitalization tax exemption provisions found in section 226 of the Community Charter, or assessment averaging and phasing as described in the Assessment Averaging and Phasing Regulation, B.C. Reg. 370/2003, to encourage property owners to make significant improvements to their property.

Year - 2008

Number – B126

Resolution Title

New Tax Classification

Sponsor

Kaslo

Resolution Text

WHEREAS small rural municipalities are experiencing significant impacts from resort style development; with decreasing availability and affordability of residential property; and, through increased costs on permanent residents through greater infrastructure and service demands;

AND WHEREAS these small rural municipalities have very limited resources to directly offset these financial impacts directly through revenue generation or taxation:

THEREFORE BE IT RESOLVED that the BC government create a new tax classification: Residential Property – Occupied by Permanent or Full-Time Resident(s).

Provincial Response

ON MOTION, was REFERRED to the UBCM EXECUTIVE

Year - 2010

Number – B75

Resolution Title

Local Government Revenue

Sponsor

Prince Rupert

Resolution Text

WHEREAS BC local governments are facing insurmountable infrastructure deficits, in terms of maintaining their current and aging infrastructure, such as water and waste water systems; transportation systems; transit, solid-waste management, as well as community, recreational, cultural and social infrastructure;

AND WHEREAS local governments' current ability to generate revenue through property taxes, user fees and grants is woefully inadequate to meet the demands being placed on them, which require a reliable and dedicated source of revenue that grows with the economy and can significantly reduce the need for ongoing and unsustainable increases to property taxes, user fees and, water and sewer rates:

THEREFORE BE IT RESOLVED that UBCM call on the federal government to share revenue with BC local governments equivalent to 1% of the HST on an annual basis to help them fund important services and infrastructure to their citizens, as the local government deems is in the best interest of the community.

Provincial Response

ON MOTION, was ENDORSED and REFERRED to FCM

Year - 2011

Number – B24

Resolution Title

Varying Tax Rates

Sponsor

Lake Cowichan

Resolution Text

WHEREAS there is no legislative provision to allow municipalities to impose separate tax rates for each of land and improvements to encourage property owners to make significant improvements to their properties or to reduce the impact of sudden fluctuations in property values;

AND WHEREAS the current legislative mechanisms such as the revitalization tax exemption or the assessment averaging provisions provided under the Community Charter and Assessment Averaging & Phasing Regulation, B.C. Reg. 370/2003, respectively, have not been proven to be useful tools for mitigating the impact of uneven assessment changes on taxation:

THEREFORE BE IT RESOLVED that the Province be lobbied to amend Section 197 of the Community Charter to allow municipalities to have the flexibility of levying separate tax rates for each of land and improvements for each property class.

Provincial Response

Although the variable tax rate system does not currently contain legislative authority to allow municipalities to set differing property tax rates for land and improvements, there are other mechanisms available through the *Community Charter* and Regulations. Section 216 of the *Community Charter*, Local Service Taxes, allows costs to be recovered through taxes imposed on land, on improvements, or on both. Municipalities can use local

service taxes as part of their taxation structure to meet their specific community needs such as to encourage property owners to make significant improvements to their property, or reduce the impact of sudden fluctuations in property values.

Revitalization Tax Exemption provisions were amended in 2007 to broaden their application. Only in the last few years have municipalities actually started to take advantage of this tool which can be used for a wide variety of purposes including providing tax relief for property owners who make significant improvements to their properties.

Year - 2016

Number – B105

Resolution Title

Varied Tax Rates for the Residential Class

Sponsor

Langley City

Resolution Text

Whereas the Province of British Columbia through the BC Assessment Act – Prescribed Classes of Property Regulation B.C. Reg. 438/81 specifies that there is one assessment class for all types of residential properties and the Community Charter outlines that a municipal bylaw to establish the property value taxes each year under section 197(3) specifies there is a single rate for each property class;

And whereas the assessed value of the multifamily strata units are remaining constant and the single family residential properties are increasing at an accelerated rate causing a greater share of the property value taxes generated in the residential class to be borne by the single family residential properties:

Therefore be it resolved that the Province of British Columbia amend the BC Assessment Act and the Community Charter to allow the residential class to be split into two distinct residential classes so that a different rate may be applied to each type of residential property to more equitably share the tax burden between the single family residential properties and the multifamily residential strata properties.

Provincial Response

Not Endorsed

The Resolutions Committee notes that the UBCM membership has consistently defeated resolutions seeking to split the residential assessment class in order to apply different tax rates

to different types of residential property. Members considered but did not endorse resolutions 2003-B79, 2002-B41, 1995-B37 and 1988-A16 on this topic.

The Committee understands the rationale for the resolution, but would suggest that the potential impact is far-reaching and could trigger a proliferation of classes and sub-classes. Past resolutions have requested all manner of special treatment by creating new classes and sub-classes of property.

Year - 2018

Number – B114

Resolution Title

New Municipal Tax Classes

Sponsor

West Vancouver

Resolution Text

Whereas many municipalities in BC are facing a very significant and well-documented housing affordability issue with property prices significantly higher than local residents' ability to pay and in many cases the highest average housing prices in the country;

And whereas currently, municipalities have only nine tax classes that can be used to set property taxes to achieve municipal goals:

Class 1 – Residential;

Class 2 – Utilities;

Class 3 – Supportive Housing;

Class 4 – Major Industry;

Class 5 – Light Industry;

Class 6 – Business Other;

Class 7 – Managed Forest Land;

Class 8 – Recreational Property; Non-Profit Organization; and

Class 9 – Farm;

And whereas there have been minor amendments, the basic structure of this property tax class system has not been substantially amended since the 1980's;

And whereas with the creation of new tax classes each municipality could set different tax rates for each class based on their individual needs and circumstances. As an example, different residential classes could be created to address vacant houses, non-residents ownership, etc:

Therefore be it resolved that the provincial government amend the Community Charter to allow municipalities to create additional tax classes so they can each accomplish their own community goals.

Provincial Response

No Recommendation

The Resolutions Committee advises that the UBCM membership has consistently defeated resolutions seeking to split the residential assessment class in order to apply different tax rates to different types of residential property. Members considered, but did not endorse resolutions 2016-B105, 2008-B126 (Executive endorsed), 2003-B79, 2002-B41 and 1995-B37 on this topic.

The Committee notes that past resolutions have requested all manner of special treatment by creating new classes and sub-classes of property.

However, the Committee notes that in 2016 members endorsed B104, which asked the provincial government to create a new tax class for brownfield sites so that local governments can tax these sites accordingly.

Improvement District Governance Policy – Background Information

In British Columbia, Improvement Districts deliver services to an estimated 300,000 citizens. For at least 20 years, the official BC government policy toward improvement districts, as encapsulated in the *Improvement District Governance: Policy Statement*, has been to encourage dissolution of Improvement Districts and amalgamation into municipal or regional district bodies. The chief tool to effect this process has been to restrict improvement district access to sewer and water infrastructure grants.

The strategy behind this restriction is to provide a financial incentive for amalgamation however the results show this strategy has been ineffective. In particular, the rate of dissolution has been slow – at the time of writing the *Policy Statement* there were approximately 240 improvement districts in the Province, and to date, 20-years later, 211 remain. Clearly, there is a strong likelihood that the long term objective to eliminate improvement districts altogether will not be successful. Meanwhile, BC residents served by Improvement Districts face the same infrastructure challenges as those served by municipalities and regional districts: aging infrastructure in need of costly repair and replacement, and rising standards of treatment for both water and wastewater.

Depriving Improvement Districts from access to infrastructure grants treats the residents they serve unfairly, and ultimately places their health and safety at risk. Consequently, it is necessary for the BC government to review and amend the *Improvement District Governance: Policy Statement*, with the aim of establishing clear criteria that would provide eligible improvement districts with access to infrastructure grant funding. This is consistent with a 2018 recommendation from the BC Chamber of Commerce to provide improvement districts with equal access to grant funding.



District of Port Hardy

7360 Columbia Street ♦ PO Box 68
Port Hardy BC V0N 2P0 Canada
Telephone: (250) 949-6665 ♦ Fax (250) 949-7433
Email: general@porthardy.ca ♦ www.porthardy.ca



R11

February 1, 2019

Our File: Resolutions 0550-05

AVICC
525 Government Street
Victoria, BC
V8V 0A8

REVENUE SHARING

WHEREAS small rural communities in British Columbia are surrounded by lands within Regional Districts governed by the Provincial Government that collect revenue from industry for resource extraction from the lands;

AND WHEREAS The communities adjoining these lands provide services including parks, recreation and roads, for the companies and employees and gain no apportionment of the revenue collected for providing these services;

THEREFORE, BE IT RESOLVED that the Association of Vancouver Island and Coastal Communities lobby the Province of British Columbia to consider revenue sharing of royalties and taxes with municipalities that provide services to those industries benefitting from the services of the adjoining municipalities.

Sincerely,
The District of Port Hardy

Dennis Dugas
Mayor

Enclosures

LATEST NEWS [No help for Helps? Victoria mayor reflects on plan to hire chief of staff](#)

NDP to restore timber harvest rules, Horgan says

B.C. Liberals eliminated requirement to process logs at local mills; forestry dependent communities were devastated

Alaska Highway News
FEBRUARY 26, 2018 05:45 AM



Fort Nelson has been working to rebuild its forestry sector since a pair of timber processing plants closed more than a decade ago, after appurtenancy was eliminated.
Photograph By ALASKA HIGHWAY NEWS

The B.C. NDP's latest speech from the throne and budget painted rural communities and resource development in few broad strokes, but Premier John Horgan followed it up by noting one important change coming to forestry rules in the province.

Horgan says his government plans to restore appurtenancy rules that tie timber harvests to processing at local mills. The rules were eliminated by the B.C. Liberals in the early 2000s and devastated economies in forestry dependent communities in rural B.C., including Fort Nelson, as mills shut down and processing went elsewhere deemed more profitable. Restoring the rules is part of a move to "revitalize the forest industry's social contract with British Columbians," the government noted in its throne speech.

"We have lost, I believe, the connection between resources and communities over the past number of years," Horgan told Vancouver Sun columnist Vaughn Palmer in a follow-up last week, confirming the government plans to restore the rules. "I want to re-establish that relationship. I want to make sure that every log that is taken from a public forest, the benefit is maximized to the people in the community."

It's a move that has Bill Streeper, mayor of the Northern Rockies Regional Municipality, pleased. Since the NDP took office last summer, the municipality has been working with forests minister Doug Donaldson to restore the rules, Streeper said.

"We explained the whole Fort Nelson situation completely, from stump to dump," Streeper said. "He completely understood it ... what was happening, what it was doing to the community, and the major effect it was having on our economy."

Fort Nelson has been working to rebuild its forestry sector since a pair of timber processing plants closed more than a decade ago, after appurtenancy was eliminated. Oil and gas exploration and drilling filled the gap for a time, but a downturn in that industry has put the town in "very grave hardship," Streeper said.

"We are, as council, trying to create jobs," he said. "In the oil and gas industry there's nothing at all on the horizon in that. It's something we don't have any control over. Forestry we do have some input into."

The municipality has rich mixed stands of spruce and poplar, and harvesting licences that aren't being used. Investors are looking to restart the shuttered OSB mill at the same time the municipality works with the Fort Nelson First Nation on a community forest licence to help feed it.

But, you can't log one tree without the other, Streeper said. While the OSB plant could take the poplar, the spruce would still need to be shipped out while the municipality develops a long-term plan to build a sawmill to take it.

"You can shut a mill down overnight but you can't start one up overnight," Streeper said.

Ninety-nine per cent of the community forest plan is in place, Streeper said, with ongoing talks on the working relationship between the municipality and the First Nation. They hope to submit their application to the province this spring, and smaller, private operations are also interested in timber from that licence, Streeper said.

"Hopefully upon awarding we can get that going pretty quick," he said,

"As council we are trying to pull out all the roadblocks we can to get somebody interested and create jobs pretty well immediately."

Rob Fraser, chair of the Northeast B.C. Resource Municipalities Coalition, said the province's signal to restore appurtenancy was good news for rural and remote communities.

Fraser, also the mayor of Taylor, said his municipality was among the first to lose its mill, operated by Canfor, after the rules were eliminated. The wood instead went to the company's mill in Fort St. John, he said.

"It didn't hurt us that badly from a jobs perspective because Fort St. John swallowed up those jobs, but it did hurt us from a tax base perspective, and as an economic driver of the community."

Without appurtenancy, wood could be shipped anywhere for processing, leading to "super mills" being established in bigger communities while small communities dried up as they lost their mills in the process.

The "politics of wood" also includes stumpage rates, the fees timber harvesters pay the province for logging, Fraser said, and in which appurtenancy plays an important role.

The further away wood is from a mill, the less stumpage is paid, Fraser said, lowering the value of that wood to the province. Cheaper stumpage allow companies to subsidize the cost of transporting their timber to mills.

"Appurtenancy makes all that go away," he said.

The coalition, a research and advocacy group formed in 2014 to represent the interests of local governments in resource development issues, has had the two issues on its radar to study as part of its strategic plan. But much work still needs to be done, Fraser said.

"We're planning to make an effort to research it, understand it really well, and understand what the change needs to be," Fraser said.

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Background Information

INDOOR AGRICULTURAL FERTILIZATION PRACTICES

Intent: Encourage systems change for indoor agricultural fertilization practices

WHEREAS water sustainability, healthy watersheds and ground water are of vital importance and, commercial fertilizers can be damaging to groundwater and influence water quality in watersheds;

AND WHEREAS the use of fertilizers in greenhouses and indoor structures creates effluent that contains concentrated commercial fertilizers which, if released untreated can be damaging to groundwater and the overall watershed:

THEREFORE BE IT RESOLVED that the AVICC request that the provincial government explore including in the BC Agricultural Best Practices, the requirement for closed loop greenhouse irrigation systems in commercial greenhouse and indoor agricultural structures, to prevent commercial fertilizers from being emitted into the environment.

Note to Reader:

For the last resolution we are seeking further information from an agrologist about federal and provincial best practices surrounding the release of fertilizers into the environment.

We prepared draft resolutions but deleted them for:

1. Light Pollution from greenhouses: This is a municipal authority and the BC Government can't regulate.
2. Food Security as there would be too many caveats and we could not find a workable solution at this time.
3. The importance of cannabis to regional development, employment, property and business tax revenues but again the resolution needs to take into account further financial research on property tax and business tax, not available at this time



**Request for Province of BC
to prioritize the approval of key marine cumulative effects values**

WHEREAS the Province of British Columbia has adopted the use of a cumulative effects framework to help identify and manage cumulative effects across the natural resource sector;

AND WHEREAS the cumulative effects framework allows for the inclusion of marine values but the Province has not yet approved any marine values for cumulative effects assessment to inform decision making in coastal regions;

THEREFORE BE IT RESOLVED that UBCM request the provincial government to prioritize the approval of key marine cumulative effects values for long-term monitoring and cumulative effects assessments in coastal regions.

Background

In 2013, UBCM endorsed a resolution urging the provincial government to support the development of a Comprehensive Management Plan for Howe Sound that facilitates a coordinated land and marine use planning process between First Nations, senior and local governments, and other local bodies to ensure ongoing recovery and responsible land use planning within Howe Sound.

In 2014, the Province committed to a Howe Sound Cumulative Effects Assessment in response to stakeholders' concerns over potential cumulative impacts and the call for a comprehensive land and marine use plan for Howe Sound. This Assessment includes only terrestrial values despite the importance of coastal values in this ecosystem.

It would be beneficial for coastal areas of the province to have the Province accelerate work on developing the data required to assess the current condition and trend of marine values.

Deborah Liske

From: Corporate Services
Sent: January-28-19 1:49 PM
To: Deborah Liske
Subject: FW: Boating BC Presentation for Esquimalt Council
Attachments: 2019BoatingBCMotion.pdf; BoatingBCBackgroundEsquimaltCouncilJan_19.pdf

For mail log please. (Note, Delegation is scheduled for Feb 4th agenda, and they have requested that this correspondence be added to that same agenda.)

Corporate Services
General Delivery Email

From: Lisa Geddes [mailto:lisa@boatingbc.ca]
Sent: January-28-19 1:42 PM
To: Corporate Services
Cc: Don Prittie
Subject: Boating BC Presentation for Esquimalt Council

Please accept these two attachments in preparation for our President, Don Prittie, to present to Council on February 4th.

One document is our proposed motion for council the second is a backgrounder that summarizes our work on this issue over the past year, and was requested by Mayor Desjardins.

If you have any questions or require anything further, please do not hesitate to contact me.

Many thanks,
Lisa Geddes



BOATINGBC
ASSOCIATION
Lisa Geddes
Executive Director
Boating BC Association
c. 604.339.9660
boatingbc.ca | [facebook](https://www.facebook.com/boatingbc) | [twitter](https://twitter.com/boatingbc)

CORPORATION OF THE TOWNSHIP OF ESQUIMALT
For Information:
 CAO Mayor/Council

RECEIVED: JAN 28 2019
Referred: Anja
 For Action For Response COTW
 For Report Council Agenda IC



2019 PROPOSED MOTION:

To put the following resolution forward to the AVICC by February 7, 2019.

Public Access to Waterways

Whereas access to public waterways in many coastal, lakeshore and riverfront communities, contributes to the quality of life and fabric of these communities, and are an important means for boating, kayaking, fishing and a host of other water-related activities;

And whereas there is an ongoing decline to such access points because of development and creation of community amenities:

Therefore, be it resolved that UBCM's coastal, lakeshore and riverfront member-communities consider incorporating existing public access points into community planning and identify areas in which there may be potential to add public access provisions to their longer-term community plans.

Because BC is better on a boat!™



January 28, 2019

Mayor & Council
Township of Esquimalt Municipal Hall
1229 Esquimalt Road
Esquimalt, BC V9A 3P1

Re: UBCM Resolution: Public Access to Waterways

Dear Mayor & Council,

In May 2018 Boating BC Association reached out the Township of Esquimalt regarding the issue of diminishing public access to our waterways. Our letter dated May 1, 2018 is attached.

Throughout the spring of 2018, our team engaged with several municipalities to discuss this issue and we received a very positive response from every council we went before. With that positive feedback, and to address the issue in a more meaningful way, Boating BC sought to have the following resolution put forward at the 2018 Union of BC Municipalities (UBCM) annual convention.

Recreational Boating Access Infrastructure

Whereas recreational boating is part of the fabric of many BC communities, contributes to the quality of life and is an important economic and recreational activity;

And whereas there is an ongoing decline in boating access infrastructure, and marinas and public boat launches are being removed to make way for development and community amenities;

Therefore, be it resolved that UBCM's coastal, riverfront and lakeshore member communities incorporate existing boating access infrastructure into community planning and identify areas in which there may be potential to add boating infrastructure to their longer-term community plans.

Our team encountered some health issues that caused an unfortunate setback in our ability to continue our momentum. We missed the deadline to go through the Association of Vancouver Island and Coast Communities (AVICC) and had limited capacity to continue with our municipal meetings.

The District of North Saanich took this resolution forward to UBCM directly. When the resolution was put forward at the convention, many members of the municipalities we had met with were busy with the pending municipal election and were not present to speak on its behalf.

Through the process we received feedback that the resolution, as written, was too narrow in its scope, and so we have edited it to more broadly speak to the issue of public water access. It now reads:

Public Access to Waterways

Whereas access to public waterways in many coastal, lakeshore and riverfront communities, contributes to the quality of life and fabric of these communities, and are an important means for boating, kayaking, fishing and a host of other water-related activities;

And whereas there is an ongoing decline to such access points because of development and creation of community amenities:

Because BC is better on a boat!™



Therefore, be it resolved that UBCM's coastal, lakeshore and riverfront member-communities consider incorporating existing public access points into community planning and identify areas in which there may be potential to add public access provisions to their longer-term community plans.

As we prepare for the 2019 UBCM, and with health issues behind us, we are requesting to come before Esquimalt Council on February 4, 2019 to officially ask that the Township endorse this resolution and submit it to AVICC by the February 7, 2019 deadline. If supported, our team and membership will work to engage with municipalities across BC in the months leading up to the September convention to seek its support.

We appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Prittie".

Don Prittie
President

Because BC is better on a boat!™



BOATINGBC
ASSOCIATION

May 1, 2018

Mayor & Council
Township of Esquimalt Municipal Hall
1229 Esquimalt Road
Esquimalt, BC V9A 3P1

Re: Access to waterways in British Columbia

Dear Mayor & Council,

On behalf of Boating BC, I am writing to share information and request your support to protect what is left of access points to waterways across British Columbia. Boating BC has been the voice of recreational boating in B.C. since 1957 and is comprised of over 300 member businesses from all sectors of our industry. Our mandate is to remove barriers for boaters and businesses while ensuring our waterways are both safe and accessible.

In British Columbia, recreational boating accounts for nearly \$2.2 billion of the province's annual revenue and supports nearly 17,000 jobs provincewide. With 27,000 km of coastline and thousands of lakes and rivers, British Columbia is most definitively a maritime destination, and recreational boating remains an important part of the culture and economy in many communities.

Over the past 10 years, as waterfront property prices have risen exponentially, we have seen an ongoing decline of boating access infrastructure. Marinas and public boat launches are being removed to make way for real estate developments and other community amenities, and where there are existing marinas, lease rates are increasing at nearly the same rate as land values. As a result, there are fewer and fewer safe public access points for domestic and visiting boaters to access waterways. The net effect of this trend is a decline in economic spin-off opportunities for local communities and, in some cases, an increase in safety risks as boaters are forced to travel longer distances to reach boat launches and go through dangerous waterways to reach their boating destination.

By way of example, the District of West Vancouver closed the Ambleside boat launch in October, 2016 without explanation or an alternative access point. Since that time, boaters have been forced to launch in alternative communities – as far away as Sunset Marina, Cates Park or Vanier Park – and travel, unnecessarily, across shipping lanes or the more dangerous waters of Point Atkinson in order to enjoy the waters and fishing off of Ambleside.

In Nanaimo, the Nanaimo Port Authority, which manages leases on behalf of the federal government, applied methodology resulting in foreshore lease rate increases between 60 and 125 per cent along Newcastle Channel. Such substantial increases would be extremely difficult for any business to absorb, and pose a significant threat to the affected marina operators.

These are just two of the many examples in relation to a concerning trend being played out across our province.

We are writing today to request the opportunity to present more about our industry to Council and the need to protect our public access to waterways. We would also like to ask Council to consider putting forward a motion at this fall's UBCM asking all municipalities across BC to do an inventory of current boating

Because BC is better on a boat!

infrastructure within their municipal boundaries, protect existing public boat launches in their community planning and to consider adding more access points moving forward.

Unlike many other boating destinations in Canada and around the world, boating in B.C. is a year-round activity. Countless numbers of jobs are directly and indirectly related to the marine industry and there exists a strong connection between the tourism sector and ours.

Ensuring British Columbians and visitors have easy access to our waterways is critical for B.C. in order to prevent erosion of the industry, to continue to maintain recreational boating as a strong economic staple, and to uphold our maritime culture and boating lifestyle, which is central to who we are.

Understanding the timing and deadlines to put a motion forward to the UBCM, we would appreciate the opportunity to present to Council during the month of May.

To discuss this issue further, or to explore potential dates, kindly contact Lisa Geddes, our Executive Director, at lisa@boatingbc.ca or 604.339.9660 – or myself at 250.893.0055.

We look forward to your response.

Sincerely,



Don Prittie
President ^[1]_[SEP]
Boating BC Association

Because BC is better on a boat!

**STRATHCONA REGIONAL DISTRICT
SPONSORED RESOLUTION – GROUNDWATER EXTRACTION**

BACKGROUND

This issue was brought to light by residents of the Sackville Road area of Merville, BC where a proposed commercial groundwater application was given a “conditional” licence by the BC Government, subject to the applicant obtaining zoning approval for a bottling plant on his property in Merville. As water in this rural community is supplied through groundwater wells, the local community felt great unease about the potential impact of this commercial operation upon their wells. Following the public hearing for rezoning for the water bottling plant, the Comox Valley Regional District soundly defeated the proposal. The proponent then asked the BC Government for an amendment to the issued conditional licence to allow commercial groundwater extraction in Sackville Road to proceed if the applicant was permitted to set up the water bottling plant in the adjacent Strathcona Regional District.

The science of hydrogeology is not definitive. Aquifers, by their very nature, are hidden resources subject to interpretation of subjective indicators. The best the experts can do is estimate the volume of the aquifer and the recharge rate. The Ministry of Forests, Lands and Natural Resource Operations and Rural Development (FLNROD) has maintained a groundwater monitoring well #351 in Aquifer 408. Groundwater levels in this well have shown a stable or slightly increasing trend in the 14-year monitoring period. This would indicate that current extraction does not exceed recharge. Is one monitoring well sufficient to determine recharge rates for this aquifer? Given the reality of climate change and projected hotter, drier summers for Vancouver Island, will this trend continue or will increased extraction through additional licences exceed the recharge rate; putting the existing community which relies on their domestic groundwater wells in jeopardy and, perhaps, also jeopardizing the future of the aquifer?

Clearly, the Provincial Government needs to review the Water Sustainability Act and regulations to cease the issuance of groundwater extraction licences for commercial water bottling and bulk water exports until a careful and comprehensive study of the capacity of aquifer(s) are fully explored to ascertain whether the proposed commercial extraction is sustainable for the future of aquifer(s) and the communities which rely upon them. It is totally inappropriate to issue these commercial licences in light of ever-increasing Level 4 Drought and unprecedented forest fire risks throughout the Province. This is not the time to be issuing “First in Time, First in Rights” groundwater extraction licences which treat our water as a commercial commodity and thereby threatens the water security of entire communities and ecosystems that depend upon them.

Local communities, through their local governments need to be referred on commercial groundwater licence applications BEFORE the licence is issued and each application must be subject to a full, public consultation process in the affected area BEFORE a licence is issued. Water is vital to all of us and is a public resource which should not be allowed to be privatized and sold off the commercial water bottling or bulk water exports. The health and security of our communities are at stake.

FURTHER BACKGROUND INFORMATION

The Strathcona Regional District received strong public support for the Resolution above and a Delegation from Bruce Gibbons, supported by a large public gallery appealed to our Board urging us to bring this issue to the AVICC and UBCM. Also, excerpts from a letter the SRD received from Gillian Anderson of Merville, BC are provided below and provided the impetus to bring this matter forward for the attention of AVICC, UBCM and the Provincial Government:

Ms. Anderson wrote: “There are deficiencies in the licence approval process and a lack of sufficient knowledge of surface water management and the health of BC aquifers and their streams and rivers, which must require a suspension to any future bottling approvals, including the proposed amendment to allow this withdrawal and transport....In the face of inadequate information about how climate change and development are affecting how aquifers are recharged, and faced with the modern reality of chronic water shortages and public sentiment for water conservation, the permitted use of commercial water bottling must be removed from the Water Sustainability Act.”

“According to the Canadian Fresh Water Alliance, “More than 60% of the Province’s water basins were in drought conditions in the fall of 2017. Water policy experts rank drought and flood resilience as the number one challenge that will define British Columbia...One-fifth of Provincial observation wells show moderate to large rates of decline...Climate change, overuse and poor planning are ushering the Province into an era of tough water decisions. The tools and policies we have to defend water simply aren’t built to withstand a multi-year drought in BC. The critical drought conditions we are seeing more frequently across the Province could be mitigated by stronger legislation of BC’s freshwater resources...We lack a full understanding of how much is down there or how withdrawals affect the health of our rivers, lakes and streams...”

“BC water policies are inadequate for the task of managing our water responsibly and need to be updated to reflect modern realities.”



SUNSHINE COAST REGIONAL DISTRICT

AVICC BACKGROUNDER FOR CLIMATE EMERGENCY DECLARATION

I. BACKGROUND:

At the Sunshine Coast Regional District Regular Board meeting of January 31, 2019 the following resolution was approved for submission to the AVICC:

WHEREAS the impacts of climate change in the form of extreme weather events, wildfires and drought are occurring at an accelerated rate and with growing frequency throughout BC and are creating major financial, social and environmental costs which are largely being borne by local governments and the residents they serve;

AND WHEREAS there is an urgency for action but a lack of resources and coordination to support local governments in their ability to adapt to and mitigate the ongoing effects of climate change, especially with respect to infrastructure upgrades, repairs and maintenance, and emergency preparedness measures:

THEREFORE BE IT RESOLVED THAT the provincial government be urged to declare a province-wide Climate Emergency in order to emphasize the critical imperative for immediate action and to assist with province-wide collaboration and coordination of resources that will support local governments and communities in their ability to adapt and manage ongoing change.

II. DISCUSSION:

Following the latest Intergovernmental Panel on Climate Change (IPCC) report, the urgency for immediate action to reduce Greenhouse Gas Emissions has increased considerably. Taking early action to reduce emissions provides the best opportunity to mitigate financial, social and environmental costs that may be incurred as a result of climate change.

Climate forecasts are predicting warmer, wetter winters and drier, warmer summers which have the potential to impact community resources such as water supply. Water sources may need to be expanded and diversified in order to meet current and future demand.

Warmer, drier summers also means that native tree and plant populations are being stressed, especially Red Cedars. These drier conditions and less resilient native flora are creating more hazardous conditions for wildfires. Emergency preparedness and investment in wildfire prevention and mitigation measures will have to increase to address that challenge. Extreme weather events/storms can also cause large scale disruption to infrastructure.

Climate change is also accelerating sea level change, and forecast models are pointing towards faster changes than originally anticipated. Critical infrastructure at or close to sea level, will have to be moved, enhanced, maintained or repaired more frequently to ensure integrity and continued operation.

A Climate Emergency Declaration would increase awareness of not only the urgency of taking mitigating actions, but that climate change is having a real and immediate impact on the services that local governments deliver to their residents. This crucial message must be broadly communicated. The SCRD is advocating that the provincial government declare a province-wide Climate Emergency in order to emphasize this critical imperative for immediate action and to assist with province-wide collaboration and coordination of resources that will support local governments and communities in their ability to adapt and manage ongoing change.



R17

Ms. Lisa Helps

Shell Canada Limited
400 - 4th Avenue S.W.
P.O. Box 100, Station M
Calgary, Alberta T2P 2H5
Internet www.shell.ca

October 19, 2018

The City of Victoria
1 Centennial Square
Victoria, BC V8W 1P6

Attention: Mayor Lisa Helps

Dear Ms Helps,

Thank you for your recent letter to the Chief Executive Officer of Royal Dutch Shell. I am responding on behalf of Shell Canada Limited.

Shell has been operating in Canada for over 100 years and employs more than 4,000 people across the country. Our business is providing energy to Canadians and people around the world, and we are one of the few truly integrated oil and gas companies in Canada. We have engaged and will continue to work closely with the Government of Canada to ensure all Canadians realize the benefits of a vital, innovative energy sector.

I would like to share with you the Shell Group's intent to move in step with society towards a lower carbon future, including some of the actions we are taking, both independently and working with others, to achieve this ambition.

Shell's position on climate change has been publicly documented for more than two decades through publications such as our Annual Report and Sustainability Report. We have long recognized the climate challenge and the essential role of energy in sustaining and driving the world's economy, raising living standards and improving lives. There are still over one billion people in the world without safe, reliable access to energy or the basic benefits it provides. With energy demand projected to increase as the world's population continues to grow, society therefore faces a dual challenge of meeting growing demand, while at the same time transitioning to a lower carbon world.

Shell welcomes and strongly supports the goals of the Paris Agreement. We agree on the objective of a transition towards a net-zero emission energy system and a world where temperature increases are limited to less than 2°C. Shell has taken an industry-leading approach in this area, as demonstrated through a number of different actions, such as our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD); and our inclusion of the Company's emissions management performance in our executive annual bonus scorecard. We have also made clear our ambition to reduce the Net Carbon Footprint of the energy products we sell to be in line with society – estimated at halving by 2050 - which will necessitate changing the portfolio of products we sell. This means providing the mix of products our customers need as the energy system evolves.

The Paris Agreement sent a signal: the energy system must change if society intends tackle climate change in a meaningful way. Shell's latest scenario, *Sky* – published in March this year – illustrates a technically possible, but challenging pathway for all of society to achieve the goals agreed in Paris. Over the course of 50 years, *Sky* sees a complete transformation in the way society uses and produces energy. Critically, this scenario relies on a complex combination of mutually reinforcing actions by society, markets and governments. No one organisation or industry or government can achieve this transformation alone. All will face tough choices and everyone has a role to play. While *Sky* is neither a prediction nor Shell's business plan, it offers a potential pathway to meet the goals of Paris and we hope it contributes to the effort to find solutions to this global issue.

In early April we published the Shell Energy Transitions (SET) report which outlines our intent to move towards a lower-carbon future. You can read more about this at: www.shell.com/energytransitionreport.

Although Shell is still primarily an oil and gas company, and we expect global demand for oil and gas to continue to grow, we have invested billions of dollars in a range of low-carbon technologies, including Carbon Capture and Storage (CCS), biofuels, hydrogen, solar, and wind power. In 2016, we established a New Energies business, to better focus these efforts and explore new commercial opportunities. We previously announced our plan to step up our New Energies investment to on average \$1-2 billion per year to 2020. As an example, in June of this year, Shell and Hydrogen Technology & Energy Corporation (HTEC) opened Canada's first retail hydrogen refueling station in Vancouver, the first of three sites that Shell and HTEC plan to open in the city.

As part of our commitment to develop Carbon Capture and Storage technology, our Quest project, launched in 2015 near Edmonton, reduces CO₂ emissions from oil sands operations by more than 1 million tonnes a year – equivalent to taking 250,000 cars off the road. We make our engineering designs for Quest freely available to help other companies develop similar CCS projects at less cost.

More widely, for decades, Shell has called for effective government-led carbon pricing mechanisms, which would incentivise all sectors of industry and consumers to improve energy efficiency and reduce carbon emissions. Shell companies have participated in a wide range of activities in support of such a mechanism, such as the Carbon Pricing Leadership Coalition whose long-term objective is a government-led carbon price throughout the global economy.

These are a few examples of the actions we are taking today, recognising that the global energy transition will span decades, moving at different paces and producing different outcomes in different countries depending on local factors. We welcome efforts toward constructive, collaborative action as we collectively attempt to address this complex global challenge.

If you'd like to learn more about the Shell Group of companies and the active role those companies are playing in a number of places throughout the world, we encourage you to visit our website: www.shell.com, in particular the Energy and innovation and Sustainability pages.

Yours sincerely,



Michael Crothers
President & Country Chair

Background Information**Explanatory note from draft British Columbia CAVE PROTECTION ACT**

BILL M 232 – 2016

This Bill acknowledges that caves are unique landforms that often contain irreplaceable resources of immense natural and cultural value, including spiritual, aesthetic, and scientific value. The protection of these vulnerable resources is paramount for their survival for future generations as a valuable part of British Columbia's natural and cultural heritage. The biological and ecological resources often include unique subterranean habitats populated by specialized organisms, and the associated native flora and fauna living within entrances. Other resources often include mineral and bedrock formations, and paleontological or fossil deposits. Fossil deposits, which include remains of plants, animals, and surface debris preserved in caves, provide a unique record of the past climate and biota. Since all of these resources are vulnerable to destruction, their protection is warranted.



Committee of the Whole Report For the Meeting of January 31, 2019

To: Committee of the Whole **Date:** January 25, 2019
From: Fraser Work, Director of Engineering & Public Works
Subject: Climate Action Program Update and Planning Considerations

RECOMMENDATION

That Council:

1. Direct staff to proceed on the basis of option 2 outlined in this report (Enhanced Program);
2. Approve the Council Proposed Actions as follows:
 - a. Make available all ICBC municipal vehicle km/make/model/fuel economy information.
 - b. Continue the development and implementation of world-class low carbon fuel standards.
 - c. Fully invest in delivery of the zero-emission vehicles sales targets as established in the CleanBC Plan.
 - d. Continue progressive and direct funding programs and partnerships for municipal low-carbon initiatives, including building retrofit, transportation, waste management and other priority and shared GHG reduction programs.
 - e. Support transformational improvements to regional BC transit infrastructure to promote and enable rapid mode shift to transit in the region, including transitioning the BC Transit fleet to zero emissions as early in the 2020s as possible, and:
 - i. Completion of dedicated bus lanes on all connections between the West Shore and downtown.
 - ii. Installation of Traffic Signal Priority (TSP) sensors in all buses that operate in the City of Victoria.
 - iii. Installation of 'all door loading' capabilities for all busses in the Victoria regional transit system.
 - iv. Introduction of real-time, digital bus information to enable super-convenient, accessible transit operational information.
 - v. Introduction of "tap" payment-systems common to multi-modal service providers, to support rapid loading of busses and align with Smart Mobility goals.
 - vi. Completion of the business-case to determine the most effective investments in public transportation to realize the highest potential mode-shift and ridership in the south island, including but not limited assessing commuter ferry, public transit along the E&N rail corridor and Douglas

- Street / Highway 1 / Highway 99, bus rapid transit (BRT) or light-rail transit (LRT).
- vii. Reporting of annual regional transit GHG and combustion pollutants, mitigation priorities, progress and business cases for investments.
 - f. And that Council continue to advocate and engage with the CRD to prioritize the introduction of systems to minimize fugitive methane and capture all landfill GHGs.
3. Consider the 2019 Climate Action Program spending plan as part of the 2019 Financial Planning process.

EXECUTIVE SUMMARY

Council adopted the Climate Leadership Plan (CLP) on July 26, 2018. The CLP is the City's action plan to reduce greenhouse gases (GHGs) by 80 percent below 2007 levels by 2050, transition to 100 percent renewable energy by mid-century, and prepare for a changing climate. These commitments are aligned with the global leadership required to keep the earth's temperature rise below 2°C, and reach net-zero carbon emissions as early as possible after 2050.

The CLP covers five sectors and identifies the goals, targets, strategies and actions to reduce GHG emissions and prepare for a changing climate. The plan aims to inspire public and business support for investments and priority actions to reduce GHGs and energy use to ensure Victoria plays its part to keep global temperature increases within safe limits. Early action is required to avoid significant costs and impacts to social and environmental well-being in our community, and worldwide.

Cities are uniquely positioned to enable this mobilisation effort, in a coordinated and integrated fashion across sectors, enabling individual action with timely and accurate information, incentives, directions, coordination, tools, targets and scalable, impactful programs.

The City's GHG reduction plan will be effectively and expeditiously realised through a dedicated focus on cutting the most impactful GHG sources, including: retrofitting existing buildings to high-efficiency standards; renewable electricity; elimination of fossil fuel heating sources; shifting people to transit, active transportation, and renewably powered mobility options; and the electrification¹ of commercial and passenger vehicle fleets.

The completion of the CLP in 2018, and subsequent progress on various Climate Action Program files, highlights the City's climate efforts and commitments. However, it is clear that the complexity and pace/progress of GHG reductions in both City and community require additional resources and planning to reduce risks of missing interim and longer GHG and renewable energy targets. The City can affect these changes using various levers at its disposal, including the use of intelligent policies, incentive programs, partnerships, education, land-use, taxation, design of the public right-of-way, and advocacy to other agencies/levels of government. The success and affordability of these changes will require decisions on both the role of the City in driving (or supporting) GHG reduction efforts, and the urgency required. This report identifies considerations for Council related to acceleration of program objectives, including the recommendation that Council support an 'Enhanced Program' (option 2), which will include immediate consultant support for policy workshops with Council and staff to ensure the wisest investment of the taxpayer dollar on activities that will deliver the highest impact climate action and adaptation results.

¹ Or equivalent, zero-emissions, renewable power.

PURPOSE

The purpose of this report is to provide an overview of the CLP and the Climate Action Program (CAP); respond to Council's recent queries related to climate action progress; and present staff's recommended approach for CAP in 2019.

BACKGROUND

In August 2016, the City of Victoria set two ambitious targets, the reduction of community greenhouse gases (GHGs) to 80% below 2007 levels by 2050 and a transition to 100% renewable energy by 2050. These targets were aligned with the Paris Agreement (2015) where countries agreed to take necessary action to keep global temperatures to well below 2°C (above pre-industrial levels) and to pursue efforts to limit temperature increase even further, to 1.5°C. These targets align with Provincial, Federal and international requirements set forth by the United Nations Framework Convention on Climate Change (UNFCCC), and mirror commitments made by hundreds of worldwide cities.

Council passed the following motion on August 18, 2016:

- Establish a long-term GHG Reduction target for both corporate and community emissions consistent with global goals: an 80 percent GHG reduction by 2050, and a corresponding target of 100 percent renewable energy in the same timeframe.

And directed staff to take several steps, including:

Develop an action plan based on our existing work done to date, in support of meeting reduction targets. This plan will include:

- a. Priority actions / programs for consideration;
- b. Governance and documentation renewal plan;
- c. Resource plan; and
- d. Internal / external stakeholder communication, education and engagement plans.

In December 2016, staff returned to brief Council with an update on completed actions and further work on the Climate Action Program to enable a suite of priority climate actions for 2017, including development of the Climate Leadership Plan (CLP).

In September 2017, staff provided council with an update on the development of the CLP and an overview of its structure, approaches and content, with a commitment for a completed draft in December 2017 to be released for community and public comment.

In December 2017, Council approved the draft CLP and directed staff to proceed with initial community and stakeholder engagement to gather feedback and input on the CLP, in preparation of a final version. At that time, Council also approved the allocation of more than \$400,000 in funds from the Climate Action Reserve Fund (CARF) for priority staffing, actions and projects. Council directed staff to report back with the final Climate Leadership Plan in June 2018 with a long-term funding strategy and program update.

On July 26, 2018, Council approved the City's Climate Leadership Plan and staff provided an update on the climate action priority program items.

At the federal level, the government has set a long-term GHG reduction target of 80% below 2005 levels by 2050 and, through the Pan Canadian Framework, supports their interim 30% reduction in GHGs by 2030. In BC, the recently released CleanBC plan provides a pathway to achieve the Province's legislated climate target of reducing GHG emissions by 40% by the year 2030, based on 2007 levels. The Province has also set a 60% GHG reduction target for 2040 and an 80% GHG reduction target for 2050.

In October 2018, the Intergovernmental Panel on Climate Change (IPCC) released a special report clarifying that, with current national commitments to GHG reduction, global warming is expected to surpass 1.5°C above pre-industrial levels.^[1] To avoid surpassing 1.5°C, after 2030 these commitments would need to be supplemented with very challenging actions such as restricting the use of coal, increasing the use of nuclear power, and extensive electrification to a scale that achieves net zero CO₂ emissions by 2045. Even with this effort, limiting global warming to the 1.5°C threshold may not be achieved if the Earth's warming response is more severe than currently estimated. All of these issues and the necessary actions have been clearly articulated in the City's CLP, and now the right level of planning and sustained efforts are necessary to avoid the biggest risks of climate change.

In December 2018, Council adopted a motion "Leadership for Climate Action," directing staff to report-back on options for expediting implementation of the Climate Leadership Plan.

This report provides a: status update on the Climate Action Program; details the importance of external funding opportunities, puts forward a 2019 spending proposal using funds mainly from the Climate Action Reserve Fund (CARF); and presents considerations for Council related to their December 2018 motion.

^[1] Metz, Bert. 2005. IPCC special report on carbon dioxide capture and storage. Cambridge: Cambridge University Press for the Intergovernmental Panel on Climate Change.

ISSUES & ANALYSIS

The issues and analysis section is broken into the following segments:

- Overview of the CLP;
- Update on Climate Action Program actions/progress;
- 2019 Program Priorities and Climate Action Program Plan;
- Climate Action Program issues, pace and considerations; and
- Resultant financial and other considerations.

Climate Leadership Plan Overview

The Climate Leadership Plan sets the City's long-term goals and targets for climate mitigation and adaptation. Council adopted the CLP in July 2018. The CLP key highlights are outlined below (the full plan is found in Appendix A, with more details on the CLP structure in Appendix B).

1. **Vision – Low Carbon Prosperity**

The City's vision for 2050 is of a vibrant, healthy, and prosperous community, fueled by renewable low carbon energy systems, and designed and integrated in ways that promote a high quality of life for all Victorians. The City's mission is to lead Victoria's transition to a renewable energy future, and to inform, equip, enable and inspire the community to rapidly reduce their own GHG emissions and prepare for climate change.

2. **Goals:** The goals from the CLP define the desired outcomes for each sector and are illustrated in this image from the document:

SECTOR

CLIMATE LEADERSHIP GOALS



BUILDINGS

Page 24

- All buildings are highly energy efficient
- All buildings are powered by renewable energy



MOBILITY

Page 34

- All Victorians have access to low carbon, high performance and affordable multi-modal transportation
- Vehicles in Victoria are powered by renewable energy
- Smart land use minimizes transportation emissions



WASTE MANAGEMENT

Page 42

- Organic materials are managed to avoid GHG emissions



MUNICIPAL OPERATIONS

Page 48

- The City is a recognized leader in climate mitigation and adaptation
- The City takes integrated and informed climate action
- The City will provide timely and accurate data supporting strong climate mitigation and adaptation actions



ADAPTING EARLY

Page 54

- All climate-related risks to city infrastructure are minimized through early planning and action
- Victoria's natural environment flourishes in a changing climate
- All Victorians are empowered and prepared for climate impacts and emergencies

Figure 1. CLP Sector GHG Goals

3. GHG Sector Targets (supporting each sector goal, above):

SECTOR	TARGETS
Low-Carbon, High Performance Buildings	<ul style="list-style-type: none"> • By 2030, all new buildings are 'net zero' energy ready • By 2050, all existing buildings meet new high efficiency standards • By 2030, heating oil is phased out • By 2050, all buildings exclusively use renewable energy
Low Carbon Mobility	<ul style="list-style-type: none"> • By 2030, 25 percent of all trips by Victoria residents are taken by public transportation • By 2030, 100 percent of BC Transit buses are renewably powered • By 2030, Victoria residents choose walking and cycling for 55 percent of all trips • By 2030, renewable energy powers 30 percent of passenger vehicles registered in Victoria, and 100 percent of passenger vehicles are renewably powered by 2050

	<ul style="list-style-type: none"> • By 2030, 30 percent of commercial vehicles operating in Victoria are renewably powered • By 2030, 100 percent of Victoria's neighbourhoods are "complete" by design with substantial transportation system diversity
Low Carbon Waste Management	<ul style="list-style-type: none"> • Eliminate 100 percent of food and yard waste sent to the landfill by 2030 • Eliminate 100 percent of other organic materials sent to the landfill by 2030 • Capture methane from collected organic waste to provide renewable energy by 2025
Municipal Operations	<ul style="list-style-type: none"> • By 2040, all City facilities are powered by 100 percent renewable energy • All new City facilities are renewably powered • By 2025, all City power tools and small engine-driven equipment are renewably powered • By 2040, 80 percent of the City's fleet is electrified or renewably powered • By 2020, capital and operating plans are informed by climate data, carbon pricing, and the City's GHG reduction targets • By 2022, the City has developed a 'triple bottom line' accounting system that guides City business planning by assessing and balancing environmental and social risks and financial costs and opportunities • By 2022, partner with other local governments and the region to develop a community-accessible Energy and GHG information management System (EGIMS) to define, communicate and track community energy and GHG reduction across all sectors
Adapting Early	<ul style="list-style-type: none"> • Climate resilience is embedded into all City business • The City's infrastructure and services are ready to protect and respond to the risks associated with a changing climate • Natural habitats support healthy fish, wildlife, and plant populations and healthy ecosystem function • The community is knowledgeable and prepared to address the impacts from a changing climate • The City incorporates best practices in risk communication (e.g. advanced warning systems, short videos) covering all climate hazards • Climate resilience enhances quality of life for all Victorians, especially the most vulnerable

Table 1. CLP Sector GHG Targets

4. **Pathways to 2050 GHG Reduction Targets (wedge graphic):** the "wedge diagram" below shows today's GHG emission levels and the necessary reductions to reach Victoria's emissions target. By assigning a quantity of GHG reductions to strategies, emissions can be sliced. The slicing approach shows that there is no single strategy or sector that can reach the target. Only ambitious, concerted action on many fronts allows Victoria to reach an 80% reduction in GHG emissions by 2050. The largest reductions are possible through deep retrofits of existing home energy, including the elimination of oil heating, and facilitating a mode shift to low carbon mobility options, such as electrified passenger vehicles, emissions-free transit, walking and cycling.

PATHWAYS TO 2050 GHG REDUCTION TARGETS

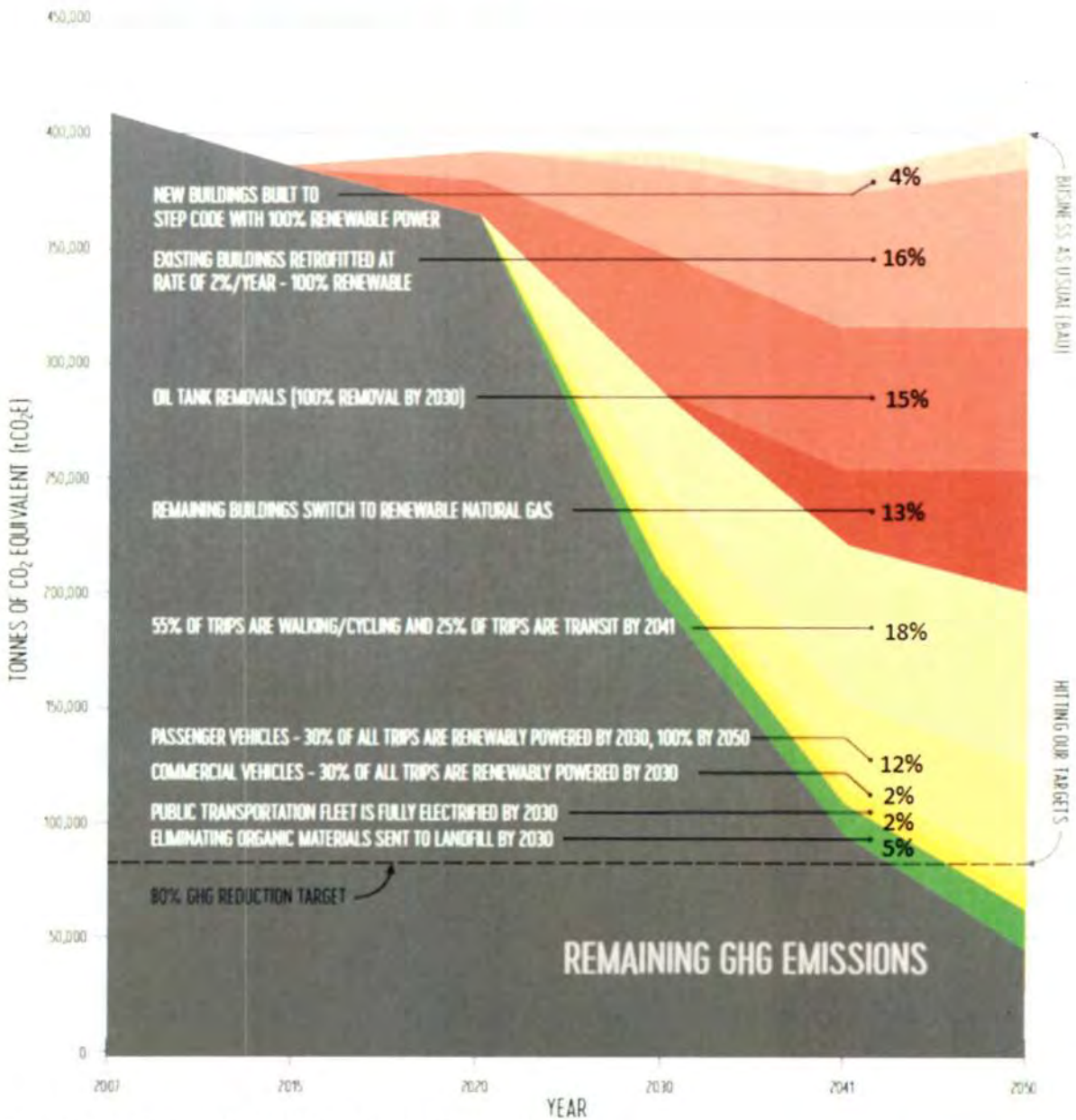


Figure 2. CLP Pathways to 2050 GHG Reduction Targets.

Collectively, these goals/targets would reach the overall target slightly before 2050, which provides a planning buffer to account for risks and uncertainties. The wedge diagram above indicates that climate mitigation actions should focus efforts on the highest-impact program areas that will demonstrate the largest GHG reductions:

- **Building Retrofit Program:** 31% total GHG reduction potential (including oil tank removal²)
- **Low Carbon Mobility:** 34% GHG reduction (active transportation, transit mode shift, and electrification)

These totals indicate that strategies for **Building Retrofit (including elimination of oil heat), transit and active transportation investments, and vehicle electrification programs** should be prioritized for the swiftest GHG reductions.

2018 Climate Action Program Progress Update

The 2018 Climate Action Program efforts were focused on the completion of the CLP and the progress of other priority programs. Staff completed the City's plan to adopt an accelerated BC Energy Step Code and completed the Market Rental and Revitalisation Study (MaRRS), which looked at policies, regulations, and incentives to preserve Victoria's aging rental housing that typically provides lower rental rates than newer purpose-built rentals, but may also require upgrades for safety, liveability, energy performance, and seismic resilience. Additionally, staff advanced priority projects identified for 2018, including the City's retrofit strategy; additional EV charging installation in downtown parkades; and the Corporate Energy and Emissions Management System. Full details are found in Appendix C.

2018 Lessons Learned

Staff commenced and completed additional important projects that emerged in 2018, outside of the priority projects and work plans, including participation in the following: Regional Working Group on Electric Vehicles and E-bikes; provincial energy-incentive program (Efficiency BC); Google's Environmental Insights Explorer beta testing; successful grant application to accelerate deep energy retrofits in the region; University of Victoria and various School District 61 presentations/visits; and, a coordinated response and submission to the Province's Clean Growth Intentions on Transportation and Efficient Buildings; among many other projects, partnerships, initiatives and public education and engagement opportunities.

Climate action activity is growing across the city, region, provincially and federally, which requires more City resources to administer and participate. The City is currently limited across many departments in its ability to implement the CLP actions and conduct community outreach and engagement to increase the reach and uptake of the CLP due to competing staff priorities and resource constraints. To facilitate uptake of the Climate Leadership Plan by the community, promotions, education and marketing activity should be wisely implemented via a strategy funded with appropriate resources. More work is required to ensure municipal stakeholders are exposed and engaged on CLP content and supported in their actions to reduce GHGs and prepare for a changing climate. All priority projects, outreach, emergent

² Renewable natural gas (RNG) has been modelled as a key enabler (13% reduction potential) for buildings that have significant barriers to shift to lower GHG power systems, like hydro electricity. The availability of RNG across the market place depends on technological development, and significant investments from gas utility and regional governments.

issues and external liaison demands time, resources, and careful management.

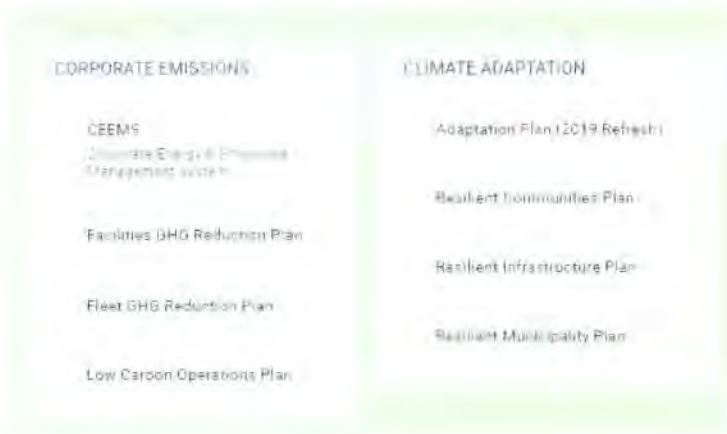
Resource limitations will dictate project outcomes (time, cost, scope and/or quality) of programs. Additional resources in key project areas with skilled staff will be key considerations for the next program phases. External consultant support will also be required in several areas to ensure complex program concepts and approaches are well defined and show the requisite promise to deliver high impact GHG reductions. The risks of reduction delays adds pressure on staff to implement the wisest suite of GHG reduction programs in the shortest possible timeframe, while also ensuring we avoid any failures or redirections. There is simply no more time to either delay, or 'get it wrong.'

Climate Action Program – Current Planning and Program Structure

The most recent staff planning activities have framed the Climate Action Program (CAP) as shown in the following breakdown, which defines the CAP framework, and is reviewed here for planning and discussion:

1. **Climate Action Program:** All City climate action programs, projects and activities.
2. **Climate Leadership Plan:** The parent document that establishes the mandate and sets the City’s climate vision, goals, targets and required actions.
3. **Climate Action Program Sectors:**
 - a. High Performance Buildings
 - b. Low Carbon Mobility
 - c. Low Carbon Waste
 - d. Municipal Operations
 - e. Climate Adaptation
4. **Climate Action Program Support:** Program management activities for Climate Action Program.
 - a. Climate Outreach Program
 - b. Climate Action Program Management





Many of these major programs and initiatives have already been progressed via projects and activities, while others are currently at the concept or initial planning stages. Additional planning and actions will be required in the coming months to develop strategies, plans, and actions.

Climate Action Program Priorities

Increased and immediate attention in 2019 and over the next 5 years are considered critical in order for the City to meet the longer term GHG targets and prepare for the unavoidable impacts from a changing climate. The following programs are highlighted for Council’s consideration, discussion and staff’s refinement.

Priority Programs: Staff’s current assessment suggests the most important programs to progress as priorities in 2019, are as follows, with the blue text highlighting the highest potential GHG reduction impact areas:

2019 PRIORITY PROGRAM AREA	INITIATIVE
High Performance Buildings	Step Code Implementation
	Retrofit Program
	Oil Heat Elimination Project
Low Carbon Mobility	Bike Master Plan (and other Active Transportation Projects)
	Transit Improvements / Electrification
	EV Strategy
	EV Infrastructure Investments
Low Carbon Waste	“EV Ready” for new construction
	Zero Waste Strategy (including work on organics/single-use)
Corporate Emissions	Love Food Hate Waste Program
	CEEMS
	Facilities Master Plan
Climate Adaptation	Fleet operations and GHG reduction review (Telematics)
Community Outreach	Implementation Plan
	Strategy Development
Program Management	Community Led Climate Action Program
	Climate Behaviour, Education and Awareness Program
	GHG / Energy Information & Data System
Program Management	Consultant Policy Workshops
	Grant Writing
	Ongoing Analysis (e.g. modelling, business case development)

The projects highlighted in the table above in blue are assessed as the most critical “High Impact” programs that pose the largest potential GHG reductions, and staff assess these programs as the most effective use of resources and priorities for 2019:

No.	HIGH IMPACT INITIATIVES	COMMENTS
1	Building Retrofit Program	Buildings represent the largest source of GHG emissions in Victoria.
2	Oil Heat Elimination Project	Oil tank elimination represents a single area with potential for one of the highest GHG reductions.
3	Bike Master Plan	Ongoing investments in mode shift through development of improved safe cycling network.
4	Transit Improvements / Electrification	Partnerships and incentives to transform regional public transit and drastically increase mode-shift to clean public transit system.
5	Climate Outreach Program	Developing strategy and plans for social programs to enable and promote progress in climate action at the personal, family, business and societal levels.
6	Expert Consultant Advice (Policy Workshop)	Comprehensive review of City programs, policy options, approach and priorities to reduce risks and guide staff and Council.

Progressing the above, high-impact initiatives, would rely on both project resources and support from legal, planning, finance, HR and engagement teams, as well as partnerships and support from other agencies, where appropriate. Based on available in-house resources, staff currently have the capability to complete initial planning / scoping in these high priority areas in 2019, but do not have access to the financial resources to quickly progress all of these programs.

Current Climate Team Staffing Model

The following organizational chart identifies the staff positions employed on the Climate Action Program team at the City of Victoria. There are four, full-time CAP staff (two FTEs partially funded on term agreements with utility providers). Additionally, for 2018-2019, CAP is supported by a hosting agreement partnership with ICLEI Canada, supporting partial FTE support to City programs. The ICLEI team member mainly supports the adaptation planning and programming for the City.



Figure 3. City Climate Action Team. Note: dashed box refers to team member embedded in SPCD, and beige box refers to ICLEI employee/Western Canada office representative.

a) Staffing Issues:

- Lack of project resources and resultant project timelines/scope limitations.
- Lack of outreach, promotional and engagement capacity
- Term employment limitations
- Need access to unique skills / experience in the marketplace to expedite and define programs.

b) Priority Staffing Considerations:

- Fill current vacancies
- Add project resources in highest priority areas
- Add dedicated climate outreach / engagement staff
- Consult for expert support where required

Considerations for Project Acceleration

In December 2018, Council passed several motions requesting commentary from staff on the considerations related to accelerating a number of key program areas in the Climate Action Program. Staff's initial consideration and assessment of the motions is discussed in this section of the report.

The following Council motions were made on December 13, 2018, and the initial staff commentary is captured in the below table:

Council Motion	Summary of Staff Comments
<p><i>Accelerating the reduction of the City of Victoria's corporate emissions.</i></p>	<p>The City's corporate target is to reduce emissions 60% by 2030 and 80% by 2040, which exceeds the community target of 80% reduction by 2050.</p> <p>In 2017, City operations accounted for 3,400 tonnes of GHG emissions, representing approximately 1% of total community GHG emissions. The CLP states that all new buildings will be renewably powered and that the City's responsibility is to lead and inspire in the transition to low carbon buildings, fleet and waste systems. City leadership by example has been established as a key principle for climate planning.</p> <p>Investment in facility renewable heating systems and high efficiency, low fuel economy vehicles are priorities, as is the electrification of all new facilities and vehicles. Additional resources and planning are required on both fronts to develop plans for wisest investments. In 2019, the PRF department will commence facilities master planning process which should include a 'carbon lens' on planning. Fleet telematics installation has been completed and will help identify the highest impact fleet investments for electrification, which relies on the growing utility EV options now entering the marketplace. Fleet Electrification plan is not yet an action for the City, and can be incorporated into the 2020 financial plan as a priority, using the 2019 telematics data to support priorities and decisions. In some cases, fleet operations will have to be redesigned to reach climate action goals and to achieve multiple coherent benefits in affordability and reliability.</p> <p>The Corporate Energy and Emissions Management System, currently underway, will establish interim targets to set an achievable trajectory to meet the CLP target of an 80% renewably or electrically powered fleet by 2040.</p>
<p><i>Expediting the transition of the municipal vehicle fleet, as well as the transition of passenger vehicles, commercial vehicles and the VicPD fleet to renewable energy</i></p>	<p>Transitioning to renewably powered vehicles is a key goal of the CLP for both corporate, personal and commercial vehicles and is discussed in both the Mobility (p. 34) and Municipal Operations (p. 48) chapters. In Victoria, on-road transportation accounts for 40% of community emissions, second highest only to building related emissions.</p> <p>The key City levers to accelerate change will be to support community's adoption of electric vehicles, using a wise mix of policy and infrastructure improvements, which includes options for incenting change indirectly, through benefits related to other vehicle services, including parking and corresponding disincentives for inefficient vehicles.</p> <p>Corporately, City vehicle emissions make up 0.5% of community emissions. Even as a relatively small contributor, the City must lead by example and inspire the transition to zero emission vehicles. The CEEMS will establish interim targets to set an achievable trajectory to meet the CLP target of an 80% renewably or electrically powered fleet by 2040.</p> <p>Staff will examine overall fleet emissions and their relative contribution to GHGs, and prioritize zero emissions or more sustainable alternatives. EPW staff will continue to work with the Police Department in order of GHG reduction potential. VicPD currently owns 3 hybrid vehicles for administrative and detective roles and seeks to purchase more on a preferential basis.</p>

<p><i>Mandating electric-vehicle charging capacity in all new construction that provides on-site parking, including a possible exemption for affordable housing.</i></p>	<p>Based on Council’s previous direction, staff have been progressing stakeholder engagement to prepare a set of voluntary “design guidelines” for developers regarding EV charging infrastructure.</p> <p>Emerging best practice is regulating all new residential parking spaces to be 100% “EV-Ready,” i.e., provide EV charging or provision for ready installation of EV charging. Richmond and Vancouver have adopted such policies.</p> <p>Should council wish to accelerate EV charging in all new construction, council can direct staff to seek the necessary legal review and to descope industry engagement. Staff can bring forward more information / considerations for introducing mandatory requirements in all new construction projects in Q3 2019.</p> <p><i>For staff and council clarity, please note that council have “mandate electric vehicle charging capacity in all new construction” as a 2021 action in the draft strategic plan.</i></p>
<p><i>Accelerating the implementation of the BC Energy Step Code for new buildings.</i></p>	<p>Accelerating Step Code implementation between 2020-2032 is possible in order to achieve “net zero ready” homes, as early as possible.</p> <p>Staff are currently progressing Council’s 2018 direction to introduce the following steps in 2020:</p> <ul style="list-style-type: none"> - Step 2 for garden suites - Step 3 for all other Part 9 buildings (single family homes, duplexes, townhouses) - Step 2 for high-rise concrete residential (greater than 6 storeys) and Part 3 commercial buildings - Step 3 for low-rise wood-frame residential (less than 6 storeys) <p>Based on staff vacancies, overall GHG impact and other risks, altering the 2019 or 2020 program plan would risk higher priority GHG or planning programs.</p> <p>In the April 2018 CoTW report, Council directed staff to monitor project compliance after the initial 2020 timeframe, and report back on considerations for implementation timelines for step-phasing to reach the highest step 5, before 2032.</p>
<p><i>Accelerating the retrofitting of existing buildings for energy efficiency, including incentives for the installation of solar hot water, heat pumps and other clean energy technologies</i></p>	<p>Staff have identified building retrofits and fuel switching as two of the highest impact areas for GHG reductions in community.</p> <p>Key barriers to the community’s adoption of low carbon heating fuels include financial/economic issues, process complexity (lack of understanding of where and how to start), lack of interest, lack of ability to make change (landlord/tenant split incentives), and affordability.</p> <p>Acceleration of this program is a priority for staff, and would include immediate planning action to accelerate meaningful community outreach, partnerships with non-profits and other commercial/government agencies, partnerships with industry, policy development, financial reviews, and program implementation.</p> <p>Acceleration of this program in 2019 would benefit from consultant support, policy review and discussion with Council, and additional staff to quickly develop towards implementation.</p>
<p>Expediting waste reduction and the capture and re-use of methane.</p>	<p>CRD is exploring regional organics treatment technologies with the potential for the production of renewable natural gas. The CRD intends to choose a partner by the end of 2019 and have an operational facility by 2021. The City of Victoria CLP recognizes the need for increased RNG capture and distribution for buildings and other systems. Staff at the CRD and City of Victoria are working closely to align shared objectives for organics treatment.</p>
<p>Reviewing the targets in the Climate Leadership Plan to account for GHG emission reductions</p>	<p>The Climate Leadership Plan renewable target is largely consistent with the 1.5 °C mitigation pathways identified in the 2018 IPCC Special Report and puts the City of Victoria on a comparatively aggressive GHG reductions trajectory that meets, or exceeds those targets set by the federal and BC provincial governments.</p>

necessary to limit global warming to 1.5°C.	Staff will need to review / analyze the considerations related to the latest IPCC 1.5°C report and report back to Council at a later date with additional considerations of the 1.5 vs 2.0 temperature rise, and mid-century targets (i.e. zero emissions or 80%)
Increasing transparency of the City's annual reporting on emissions targets.	Since 2010, the City provides Climate Action Revenue Incentive Program (CARIP) reports to the province and publishes a report to the City's website. CARIP reports provide an overview of corporate GHG emissions and an outline of the measures the City has taken that year to reduce GHG emissions both corporately and community wide. Additionally, as a signatory to the Global Covenant of Mayors for Climate and Energy, the City provides an annual report on community GHG emissions and steps taken to address the local impacts of climate change.

Program Urgency, Approach and Risks

There are multiple approaches and options to consider when developing / implementing the City's Climate Action Program. Staff have laid out the priority programs in this report, which could be supported by many policy options, each with their own unique set of risks and considerations. Before any plans and major resource commitments are made, staff estimate that more in-depth discussions with Council are required now in order to further define preferences for approach (i.e. policy/incentive/disincentive), risks and considerations for each (see below), and the agreed pace required for the preferred approach. With that information, staff will be able to more accurately refine resource estimates based on the chosen approach and level of urgency. A few key questions are presented for Council to consider – namely confirming/exploring the City's role in GHG reductions and adapting to climate change impacts (noting community/business/industry/institutional stakeholder boundaries), identifying the most attractive or highest potential policy/approach, and the subsequent resource commitments/considerations required to meet objectives. These are explored in more detail below:

- 1. The Role of the City:** A key consideration for the City is its role when addressing GHG reductions in specific project areas. The City's role in change-making will be different for each project/GHG reduction efforts. Many city emissions fall outside the direct control of the City, or even fit under different or multiple jurisdictions. Different stakeholders may be incentivised to reduce GHGs through one or a series of levers that the City can impose, by wise policy, strong regulation, incentives, re-design, or by other means. The City may adopt the role of educator, regulator, leader by example, advocator, intervener, convenor, promoter, designer etc. The City should determine **its role for each GHG reduction program, and how that will impact GHG reduction potential, resource requirements, legal and other risks.**
- 2. Define Urgency and Importance:** Any climate program will also be defined by its urgency. The CLP has set the 'big picture' goals and overall imperative. The CLP set targets between now and 2050 and established several interim actions and priorities. The latest IPCC report reemphasises a lack of worldwide pace on climate action and reaffirms the risks of missing the global 1.5°C temperature rise target. The CLP is largely based on meeting the Paris Agreement's aim of keeping global temperatures well below 2°C (this century). Cities have already signalled the need for increased efforts, accelerated timelines and bolder actions. **Council's direction to staff on program pace/urgency will allow staff to assess options and their resource implications, which can be presented for further consideration/planning/prioritization.**

- 3. Define the Approach / Strategy:** Once the City has committed to its specific role and urgency in each high impact initiative, the various options and strategies available will need to be risk assessed to answer the following question: **“what is the most impactful policy or program to achieve the desired change with the highest probability of success?”** The option(s) with the most attractive impact/risk/benefit profile. A single or suite of wise, coherent policies and other governance “levers” should aim for the most GHG reduction, per dollar and duration of investment (i.e. achieve the fastest and cheapest GHG reduction impact), while also delivering other environmental and social benefits across the community (e.g. better air quality, less noise, reduced traffic, healthier and more active lifestyles). The various options must be explored further for each initiative, so that staff can assess and make appropriate recommendations for investment.
- 4. Resource Considerations:** Staff will then assess the resource implications and risk/benefit considerations and make suitable recommendations to balance time/cost/quality with staffing levels and external consultant support. All risks and requirements need to be carefully managed to avoid risks, most of all – a failure to reduce GHGs, or even creating unintended increase in GHGs over time. The risks of false-starts are increasing. The overall impact may be measured by “GHG reductions per dollar per year,” which should drive program planning. Even with any decision to increase staffing levels, the benefits will not be realised until late 2019 at the earliest, due to staffing timelines. In some areas, the skills and experience required to architect or direct staff resources are at a premium, and specialist consultant support would be required to increase the potential of program success and efficiency.

Ninety Nine Percent GHG Ownership and Tipping Points

Driving major change initiatives like climate action are significant and daunting tasks. As we know, 99% of the GHGs in our community come from behaviours and energy decisions that are mainly outside of the City’s span-of-control. But the City has an important position that can leverage change, action, cooperation, information, and other shared benefits that all stakeholders need to transition to a low carbon community.

Large social change initiatives have been studied extensively and highlight that once tipping points are reached by early adopters, social normal will drive the remainder of the change. Growing the desired change, rather than just sparking/igniting it, dictates that change-making follows a trajectory similar to the innovation diffusion curve (below), and the rate of change can spill past a “tipping-point”, which does not require the sustained efforts to move the whole population mass towards the desired end-state.

Accelerating Diffusion of Innovation: Maloney's 16% Rule³

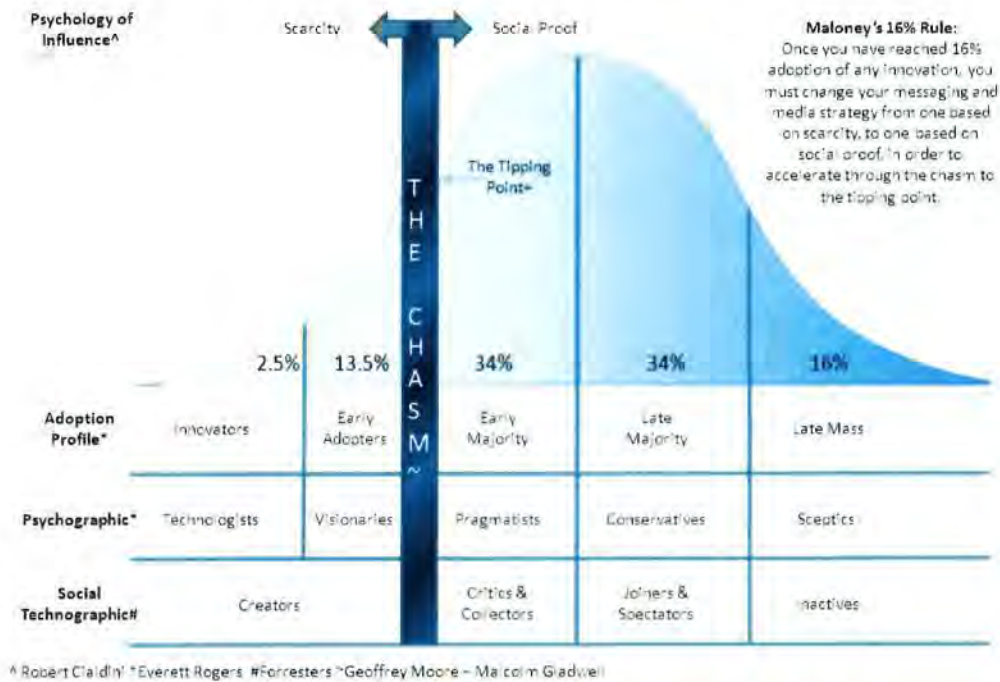


Figure 4. Innovation Diffusion Curve³

Incenting this type of change needs to focus on the behaviours that sit at the ends of the spectrum, using recognition and reward programs for those leading, and meaningful incentives/disincentives for those late adopters. Understanding the barriers and opportunities for all types of stakeholders will be key to architecting effective programs with the highest potential for success and to show the least chance of unintended consequences.

OPTIONS & IMPACTS

Once defined, the pace and scope of high impact and important initiatives will dictate the staffing requirements and financial needs of the Climate Action Program. Before programs can be scoped accurately, more information is required from Council to determine their desired regulatory/incentive/disincentive approach for high-impact initiatives. Maintaining the status quo will continue to move programs forward, but at a pace beset by current resources and priorities. Accelerating the program immediately, without a comprehensive – or even quick– look at policy options could result in false-starts, failures or negative unintended consequences across GHG emissions and health, safety, affordability and quality of life.

Any acceleration of climate action will require efforts from several departments and will result in increased financial investment from the City. Without accurate staffing and priority definition, churn and misallocation of resource risks are highest. Shared resources for cooperative and common programs across regional governments, and other levels of government may be the

³ Matinaro, Ville & Liu, Yang. (2015). Virtual design and construction: Innovation process and diffusion in Finnish construction business. *International Journal of Innovation and Learning*. 18. 133. 10.1504/IJIL.2015.070869.

cheapest programs to run, but may also represent less impact or effect than what is required to drive major social change programs.

Any investment in climate programs will rely on limited City tax revenues, the Climate Action Reserve Fund (CARF), plus any external funding. Climate mitigation programs will compete for funds with other important municipal programs, including infrastructure investments (some of which are needed to prepare for a changing climate). Careful risk-based investment is required and should reflect the relative importance of the Climate Action Program.

Staff / Resource Options

The following options are outlined for Council's consideration. Any other options or combinations of actions can be considered and would be subject to further analysis and reporting:

1. (Option 1) Status Quo Program

No change to current staffing and resource model. The current staffing model provides for a 4.0 FTE Climate team, which includes a cost-share model for 2 positions through agreements with BC Hydro and Fortis BC. This option would include the support of a new, 2-year agreement with BC Hydro for the Community Energy Specialist role. Other staff from City departments are supporting climate action programs and integrating CLP directions into their daily work.

This program includes progressing several projects and initiatives that are currently underway, in order of priority, including those covered by Council's previous direction. Priority 2018/2019 ongoing programs are outlined in this report and in Appendix C.

Risks: Slower project pace, reduced GHG impact, loss of funding opportunities, continued reliance on external support, and reactive issues management.

Risk to longer term climate mitigation and adaption goals, reputational, risks, legal risks and cost liabilities due to early and affordable adaptation investment.

Benefits: Relatively low operating costs.

2. (Option 2) Enhanced Program (recommended)

This option includes all of the programming in Option 1 and adds immediate staff resources as well as a process to define what is needed to more comprehensively progress high-impact initiatives, set aside higher financial reserves, and get earlier access to consultant resources to design and implement programs. This option requires \$537, 700, with future additional financial asks to follow any Policy Workshop (as detailed below).

a. Additional Staffing:

- i. 1 FTE Facilities Energy Project Specialist (BC Hydro partnership) as per 2018 approved recommendations.
- ii. 1 FTE Grant Writer.
- iii. 1 FTE Climate Outreach Specialist.
- iv. Support new 2-year agreement with BC Hydro for Community Energy Specialist, which currently expires in early spring, 2019.

b. Consultant Support (2019):

- i. **Policy Workshop(s):** Exploration and assessment of the suite of climate action / low carbon City policies / interventions / roles that will be most impactful for reducing GHGs. Ideally, any suite of policy actions will work in mutually reinforcing fashion.
 - 1. Subsequent to the Policy Workshop(s), staff would report on results and resourcing recommendations.
- ii. **Climate Outreach Strategy:** Development of the priority programs to build capacity in community and understanding / awareness to support rapid climate action, starting with communications plan, and then a more fulsome outreach strategy, to be populated upon Council's determinations through the workshops (above).
- iii. **Building Retrofit Strategy & Playbook:** Immediate consultant support to assist / accelerate the ongoing planning and program development for building GHG reductions. The retrofit strategy will be further clarified based on outcomes from the workshops (above).

Risks: Some delays for initial planning, continued reliance on external support, and reactive issues management. Reduced climate mitigation and adaptation risks.

Benefits: Reduced risks due to adequate program design, access to increased funding opportunities, additional community liaison/interfaces, higher quality consultant inputs to support faster/smarter programs.

3. (Option 3) Immediate Program Restructuring

Council can consider adding significant resources (financial and staffing) immediately, before programs and policy directions are confirmed.

The following considerations relate to an accelerated program that would have to be further defined depending on the outcomes of the urgency/role discussions with Council.

- a. **Staffing:** Depending on Council's direction for urgency/policy, staff levels could be set to add a number of resources in areas listed below, which may include adding one or more of the following:
 - i. Climate GHG management staff
 - ii. Project specialist / SMEs
 - iii. Climate outreach / communications specialists,
 - iv. Grant Writer(s)
 - v. Support Teams: legal support will be required, and will depend on the role and approaches of the City. HR support will be required and will depend on staffing models adopted. Finance/procurement support will also be a consideration, depending on action plan. Facilities support will be required to house any new positions, which is beyond current location capacity.
- b. **Consultant Support (follow-on 2019 priorities):** Council could also consider adding immediate consultant support to augment staff resources and support program planning. Costs and approach would depend on Council's direction.

Risks: Potential for significant recruiting resources, high cost, office space restrictions, incoherent planning/actions, resource inefficiencies, duplication of

effort, reduced GHG reduction outcomes over time, unintended negative consequences.

Benefits: Perceived benefit / optics in community, access to available resources for priority work/programs, accelerated program pace (late 2019/2020), access to increased funding opportunities, additional resources for community liaison/interfaces.

Council Proposed Actions

Council Advocate to Province for the following immediate sector actions to promote / enable GHG reductions and realize important social and economic co-benefits:

- g. Make available all ICBC municipal vehicle km/make/model/fuel economy information.
- h. Continue the development and implementation of world-class low carbon fuel standards.
- i. Fully invest in delivery of the zero-emission vehicles sales targets as established in the CleanBC Plan.
- j. Continue progressive and direct funding programs and partnerships for municipal low-carbon initiatives, including building retrofit, transportation, waste management and other priority and shared GHG reduction programs.
- k. Support transformational improvements to regional BC transit infrastructure to promote and enable rapid mode shift to transit in the region, including transitioning the BC Transit fleet to zero emissions as early in the 2020s as possible, and:
 - i. Completion of dedicated bus lanes on all connections between the West Shore and downtown.
 - ii. Installation of Traffic Signal Priority (TSP) sensors in all buses that operate in the City of Victoria.
 - iii. Installation of 'all door loading' capabilities for all busses in the Victoria regional transit system.
 - iv. Introduction of real-time, digital bus information to enable super-convenient, accessible transit operational information.
 - v. Introduction of "tap" payment-systems common to multi-modal service providers, to support rapid loading of busses and align with Smart Mobility goals.
 - vi. Completion of the business-case to determine the most effective investments in public transportation to realize the highest potential mode-shift and ridership in the south island, including but not limited assessing commuter ferry, public transit along the E&N rail corridor and Douglas Street / Highway 1 / Highway 99, bus rapid transit (BRT) or light-rail transit (LRT).
 - vii. Reporting of annual regional transit GHG and combustion pollutants, mitigation priorities, progress and business cases for investments.
- l. And that Council continue to advocate and engage with the CRD to prioritize the introduction of systems to minimize fugitive methane and capture all landfill GHGs.

Impacts to Financial Plan

The recommended options ('Enhanced Program') would require \$537,700 of funding prior to the completion of the Policy Workshop(s). Further financial asks will be brought forward as a separate report following the Policy Workshops.

The operating budget for the Climate Action program supports two FTEs and modest expenditures in consultant support, analysis and research. The Climate Action operating fund in the draft 2019 Financial Plan is \$314, 995. The Climate Action Program's core activities and partnerships are normally met by drawing funds from the Climate Action Reserve Fund, which has a projected, uncommitted, reserve balance for 2019 of approximately \$350,000. These monies are augmented annually using the CARIP⁴ grant (at a rate of approximately \$90, 000 per annum). As the City eliminates corporate GHGs, the money received through the CARIP grant will be reduced. Additionally, the energy savings from the LED street light replacement program will be added to the reserve, once confirmation of amount is received from BC Hydro. The CARIP and LED savings are intended to fund ongoing City corporate energy savings projects, and to maintain healthy reserve levels; however, as climate action needs grow, additional funding sources are required.

Each year, staff submit applications to government agencies, non-profits and utility providers to supplement those funds available through the CARF for adaptation and mitigation efforts. Staff's preliminary assessment has identified more than \$1.5 million in grant opportunities applicable to City programming (most submissions are due in Q1, 2019). CARF funding is available through various funding agencies and matching funds are required in many instances. The estimated staff time required to pursue these opportunities is beyond the capacity of current staffing levels. There is currently no FTE at the City to prepare detailed submission, expressions of interest or grant applications. A partial FTE exists corporately to provide strategic support to all City departments applying for grants.

The Federal Gas Tax Fund may also provide a suitable option to support accelerated climate action initiatives. Historically, these funds have been used to support capital infrastructure projects such as the active transportation network. However, as per its stipulations, the Gas Tax Fund are configured so that they could support City capital climate action projects. A long-term funding strategy is required to ensure program health and climate action progress.

Staff remain focussed on implementing actions that achieve the highest GHG reduction per dollar of investment together with co-benefits to other Council priorities, including health and well being, affordability, and sustainability.

Financial planning in all City departments must consider the requirements to meet their individual capital project GHG objectives set forth in the CLP. The estimated project funds required in 2019 are outlined in the below table:

Initiative *	2019 (Existing Climate Action Operating or CARF draw)	Comments
Step Code Implementation	See comments	Step Code is active as of November 1, 2018 with implementation and staff monitoring through Permits and Inspection staff in Sustainable Planning and Community Development.

⁴ The Climate Action Revenue Incentive Program (CARIP) is a conditional grant program that provides funding to local governments that have signed the B.C. Climate Action Charter equal to 100 percent of the carbon taxes they pay directly to support local government operations. The program encourages investment in climate action.

Retrofit Program Strategy	funding carry-forward from CARF, plus an additional new request for \$50, 000	Research and analysis; strategy development
BC Hydro Community Energy Specialist partnership	\$55,000 (per annum over 2 years)	Continue the partnership with BC Hydro to partially funding a Community Energy Specialist (with focus on Step Code, MaRRS, etc).
Community Energy Specialist	\$34, 700	Partnership with Fortis BC expires in August 2019. These funds are to continue the position, fully-funded by CoV, for the remainder of 2019.
Oil Heat Elimination Program	Existing staff resource	Priority and scope to be defined by Policy Workshop(s)
EV Strategy	Funding carry-forward from CARF	Complete and implementation commenced
EV Infrastructure Investments	\$50,000	One additional project (set of charging infrastructure, or policy change)
EV-Ready for new construction	Contingent on staffing of continued specialist position in SPCD.	Introduce regulations for new development EV infrastructure.
CEEMS	Existing staff resources and carry-forward item	
Facilities Master Plan	N/A for Climate Action Program (Facilities budget)	
Fleet Duty Cycle (Telematics)	Existing staff resources in engineering	Data trending and recommendations for priority replacements.
Climate Outreach Strategy / Plan	TBD (based on Policy Workshop outcomes)	A program to realize change across the community
Climate and Sustainability Communications Strategy	Existing staff resources and \$50, 000 carry-forward from CARF.	Staff have identified the need for a robust climate and sustainability communications strategy that clearly presents a detailed approach for sharing what the City is doing in the priority areas and for inspiring action by residents, businesses and visitors. Staff have identified the previous funds committed for the Climate and Sustainability Change Agent to support this strategy's development.
GHG / Energy Information & Data System Scoping	Existing staff	Advancing specific projects and future program scoping completion
Policy Workshop(s)/Review (Consultant)	\$100, 000 (estimated)	Consultant support to host a series of workshops with council and staff on climate action focus areas and recommended steps. The requested amount is an initial rough estimate.
Ongoing analysis, modelling, business case development, grant applications, etc.	Carry-forward from CARF	Ongoing analysis and modelling to support program planning and development.
District 2030	\$25,000	To support the development of British Columbia's first 2030 District

Carbon Pricing	TBD based on Policy Workshop	Consultant support will be sought to analyze City processes and implement a solution into capital planning and reporting that enables the City to account for the full cost of carbon in its expenditures.
Climate Grant Writer	\$117, 000 (per annum)	As identified in option 2, Enhanced Program
Climate Outreach Specialist	\$106, 000 (per annum)	As identified in option 2, Enhanced Program.
Any additional staff based on Policy Workshop outcomes	TBD	To be identified through Policy Workshop(s) (option 2)
Total Ask:	\$537, 700	

* Note: Sustainable mobility and Zero Waste programs have been removed from this section, as they are administered via those programs, as per the goals and targets from the CLP.

Accessibility Impact Statement

Infrastructure and asset planning will incorporate and report on community accessibility considerations in accordance with current and future City policies and instructions.

2019-2022 Draft Strategic Plan

The City's draft Strategic Plan includes eight objectives and associated actions. Objective 8 is Climate Leadership and Environmental Stewardship. Staff response to the Climate Leadership Plan initial draft actions, Step Code and EV charging for new developments is contained in the body of the report. Staff response to the Alternative Energy and Energy Utility draft Strategic Plan items are outlined below, and are reported separately as part of staff's response to Council draft Strategic Plan motions.

Topic: *Alternative Energy*

Action: (16) *Work with the Greater Victoria Harbour Authority on options for shore power and lower emissions ground transportation. (2021)*

Staff Commentary: The Climate Leadership Plan includes an action for initiation by 2020 to "Work with port authorities to supply on-site renewable energy for marine vessels." This CLP action recognises the opportunity to reduce a significant source of GHG emissions and improve local air quality. The City recognises the Greater Victoria Harbour Authority's role in this area and BC Hydro as the likely electrical service provider. The policy direction to approach this issue will be informed by the recommended review with Council in Q1/Q2 2019.

Topic: *Energy Utility*

Actions:

(17) *Explore the creation of a municipal energy utility, more local energy creation solar, ex. Foodwaste generators for food trucks at the museum. (2021)*

(18) *Create a municipal energy utility, more local energy creation solar, ex. food-waste generators for food trucks at the museum. (2022)*

Staff Commentary: Traditional energy utility models will face increased competition from the emergence of new, affordable, local and distributed energy technologies that provide local, on-site power generation such as solar, wind and geothermal. Costs and energy storage remain the key barriers to wider scale implementation. Solar and wind can be used today to augment the

hydroelectric grid, to provide capacity from passive renewables where possible. The City has already explored some potential opportunities for expansion of district energy in Victoria, shared by linking buildings that require opposite needs of heating and cooling. Future opportunities to support the transition to all forms of renewable energy should be progressed as a secondary priority to elimination of fossil fuels and GHG emissions. In the future, the City may explore its role in the management of future energy systems and mixes, or its role in promoting a different mixture of hydroelectricity, solar, wind and other renewable forms. Any action in this area would require a business case to better understand future options that would be appropriate in consideration of potential GHG reduction or other positive impact. With an increased understanding of the objectives from Council related to this motion, staff can report on this item as part of the annual reporting process. Exploration of legal authorities for such a utility should be undertaken early in the process.

Official Community Plan Consistency Statement

OCP Sustainability Vision:

"Victoria is an urban sustainability leader inspiring innovation, pride and progress towards greater ecological integrity, livability, economic vitality, and community resiliency confronting the changes facing society and the planet today and for generations to come, while building on Victoria's strengths as a harbour-centred, historic, capital city that provides exceptional quality of life through a beautiful natural setting, walkable neighbourhoods of unique character, and a thriving Downtown that is the heart of the region."

Section 12 - Climate Change and Energy Goals:

- 12(A) Victoria and Victorians are more resilient to climate change and energy scarcity and costs.
- 12(B) New and existing buildings are energy efficient and produce few greenhouse gas emissions.
- 12(C) Transportation options reduce fossil fuel dependence, help conserve energy and produce low greenhouse gas emissions and other air contaminants.
- 12(D). The waste stream to the regional landfill is reduced to a minimum, with recovery, re-use, recycling and composting of resources undertaken as standard practice.
- 12(E) Victoria relies on clean renewable, diverse and efficient energy sources.

Section 12 – Climate Change and Energy Broad Objectives:

- 12(a) That climate change is mitigated through the reduction of greenhouse gas emissions from buildings, transportation and solid waste.
- 12(b) That the community is prepared for climate change through adaptation planning that reduces future impacts on public health, property and the natural environment.
- 12(c) That community energy consumption and generation are managed to give priority to conservation and efficiency, diversification of supply, renewable energy, and low carbon fuels.
- 12(d) That the supply, distribution and efficient use of energy, including the provision of renewable energy at the district scale, is achieved in alignment with the urban Place Guidelines in this plan.

CONCLUSION

In August 2016, Council committed to a long-term greenhouse gas (GHG) reduction target for both corporate and community emissions of 80 percent GHG reduction by 2050, including a corresponding target of 100 percent renewable energy by the same date. In July 2018, Council adopted the City's first Climate Leadership Plan (CLP), reflecting two years of staff work centred on planning, modelling, mapping and expert GHG and energy consultation. The CLP renewable target is largely consistent with the 1.5 °C mitigation pathways identified in the 2018 IPCC Special Report and puts the City of Victoria on a comparatively aggressive GHG reductions trajectory that meets, or exceeds those targets set by the federal and BC provincial governments. The CLP identifies the goals, targets and near-terms actions to limit Victoria's contributions to global warming, and to prepare for a changing climate.

As the CLP underscores, only some actions across each sector (Buildings, Mobility, Waste, Municipal Operations, and Adaptation) include well-defined strategies. For the rest, the City must first gain a fuller understanding of the related barriers and opportunities to determine how best to proceed. The City's Climate Action Program is focused on progressing the CLP, and this report has outlined the CAP priority areas for 2019. Should council wish to accelerate the pace of climate action by the City, this report has identified several considerations for council, including the recommendation that Council directs staff to proceed with option 2 ('Enhanced Program'), which will include immediate consultant support for policy workshops with Council. Staff also recommend that council consider the 2019 CAP spending plan as part of the 2019 Financial Planning process, with draws from the CARF and other City sources.

Respectfully submitted,



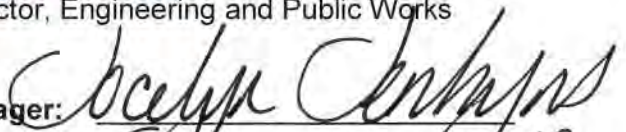
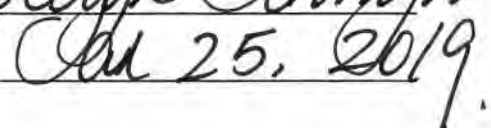
Jess Dawe
Manager, Energy and Climate Action



Fraser Work
Director, Engineering and Public Works

Report accepted and recommended by the City Manager:

Date:

Attachments:

Appendix A – Climate Leadership Plan (PDF)

Appendix B: Climate Leadership Plan Overview

Appendix C: 2018 Climate Action Program Progress/Commentary

CITY OF VICTORIA CLIMATE LEADERSHIP PLAN

*Strategies and actions for a
prosperous, low carbon future*



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The City of Victoria is located on the traditional territories of the Songhees and Esquimalt Nations.



MESSAGE FROM THE MAYOR

It's 2050. Victoria is a prosperous, affordable, sustainable and smart city. Victorians' health and well-being is the best in the nation and Victoria features in the annual World Happiness Report as one of the happiest small cities on the planet. Here's how...

We live in a dense, compact city with people clustered along corridors, in village centres and downtown.

We've stewarded our natural assets – tree canopy, parks and open spaces, ocean – and these continue to contribute to our quality of life and the livability of our city.

We live and work in buildings that are powered by 100 percent renewable energy. We move about mostly by affordable, efficient, 100 percent electric rapid public transit, and by walking and cycling. Some of

us still drive, but we use vehicles powered by 100 percent renewable energy.

All our kids are safer, happier and healthier than they were in 2018. And they all have more opportunities. No one has been left behind in the transition from a fossil fuel based economy to a low carbon economy. New educational opportunities match the new job opportunities that have sprung up as Victoria's amazing entrepreneurs leapt at the challenge to innovate and invent the goods and technologies needed for this clean energy future.

Our Climate Leadership Plan lays the foundation for this future. It is a series of goals, targets, strategies and actions for each of us to work towards that will take us towards low carbon prosperity. The City's role is to lead and inspire, to transform our own fleet, buildings, energy use, consumption habits and waste management. We aim to make the City's buildings, fleets and public spaces into a model of what is possible. But the City's actions are not enough. Corporate emissions account for only one percent of total emissions in the city. Our core commitment and our number one job is to support our residents and businesses as they take action.

To get to 100 percent renewable energy by 2050 and to reduce our greenhouse gas emissions by 80 percent over 2007 levels by that same year means we need to do more than turning off lights when we leave the room, recycling,

and using less water. It means that, at our core, we need to acknowledge that we have to fundamentally change the way we live in cities. This also means making our daily lives more convenient, affordable, efficient and happier at the same time as healing the planet.

First and foremost this climate challenge is human-centred. It is about us, all of us. Yes, technology and innovation will help us get there. But to truly solve the climate challenge we need to weave a strong social fabric. We must build on the gifts and talents of our friends, neighbours, and colleagues. It means we need to shift our thinking from me to we, from now to the long term. We are all in this together.

LISA HELPS, VICTORIA MAYOR



EXECUTIVE SUMMARY

Climate change poses the greatest environmental challenge we face. Extra heat in Earth's atmosphere from global burning of fossil fuels is affecting communities around the world, and Victoria is no exception. The Climate Leadership Plan (CLP) charts a local response to this global challenge.

Victoria has both a responsibility and an opportunity to respond to the causes and impacts of climate change. The City's vision for 2050 is of a vibrant, healthy, and prosperous community, fueled by renewable low carbon energy systems, and designed and integrated in ways that promote a high quality of life for all Victorians. The CLP presents goals and actions to deliver on this vision – actions that, together with actions across the world, can help mitigate global climate change.

The City of Victoria is committed to an **80 percent reduction** in greenhouse gas (GHG) **emissions** and a shift from GHG-intensive fossil fuels to **100 percent renewable energy**.

Since the City's corporate operations contribute a small fraction of Victoria's GHG emissions and energy consumption, meeting the climate goals must be a community-wide effort. The CLP's core planning principle is to lead and inspire action, and to partner with citizens, businesses, other levels of government and stakeholders to meet

climate goals and become a more prosperous and affordable community.

The CLP's goals and actions are organized in this plan by sector and type, and presented in five separate chapters. Each chapter includes baseline performance data and a climate action roadmap, which includes goals for the sector (see chart on next page), and specific action items to deliver on the goals.

Four of the five sector chapters address Victoria's GHG reduction and renewable energy challenge for Victoria's built environment (Low Carbon High-Performance Buildings), for how we get around (Low Carbon Mobility), for the materials we discard (Low Carbon Waste Management), and for the City's fleet and buildings (Municipal Operations). Throughout the sectors, the CLP presents actions to reduce GHGs, energy demand and replace fossil fuels with renewable energy. It also defines broader system redesigns that eliminate unnecessary energy use and build resilience.

The actions within the CLP also seek to maximize Victoria’s resilience by enhancing infrastructure and ecosystems so they will flourish amidst the shifts and extremes from a changing climate. The challenge of preparing for climate-driven impacts is addressed in the CLP’s final sector (Adapting Early). Through innovation, and the early launch of long-term projects, Victoria can manage the expected increase in severe and prolonged storms, heatwaves, flooding, and sea level rise. Early investments will minimize costly and disruptive actions later.

The CLP is a living document designed to evolve with scientific understanding and improved climate response strategies. One development underway is a growing understanding of the importance of embodied emissions, which are the GHGs produced to make and deliver the food, energy and products that we consume (see The Next Chapter: Embodied Emissions). Future iterations of the CLP will take these imported emissions into account to more comprehensively address Victoria’s greenhouse gas ‘footprint.’

SECTOR

CLIMATE LEADERSHIP GOALS



BUILDINGS

Page 24

- » All buildings are highly energy efficient.
- » All buildings are powered by renewable energy.



MOBILITY

Page 34

- » All Victorians have access to low carbon, high-performance and affordable multi-modal transportation.
- » Vehicles in Victoria are powered by renewable energy.
- » Smart land use minimizes transportation emissions.



WASTE MANAGEMENT

Page 42

- » Organic materials are managed to avoid GHG emissions.



MUNICIPAL OPERATIONS

Page 48

- » The City is a recognized leader in climate mitigation and adaptation.
- » The City takes integrated and informed climate action.
- » The City will provide timely and accurate data supporting strong climate mitigation and adaptation actions.



ADAPTING EARLY

Page 54

- » All climate-related risks to city infrastructure are minimized through early planning and action.
- » Victoria’s natural environment flourishes in a changing climate.
- » All Victorians are empowered and prepared for climate impacts and emergencies.

INTRODUCING THE CLIMATE LEADERSHIP PLAN

*Victoria Council voted for action in August 2016 when it committed to reduce community-wide greenhouse gases (GHGs) by **80 percent by 2050 (from 2007 levels) and to shift away from fossil fuels to 100 percent renewable energy¹ by 2050.** These targets align with provincial and federal commitments as well as the international targets agreed to in the 2015 Paris Climate Agreement.²*

This Climate Leadership Plan (CLP) is the City's first attempt to comprehensively size-up and begin delivering on its climate and energy commitments. It is the result of community and stakeholder outreach and analysis by city departments, assisted by expert consultants. The result is a comprehensive assessment of Victoria's GHG emissions and sector-specific plans for tackling them.

The CLP calls for a transformation of how we use and manage energy, from heating and powering our homes and buildings to how we power our automobiles and dispose of our waste. It is an action plan to drastically improve energy efficiency, because doing more with less energy is the cheapest way to cut carbon emissions. It is also a plan to use

low carbon energy to provide the remaining energy needed to support our daily quality of life.

Why must cities such as Victoria embark on such ambitious action if climate change is a global problem? The imperative to act locally stems first and foremost from the fact that cities are a big part of the problem. Urban centres consume nearly 80 percent of global energy and account for more than 70 percent of GHG emissions, and their share is growing.

But as global centres of innovation, technology, industry and efficiency, cities are also a big part of the solution. As Harvard professor and author Ed Glaeser has said, "cities magnify the human ability to learn from others around us."³

¹ The City of Victoria defines renewable energy as any energy that is generated from naturally occurring processes that can be replenished over a human timescale. This includes sunshine, wind, flowing water, and geothermal heat. In 2017, 40 percent of all energy used within Victoria's municipal boundaries came from renewable sources. By 2050, we aim to run exclusively on renewable energy.

² An agreement within the United Nations Framework Convention on Climate Change (UNFCCC) dealing with greenhouse gases emissions mitigation, adaptation and finance starting in the year 2020.

³ Glaeser, E.L. (2011). *Triumph of the City: how our greatest invention makes us richer, smarter, greener, healthier, and happier.* New York: Penguin Press.

The CLP is about accelerating climate innovation and action, and providing goals to measure our progress. In some cases, it is not yet clear how to best achieve our goals, but bold and ambitious targets will help galvanize and align the innovative and creative solutions that are required. In most cases, no ‘technology miracles’ are required since affordable, low carbon options are already available in the marketplace.

This document is a ‘leadership’ plan because it is about more than just improving municipal services and operations. The City’s corporate GHG emissions account for roughly one percent of our community’s carbon footprint, so the CLP’s big win lies in inspiring

the entire Victoria community to bring climate action into their daily lives and decisions.

Victorians’ creativity and innovation will play a part in reimagining how we all can do better, and they can build jobs and economic prosperity in the process. Local industries, for example, can showcase their national and international leadership in the design and delivery of high-performance buildings, vehicles, technology, and equipment that consume or help use drastically less energy. Only with the City working closely alongside community, industry and institutional partners can we all reach our targets.

Acting on climate change will also deliver financial, environmental, and social benefits across our community, like better air quality, less noise, reduced traffic congestion, increased building comfort, healthier and more active lifestyles, new jobs, and more independent and affordable energy choices.



VICTORIA'S CLIMATE IMPERATIVE

Global human civilization is highly dependent on fossil fuels to heat and power buildings, produce food, and propel vehicles.

The result is a changing climate.

Burning fuels such as gasoline, diesel, heating oil and natural gas produces carbon dioxide (CO₂) — a heat-trapping greenhouse gas (GHG). That CO₂, along with other GHGs such as methane, traps the sun's energy and causes an overall warming of the planet. It is called the greenhouse effect, and it has heated Earth's surface by about 0.8 degrees Celsius since the end of the 19th Century. At least another 2 degrees of warming is expected by the end of this century, unless we act now.

Two or three degrees may not sound like much. But, as with a child's fever, a few degrees of extra warmth is enough to throw a complex, balanced system into danger. For the Earth, extra heat is already causing profound changes. As the United Nation's Intergovernmental Panel on Climate Change (IPCC) concluded in its latest global report: "Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, sea level has risen,

and the concentrations of greenhouse gases have increased."³

Climate change is worsening because GHGs stay in Earth's atmosphere for decades, and because we keep adding more each year. The GHGs are building up. In 2016, the atmosphere contained over 400 parts per million (ppm) of CO₂ year-round for the first time in human history, and two years later CO₂ is already averaging 407 ppm.⁴ The IPCC has warned that CO₂ concentrations should not exceed 445 to 490 ppm to limit global temperature rise to 2°C. Holding warming there is important because climate scientists say that adding more than 2°C to the global fever will unleash more extreme impacts. The 2015 Paris Climate Agreement binds the international community to keeping global warming to no more than 2°C, but also pledges further effort to limit the temperature increase during this century to 1.5°C.

Holding the line on global temperature rise means slashing GHG emissions worldwide faster than planned. Nearly all countries have pledged to

³ IPCC. (2014). Climate Change 2014 Synthesis Report. https://www.ipcc.ch/news_and_events/docs/ar5/ar5_syr_headlines_en.pdf

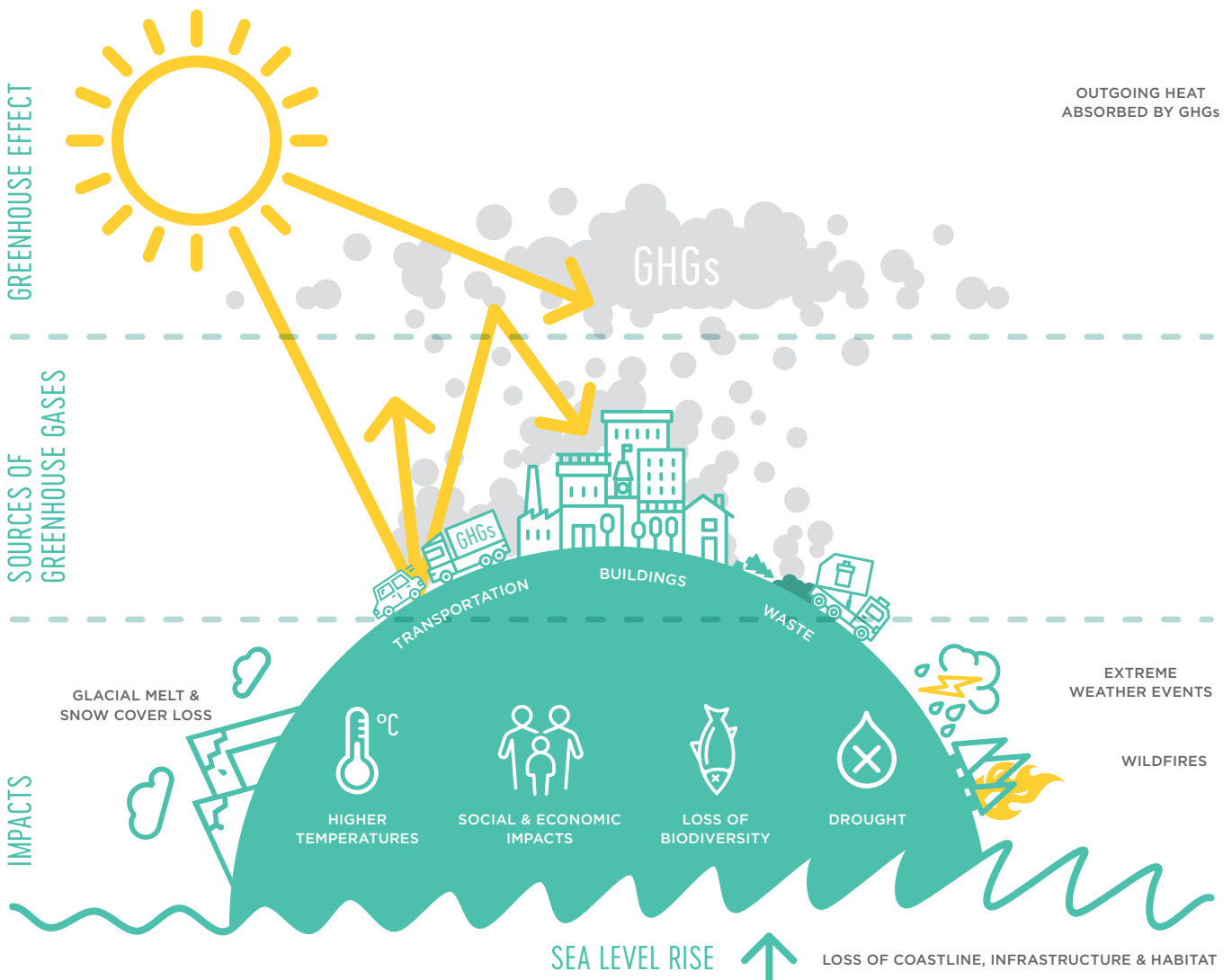
⁴ As above.

reduce their emissions. Canada, for example, pledged to cut its emissions 80 percent by 2050, relative to 2005 levels. But the global ambition displayed to date falls far short of what is needed to meet the Paris commitments. The United Nations Environment Programme last year called the gap between national climate action plans and what is needed to meet the Paris agreement's 2°C target, "alarmingly high."⁵

Climate scientists have already documented a host of impacts including droughts, flooding, sea level rise, more frequent and destructive storms, global ecosystem

decline, loss of biodiversity, food and water scarcity, and increased disease caused by historic GHG emissions. Their models project that climate-driven impacts could go from bad to catastrophic without rapid, deep cuts in future emissions. Leading economists estimate that such climate impacts and costs to protect against them could cut economic activity around the world by 5 to 20 percent.⁶

Bold, precautionary action at the earliest possible opportunity is the only reasonable response to minimize these risks.



⁵ UNEP. (2017). Emissions Gap Report 2017. <https://www.unenvironment.org/resources/emissions-gap-report>

⁶ Stern, N. H. (2007). The Economics of Climate Change: The Stern review. Cambridge, UK: Cambridge University Press.

LOCAL CLIMATE RISKS

By 2050, impacts of global GHG emissions on Greater Victoria⁷ will likely include:

- » **Increased seasonal precipitation** — 31 percent more rain and snow on ‘very’ wet days and 68 percent more on ‘extremely’ wet days — may cause local flooding and property damage.
- » **Rising sea levels** of at least half a metre will likely cause local flooding, coastal erosion, and heightened risk of property damage, requiring increased investment in protections and infrastructure. These risks will be pronounced during more frequent storm events, especially storms that hit during high tides.
- » **More frequent, longer and hotter heatwaves** will place socially and economically vulnerable populations at risk of negative health impacts including potentially deadly heat stress and stroke.
- » **Other unavoidable impacts** include increased wildfires, drought, water contamination, and loss of biodiversity, as well as increased building and infrastructure damage and risk management costs.

Wider Climate Considerations

As the climate changes, so too do the ecosystems that we rely on. Globally, it is likely that climate change will exacerbate food insecurity in areas that already suffer most from hunger and malnutrition,⁷ and the IPCC predicts that roughly one billion people could face increasing water scarcity as a result of climate change. Victorians are at lower risk of water shortages due to local precipitation levels and our watershed management and conservation practices. But climate change may disproportionately reduce access to a healthy diet in lower income groups by increasing food costs.⁸



A fallen tree after a strong windstorm in Victoria.

⁷ CRD. (2017). Climate Projections for the Capital Region. (Projections based on RCP 8.5 and 2.6)

⁸ BC Ministry of Health. (2013). Evidence review: Food security. <https://www2.gov.bc.ca/assets/gov/health/about-bc-s-health-care-system/public-health/healthy-living-and-healthy-communities/food-security-evidence-review.pdf>



EARLY ACTION ON STORMWATER

Victoria will experience intense rain storms by mid-century that could easily overwhelm parts of our aging stormwater system, some of which is 100 years old. That is, if we were not continually updating it. In 2014, the City built climate projections of increased rainfall into its 2014 Stormwater Master Plan. As a result, designers are ‘future-sizing’ the drain pipes, catch basins, and outlets that move stormwater away from our buildings and roadways. The City of Victoria is also reducing how much rainwater enters the system. A Stormwater Utility created in 2016 provides incentives for residents and businesses to use ‘green’ infrastructure such as rain gardens and water-permeable pavement. These low-impact strategies can slow down and filter stormwater flows, and also recharge aquifers.

VICTORIA'S CLIMATE CHALLENGE

Achieving Victoria's climate action goals — an 80 percent reduction of community-wide GHGs (based on 2007 levels) and transitioning to 100 percent renewable energy by 2050 — does not mean starting from scratch. As a community, we are already moving in the right direction, but we must increase our efforts.

Emissions Snapshot and Scenarios

Victoria's carbon footprint stems largely from the energy used to heat buildings, the fuels that propel vehicles, and what becomes of waste after it is discarded. In 2017, of the 370,000 tonnes of greenhouse gases emitted, approximately 50 percent of Victoria's GHG emissions came from buildings, 40 percent came from transportation, and 10 percent from waste.⁹

Electricity in Victoria is relatively clean, since nearly all of the electricity supplied by BC's power grid comes from renewable hydropower.¹⁰ Due in part to this, the city is moving towards reaching its 100% renewable energy target. Currently, 40% of Victoria's energy is renewable (Figure 3).

Building-related GHG emissions thus come primarily from combustion of heating oil and natural gas (figure 2). The transportation sector produces GHGs

mainly by burning gasoline, diesel, and propane fuels in passenger vehicles.

Regionally, emissions from municipal waste come from methane released by decomposition of organic waste at the Hartland Landfill. Methane is a powerful greenhouse gas, which traps heat in Earth's atmosphere more effectively than CO₂.

Interim targets:

To help Victoria track progress and make mid-course corrections as we work towards our 2050 commitments, the CLP sets a pair of interim targets. They are to reduce community GHG emissions by 50 percent (by 2007 levels) by 2030, and to cut the City of Victoria's corporate emissions by 60 percent by 2030.

⁹ The City of Victoria tracks its emissions through the Global Protocol for Community-Scale Greenhouse Gas Emissions inventories (GPC).

¹⁰ The Clean Energy Act mandates BC Hydro to supply at least 93 percent clean power, including renewable sources such as hydropower. In 2016 it supplied 96 percent clean power.

2017 GHG EMISSIONS BY SECTOR (387,694 tCO₂e¹¹)

32% COMMERCIAL, INSTITUTIONAL, INDUSTRIAL, AND MULTI-UNIT RESIDENTIAL

19% SINGLE FAMILY HOMES

9% SOLID AND LIQUID WASTE

40% ON-ROAD TRANSPORTATION

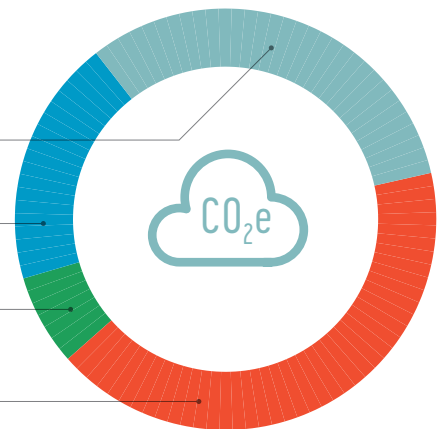


Figure 1: City of Victoria GPC Compliant Inventory, 2017

2017 GHG EMISSIONS BY FUEL TYPE

36% GASOLINE

3% ELECTRICITY

7% DIESEL

2% WOOD

2% PROPANE

12% HEATING OIL

38% NATURAL GAS

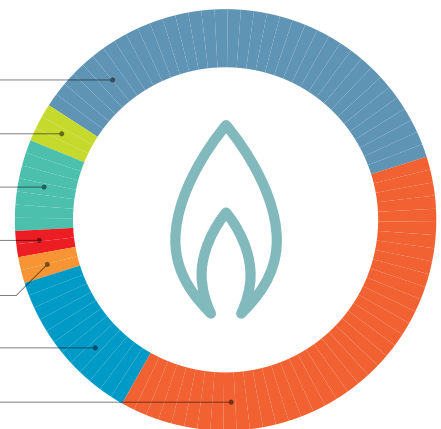


Figure 2: City of Victoria GPC Compliant Inventory, 2017

2017 RENEWABLE AND NON-RENEWABLE ENERGY MIX

35% RENEWABLE ELECTRICITY

3% WOOD

2% BIODIESEL AND ETHANOL

<1% RENEWABLE NATURAL GAS

8% HEATING OIL AND PROPANE

23% GASOLINE AND DIESEL

29% NATURAL GAS



Figure 3: City of Victoria GPC Compliant Inventory, 2017

Between 2007 and 2017, Victoria's population increased by 9.9 percent, while our community GHG emissions dropped by 7.4 percent. This progress is mainly due to lower carbon building, transportation and waste systems, and to people making energy reduction a priority in their lives. While

positive, the overall pace falls short of what is required to meet our 2050 GHG commitments and, if continued, would only bring us to a 32 percent reduction by mid-century. Reaching our targets will require wise planning decisions and collective acceleration of our climate action efforts.

¹¹ CO₂e is a unit that uses carbon dioxide as the baseline to describe different greenhouse gases and their global warming potential.

Getting Past 'Business as Usual'

The City uses a model to estimate how many tonnes of GHGs the community is likely to release in the future. The model simulates the effectiveness of potential GHG reduction strategies for the buildings, transportation and waste sectors. Based on a suite of climate action strategies, two scenarios are modelled:

Business As Usual (BAU): Includes effects on GHG emissions from population and job growth, anticipated changes in Victoria's building stock, and established provincial/federal climate and

energy policies, but assumes that Victoria takes no additional action to reduce its carbon footprint. Even when the established Official Community Plan climate commitments and approved City infrastructure programs (e.g. City's bike plan) are added to the BAU scenario, Victoria will not meet its targets.

Hitting our Targets: Projected GHG reductions anticipated from the strategies described in the CLP sectors, which collectively meet the City's 2050 emissions and renewable energy goals.



ADDITIONAL GHG SOURCES

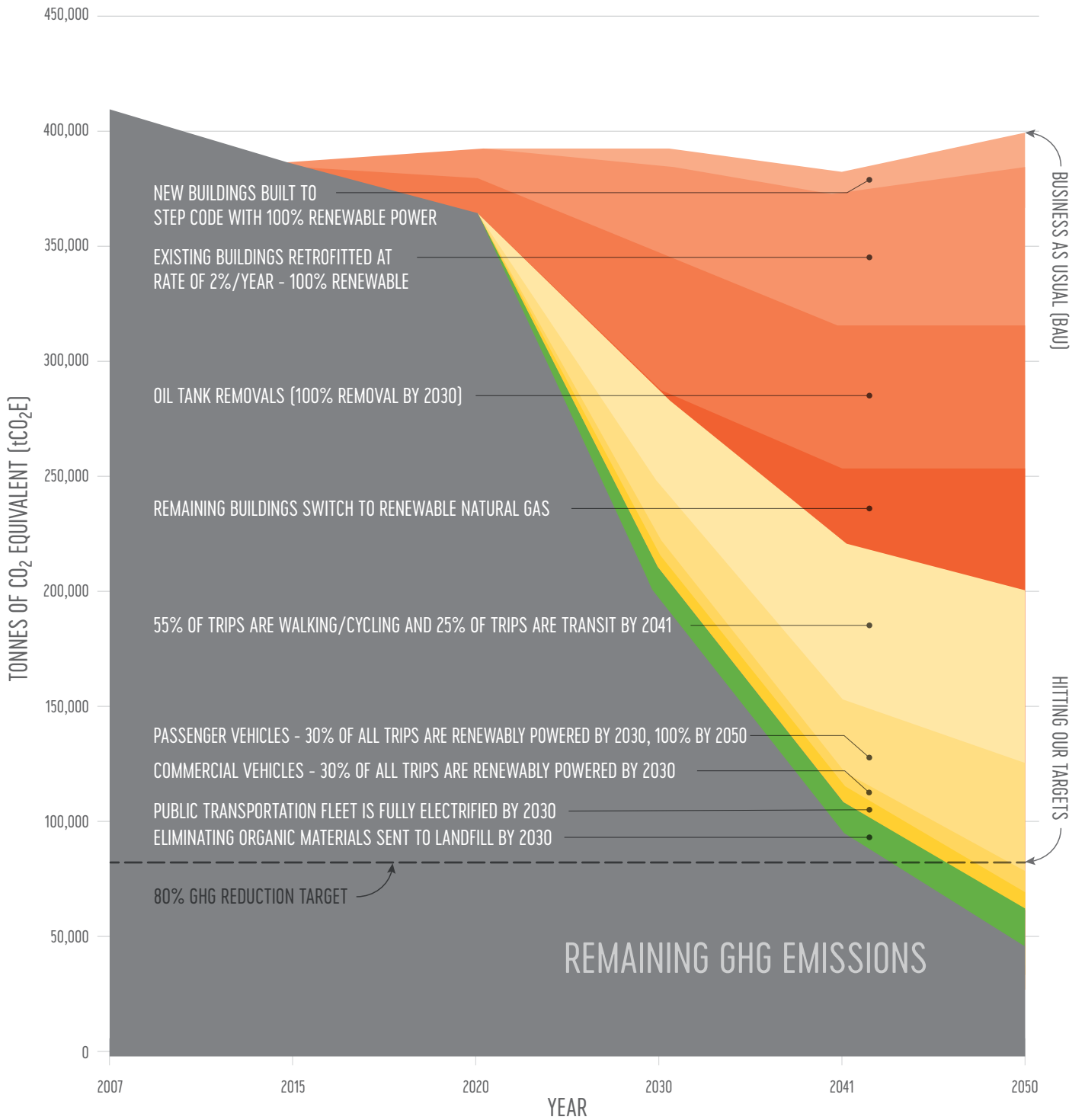
Additional sources of GHG emissions include marine transportation (ferries, recreational and commercial vessels), air transportation, agriculture, forestry, and other land use, and industrial product use. These sources serve regional demands and are outside of the City's jurisdiction.

The City is committed to partnering with local marine and air transportation stakeholders to accurately measure and report on these local emissions and develop mitigation strategies.

This diagram shows how each strategy creates a reduction in GHGs and how, collectively, they will get us to an 80 percent reduction in GHGs.



PATHWAYS TO 2050 GHG REDUCTION TARGETS



GETTING TO LOW CARBON PROSPERITY

The City's vision for 2050 is of a vibrant, healthy, and prosperous community, fueled by renewable low carbon energy systems, and designed and integrated in ways that promote a high quality of life for all Victorians. The City's mission is to lead Victoria's transition to a renewable energy future, and to inform, equip, enable and inspire the community to rapidly reduce their own GHG emissions and prepare for climate change.

Leading Through Collaboration

Bold action now can overcome barriers and unlock opportunities to achieve 80 percent GHG reductions, and 100 percent renewable energy. The City can support GHG reductions through control of municipal infrastructure (e.g. roads, utilities, sidewalks, parking, facilities), and it can also influence community action through planning policies, guidelines and by-laws. Using these important municipal powers, the City can directly and indirectly influence GHG reductions.

Direct action will also tackle the City's corporate emissions. City-owned fleets, facilities and operations, account for only one percent of total emissions in Victoria. Reductions there can set an example for GHG performance and renewable energy adoption, but it is the broader community where the vast majority of emissions reduction and

energy change must be achieved. Decisions and choices made by residents, business and institutions will shape the energy and GHG intensity of their buildings, transportation and waste.

To provide leadership, the City's role must also extend to informing, educating and encouraging change among resident and business stakeholders. The City must partner to remove barriers to action, and to develop the most useful climate action programs if we are to collectively meet our targets.

Planning principles can help guide this collaboration and continuous improvement. They represent values that underpin all of the climate actions defined in this plan, seeking to ensure that they are integrated with, and enhance, other community priorities.

Finally, the City also has an important advocacy role to play. The City will regularly call on regional, provincial

and federal levels of government, as well as the private sector, to make climate action a priority.

CLIMATE LEADERSHIP PLANNING PRINCIPLES

- 1 Lead and inspire** – The City will be a regional and national leader on climate mitigation and adaptation. It will take urgent action to drive innovative GHG reductions, creatively and collaboratively with other leaders and key stakeholders.
- 2 Harmonize climate action to secure co-benefits** – GHG reduction actions should be integrated with all other priority areas for City planning, including health, safety, and environmental protection, affordability, and quality of life.
- 3 Universal accountability** – All Victorians (residents, businesses, employees, and visitors) have a role to play in improving GHG performance, and should be encouraged to take meaningful action.
- 4 Make energy visible** – Our community's energy use, GHG performance, and climate impacts must be clearly known to drive effective change.
- 5 Evidence-based decisions** – Energy and GHG decisions should be socially-minded, cost-effective and supported by science, including a full, life-cycle understanding of relevant issues and technologies.
- 6 Renewable energy for all** – Our entire community, regardless of circumstances, must have access to efficient, affordable and renewable energy options.
- 7 Dismantle barriers** – The City will remove barriers preventing rapid decarbonisation of our energy mix by supporting policies that support smart energy choices and GHG-reduction behaviours.
- 8 Climate resilience is developed early** – Victoria must act with a sense of urgency and take early and meaningful action to avoid the most disruptive economic, social, and environmental impacts imposed by climate change.
- 9 Think globally, change locally, partner regionally** – Partnering and advocating across jurisdictional boundaries is key to achieving consensus and maximizing global GHG reductions.
- 10 Track and Adjust** – The City will measure, track and report on its targets and actions annually, making adjustments where required.

THE CLIMATE LEADERSHIP PLAN

A series of goals, strategies, and actions have been developed for each of the five sectors to reduce energy consumption and GHG emissions, transition to renewable energy, and prepare Victoria for climate impacts.

The energy and GHG plans all begin by first maximizing energy efficiency, which has been called the “largest, least expensive, most benign, most quickly deployable, least visible, least understood, and most neglected way to provide energy services.”¹² Energy efficiency improvements should always be at the top of the actions list when addressing energy and GHGs and will constitute a main pillar across all the City’s climate actions.



The Actions: Viable, Renewable and Sustainable

The CLP’s actions fit into four general classes:



Reduce energy use, GHGs, and fossil fuels by eliminating waste and adopting aggressive efficiency improvements.



Replace fossil fuels with renewable fuels or low carbon fuel alternatives.



Redesign the system to ‘design out’ poor GHG performance in the built environment and city services.



Resilience through enhanced infrastructure, urban support systems, and ecosystems to enhance their ability to thrive amidst the shifts and extremes from a changing climate.

¹² Lovins, et al. (2005). Energy End-use Efficiency. http://www.10xe.org/www.10xe.org/Knowledge-Center/Library/E05-16_EnergyEndUseEfficiency

Understanding Sector Goals, Targets and Actions

The CLP is divided into five chapters covering five sectors: buildings, mobility, waste management, municipal operations and adaptation. In each chapter, high-level goals describe broad climate action objectives for the sector, which are then supported by more detailed targets and a list of actions. Colour-coding identifies which actions are underway, those the City intends to initiate by 2020, and still others to follow in the future.

Only some actions include well-defined strategies. For the rest, the City must first gain a fuller understanding of the related barriers and opportunities to determine how best to proceed. In all cases, performance metrics will be established to track progress.



EACH SECTOR INCLUDES:



FIVE KEY SECTORS

22



LOW CARBON
HIGH-PERFORMANCE
BUILDINGS

24

34

LOW CARBON
MOBILITY



48

MUNICIPAL
OPERATIONS



LOW CARBON
WASTE
MANAGEMENT

42

ADAPTING
EARLY

54



LOW CARBON HIGH-PERFORMANCE BUILDINGS



The Vision *By 2050, Victoria will be home to efficient, renewably powered, high-performance buildings. Building design, operations and management will have evolved to deliver more sophisticated, comfortable, healthier, low carbon buildings, with far lower energy needs. Local industries will be recognized leaders in sustainable, high-performance building design and construction.*

The Goals



1

All buildings are highly energy efficient.

The path toward a renewable future begins with efficiency. As the National Building Strategy puts it, the bar needs to be set much higher so that building energy requirements become so slight that most can be met with renewable energy generated on-site.

2

All buildings are powered by renewable energy.

Widespread adoption of renewable fuels and on-site renewable power generation in residential and commercial buildings will be required. Renewable energy supply can come from utility hydro electricity, from on-site sources such as geothermal heating and rooftop solar panels, and, in some cases, renewable natural gas.

The Challenge

The energy Victorians use to heat, power, and cool our buildings, as well as run our appliances makes up half of the city’s total GHG emissions. Nearly two-thirds, or fully 64 percent of the building-related emissions come from large multi-family, commercial, institutional, and industrial buildings, versus 36 percent from single-family homes (Figure 4).

Space heating accounts for half of both residential and commercial building energy consumption, and residences use another quarter of their energy heating water. Many buildings burn oil and natural gas to provide this heat, thus generating the majority of building-related GHGs (Figure 5). Victoria’s building stock is aging, with 70 percent of the existing units built prior to 1980. For many of these buildings, aging conditions make for poor

energy performance. Leaks allow heat to escape through windows, doors and external wall fixtures. Heat passes through poorly insulated attics and walls, and older heating and cooling systems operate at low efficiencies. Many still use oil furnaces that produce large amounts of GHGs. Multiple barriers are currently preventing building owners and residents from adopting energy and GHG improvements. These barriers include lack of energy-use data, planning obstacles, and competing costs and priorities. Due to these and other barriers, older and even relatively new buildings continue to exhibit poor energy and GHG performance.

If new and existing buildings continue to be inefficient and run on fossil fuels, then the City cannot meet its 2050 GHG reduction targets.

GHG CONTRIBUTION BY BUILDING TYPE AND HEATING SOURCE

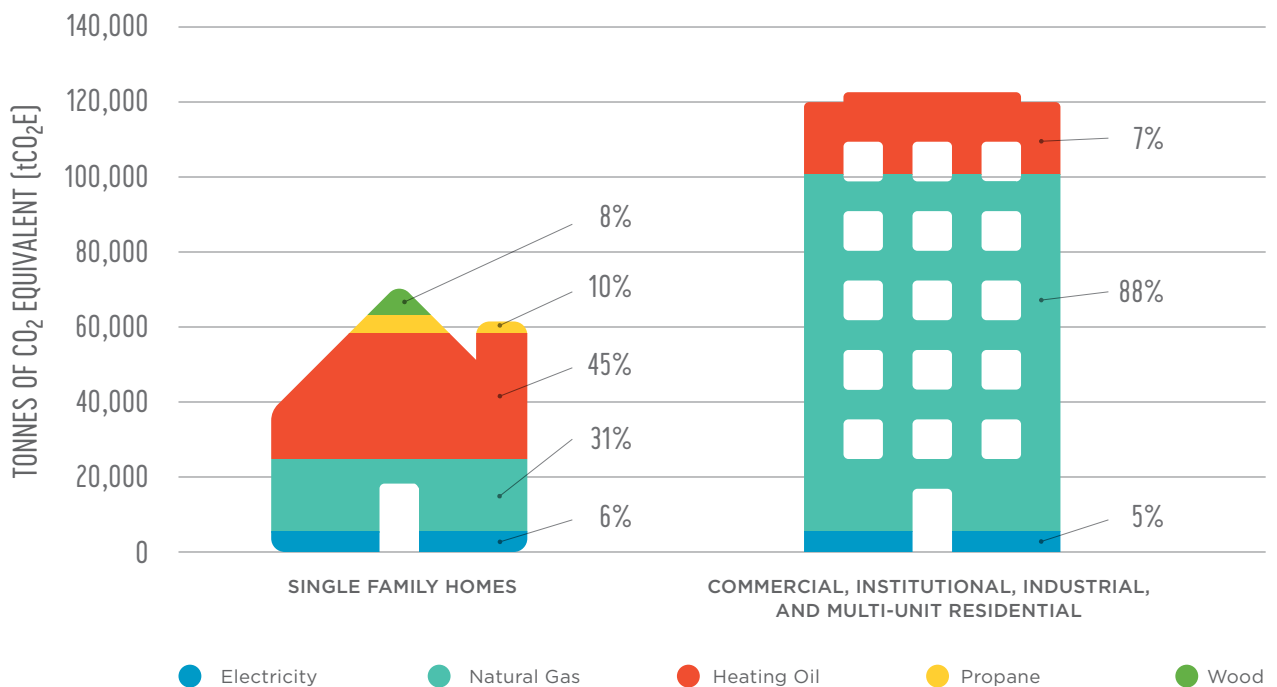


Figure 4: City of Victoria GPC compliant inventory, 2017

BC RESIDENTIAL BUILDING ENERGY CONSUMPTION BY END USE

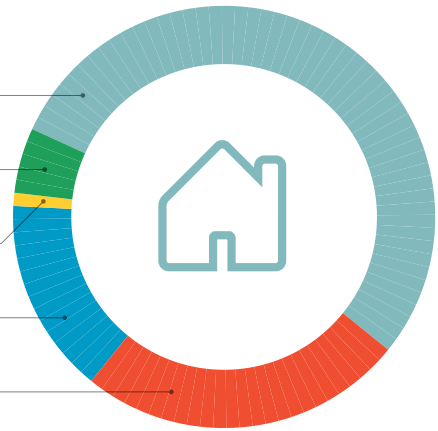
52% SPACE HEATING

5% LIGHTING

1% SPACE COOLING

17% APPLIANCES

25% WATER HEATING



BC COMMERCIAL BUILDING ENERGY CONSUMPTION BY END USE

16% AUXILIARY EQUIPMENT

8% WATER HEATING

8% AUXILIARY MOTORS

5% SPACE COOLING

14% LIGHTING

49% SPACE HEATING

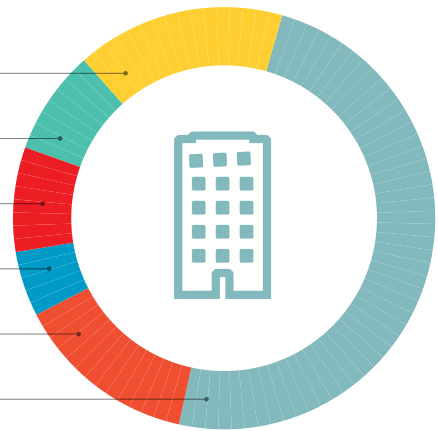


Figure 5: 2014 NRCAN National Energy Use Database. Residential and Commercial Building Sectors, British Columbia.

The Plan

Strategies and actions to reduce GHGs target efficiency upgrades to reduce emissions. These upgrades can reduce operating costs and increase occupant comfort while delivering GHG reductions.

Options to slash heating related emissions include the first three climate action R's — **Reduce, Replace and Redesign**. A building's GHG emissions can be tackled by **reducing** energy use and eliminating energy waste. For example, improving energy efficiency of buildings through improved operations, design, envelope performance and equipment efficiencies – all reduce energy demand, while adding more insulation and preventing air leaks reduces heat losses.

Replacing starts with phasing out relatively costly, high-carbon oil furnaces and introducing renewable fuels and energy technologies, such as hydro powered electric heating, solar panels, or renewable natural gas. Replacing existing heating systems with ductless mini-split heat pump systems also removes the need for duct maintenance, and allows for easy-to-install heating and cooling in your home.

Redesign is about reimagining building designs, construction and operation, including the deployment of smart controls that monitor and manage building energy consumption. These actions – in fact all of the above – will benefit from stronger building codes.

Existing Buildings

Victoria's Climate Leadership Plan meshes with a fast-growing need to upgrade our aging building stock. Approximately 10 percent of the city's housing needs major repair,¹³ and Landlord BC estimates that more than 20,000 rental units in the region will require significant upgrades over the next decade. About one percent of buildings are retrofitted each year, but the work often ignores energy efficiency. Ramping up retrofits represents a 'once in a generation' opportunity to cost-effectively implement energy efficiency improvements while other major work is underway, such as seismic and aesthetic upgrades. In order to meet the City's 2050 target of an 80 percent reduction in GHGs,

the annual retrofit rate needs to at least double, and energy and GHG improvements must become a central part of every building renewal.

Meeting this goal will require advocacy and partnering by the City. National building codes and standards could require consistent and effective energy retrofits, and the Federal government recently indicated their intention to introduce a model building code for retrofits by 2022. The City will work with government partners and local stakeholders to develop strategies and actions to make low carbon building retrofits affordable and timely.



PUT A LABEL ON IT

What gets measured and communicated gets managed. We require consumer information on most items we buy in the supermarket and on major appliances, but not for the most valuable item that one can own: our home. The City will advocate for energy benchmarking and home energy labelling to help buyers and renters see the big picture — including what you can expect to pay in energy bills, and the GHG footprint of your home.

Retrofit Returns

Analysis of home energy retrofit data for Victoria indicates a widespread opportunity for cost-effective retrofits such as adding insulation and sealing air leaks that have a quick return on investment.¹⁴ With the addition of deeper retrofits, significant GHG reductions are possible. For example, replacing oil and gas furnaces with air source heat pumps could save up to 50,000 tonnes of CO₂ per year (more than 13 percent of what we need to cut to reach our 2050 targets). A typical heat pump upgrade can also save homeowners 40 to 75 percent off their annual heating bills (if currently using 100 percent heating oil).¹⁵



Photo credits: Home Performance Stakeholder Council.

¹³ Statistics Canada. (2015). NHS profile, Victoria, CMA, British Columbia, 2011.

¹⁴ Evins, R., Bowley, W., Westermann, P., & Akhavan, M. (2018). Residential Retrofit Analysis for the City of Victoria. Uvic Energy Systems and Sustainable Cities Group.

¹⁵ Oil to Heat Pump Incentive Program. (2018). Why Upgrade? <http://oiltoheatpump.ca/why-upgrade/>

New Buildings

New buildings must become highly-efficient and shift to renewable energy in order to meet our GHG targets. For new buildings, the focus is on better building energy and GHG performance standards. Since each new building added to our city will last more than 50 years, on average, raising the bar now is critical to meeting our 2050 targets.

New building codes and standards, such as the BC Energy Step Code, can deliver GHG reductions through better building envelope design and construction, improved efficiencies for mechanical systems like heating/cooling

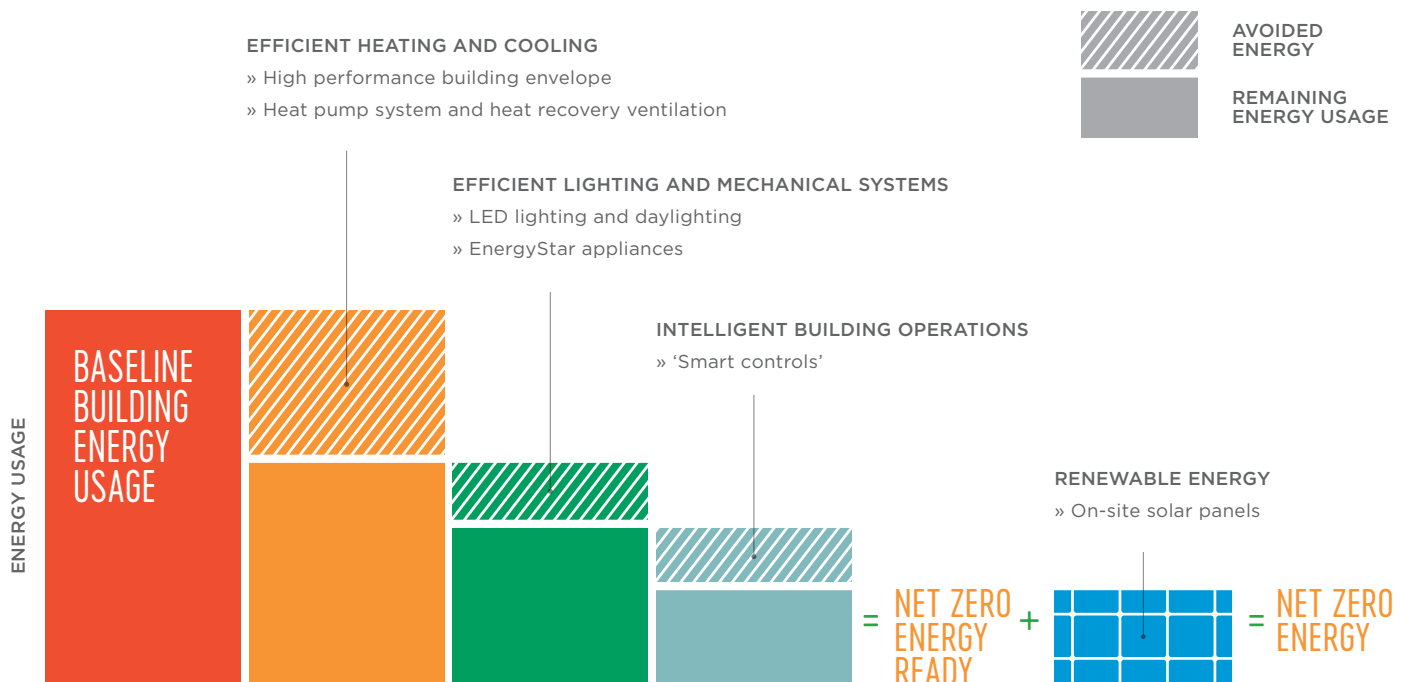
as well as appliances and lighting, and via intelligent building operations. The City will advocate for stronger federal and provincial standards, and will adopt progressively more stringent energy efficiency requirements for new builds, as per the BC Energy Step Code. By 2032, new buildings will be “net-zero energy ready.” That means they will be highly-efficient buildings that can easily accommodate future renewable energy add-ons, such as rooftop solar panels, that will enable them to produce at least as much energy as they consume.

Getting Ready For Net-Zero Energy

The graphic below depicts the value of designing energy efficiency into buildings from the outset. An efficient design can reduce total energy needs by more than

50 percent. Energy-wise operations coupled with on-site solar generation can nearly eliminate the remaining energy needs from external utilities or fuels.

EFFICIENCY FIRST BUT NEVER ALONE - THE STEPS TO NET ZERO ENERGY READY BUILDINGS





Targets

GOAL 1:

All buildings are highly efficient.

TARGETS:

By 2030, all new buildings are 'net-zero energy ready.'

By 2050, all existing buildings meet new high efficiency standards.

GOAL 2:

All buildings are powered by renewable energy.

TARGETS:

By 2030, heating oil is phased out.

By 2050, all buildings exclusively use renewable energy.

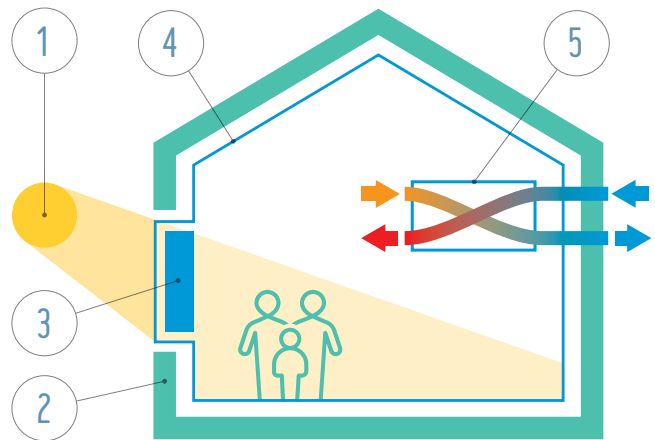


Did you know that owning an oil tank is risky? Remove the oil tank, remove the risk!

Both above ground and underground oil tanks are vulnerable to leaking. This leaked oil can migrate into the soil and stormwater system that leads to our local creeks and marine shorelines. When leaks happen, the owner of the property that is found to be the source of the oil leak is responsible to pay for the cost of the environmental clean-up, both on and off the source property. Home insurance does not cover these costs.

Community in Action

Carolyn has always sought ways to lower her family’s environmental impact, and she and her family jumped at the opportunity to purchase a unit at the North Park Passive House. They are happy they did. As Carolyn puts it: “Living in a Passive House building has provided so many benefits for our family. Our home is ultra-quiet thanks to the triple-paned windows, the air never feels stuffy or drafty, and our heating bills are incredibly low. As a homeowner, living here also provides peace of mind with no furnace or air conditioner to worry about or maintain. Our strata fees are also low thanks to the solar panels that generate income for the strata. I feel that this is the future of building in Canada and that everyone should be able to enjoy the benefits of a Passive House home.”



1. OPTIMIZE SOLAR ORIENTATION
2. HIGH INSULATION
3. HIGH PERFORMANCE WINDOWS AND DOORS
4. AIR TIGHT BUILDING
5. BALANCED VENTILATION WITH HEAT RECOVERY

What is a Passive House?

A Passive House is a building built to a proprietary standard that emphasizes a high-performance building envelope. Passive House buildings use up to 90 percent less heating and cooling energy than a conventional building through the application of design principles like: optimized solar orientation; high insulation; high performance windows and doors; air tightness; balanced ventilation with heat recovery; and more. The incremental cost of Passive House performance depends on several factors including the severity of the climate, the type of building and local availability of building components. The incremental building cost is typically around 5-8 percent for a builder with training and experience in Passive House construction.



Actions

SECTOR-WIDE ACTIONS

- Adopt the BC Energy Step Code, creating a roadmap towards net-zero energy ready buildings by 2030.
- Renew the City’s Sustainability Checklist to include Step Code requirements for new buildings, as well as other sustainable building design elements that align with City goals.
- Support the development of a ‘Building Centre of Excellence’ to showcase leading-edge design and construction practices and to foster a high-performance culture within Victoria’s building industry.
- Develop a strategy for reporting and tracking embodied energy and emissions — those associated with materials extraction, production and delivery — in new construction projects.

ACTIONS FOR EXISTING BUILDINGS

The City will develop and implement a Retrofit Strategy to realize significant energy efficiency and GHG reductions in the city’s existing buildings. This strategy will include the following priority actions:

Single Family Homes:

- Design and deliver an innovative program for bundled and easy-to-achieve home energy retrofits.

- Collaborate with heritage organizations to identify and promote energy retrofit opportunities for homeowners.
- Advocate for the development of a compulsory Canada/BC-wide home energy labelling program and, in the interim, implement a voluntary energy disclosure program.
- Advocate for utilities and other levels of government to develop consistent energy-efficiency incentives and funding mechanisms. Explore opportunities for innovative financing mechanisms.

Multi-unit residential and commercial buildings:

Design and deliver customized deep energy retrofit programs, phased-in by building type:

- rental apartment buildings,
- commercial buildings, and
- strata residential buildings (e.g. condominiums).
- Support the development of a Victoria 2030 District or a comparable voluntary energy benchmarking program for commercial buildings.
- Advocate for a compulsory provincial energy benchmarking program for large and complex buildings.

LEGEND: ● Action Underway ● Initiate Action by 2020 ● Future Action

ACTIONS TO SUPPORT RENEWABLE FUELS AND ELECTRICITY

- Implement a transition plan to phase out heating oil systems in residential, commercial, and institutional properties by 2030.
- Remove regulatory barriers to promote the installation of renewable energy systems, supported by planning guidance and education tools.
- Assess opportunities to accelerate renewable natural gas uptake in residential, commercial, and institutional buildings.
- Assess and report on opportunities for implementing district energy systems in the city.

Community in Action

Leaders in the Victoria community are already transforming homes into highly efficient buildings that run on renewable energy. Jack and Lori, residents of Vic West, retrofitted their late 19th century character house into a net-zero energy home powered completely by rooftop solar panels.

Jack and Lori's initial steps were efficiency upgrades such as increased insulation, draft sealing and new windows. They also upgraded their space and water heating equipment. At first they replaced the home's oil furnace with electric baseboard and floor heating, which reduced fossil fuel emissions and removed the risk of a costly oil spill (among other benefits). But those 'resistance' heaters used more electricity than was necessary, so they replaced them with an air-source heat pump that significantly cut the home's electric heating load.

The retrofits provide clear benefits for Jack and Lori. Not only is the house more comfortable, but its annual energy bill has dropped to practically zero. Plus, they have inspired their friends and neighbours to complete

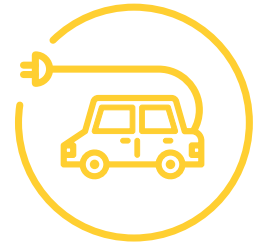
major home retrofit projects by consulting with energy advisors, replacing oil furnaces with heat pumps, and completing other efficiency upgrades. Their work is an example of grassroots action, and they like to lend a hand when other homeowners take on similar solar projects. Their only stipulation: they must agree to do the same for others.





The Johnson Street Bridge multi-use pathway.

LOW CARBON MOBILITY



The Vision *By 2050, people, goods and services moving around Victoria will generate little or no GHG emissions. A seamless and integrated mobility system prioritizes low carbon transportation including walking, biking, public transit and shared electric mobility options. Residents live in well-designed neighbourhoods with attractive amenities. The few remaining machines using internal combustion engines run on renewable fuels.*

The Goals



1

All Victorians have access to low carbon, high-performance and affordable multi-modal transportation.

Investments in public transit and active transportation infrastructure will enhance community-wide access to services, employment, recreation and education.

2

Vehicles in Victoria are powered by renewable energy.

Victoria's multi-modal transportation system will prioritize less energy intensive options. Where vehicles are required, they will be powered by renewable energy.

3

Smart land use minimizes transportation emissions.

Victoria's neighbourhoods will be mixed use with nearby amenities that promote and encourage sustainable mobility choices. Job and population growth occurs in areas served well by transit and with infrastructure for renewably powered vehicles.

The Challenge

Transportation activities make up the second largest source of GHG emissions (40 percent).¹⁶ Most of those emissions are CO₂ from burning gasoline in passenger vehicles. Commercial vehicles represent the second largest source of transportation-related GHGs, largely from diesel fuel combustion. And it is not just city residents burning fuel - Victoria is the economic hub for a region that is home to nearly 400,000 people. Each day, tourists and residents from other municipalities travel in and around Victoria.

Although three-quarters of Victorians live within five kilometres of their employment,¹⁷ most residents and commuters choose to travel in and around Victoria in single-occupant vehicles.¹⁸

To make it worse, many vehicles on our roads are gas-guzzlers. Large, old and inefficient vehicles generate avoidable GHG emissions each kilometre they are driven. The figure on the next page depicts the relative carbon intensity of travel modes, including larger vehicles.

Encouraging more people to choose lower carbon transportation will require more attractive alternatives to personal cars. Buses do not yet beat the convenience of the personal motor vehicle. Dedicated bus lanes and transit signal priority measures are important steps in freeing buses from congestion on the road. Modern, clean and convenient transit, along with first-mile and last-mile solutions are needed.

The same goes for biking and walking. More people will choose to walk and cycle when those options are safe, convenient, fast and attractive. New and emerging mobility options (ride share, ride hailing, car share, electric bikes) are critical to reducing fuel use and transportation related emissions. Together, these options are beginning to provide viable low carbon mobility alternatives, and are making people think twice about owning fuel-burning vehicles.

GHG CONTRIBUTION BY VEHICLE TYPE

48% LIGHT TRUCKS, SUVS

3% OTHER VEHICLES

12% COMMERCIAL VEHICLES

37% PASSENGER VEHICLES

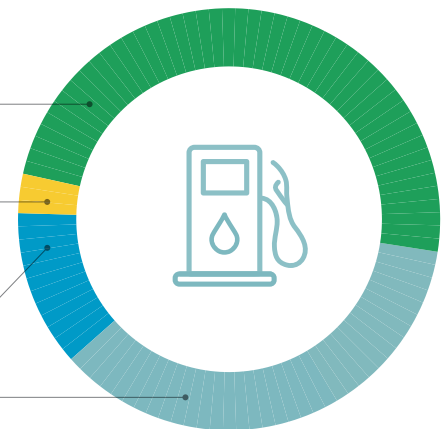


Figure 6: Transportation equaled 148,000 tonnes of CO₂e (City of Victoria, GPC compliant inventory, 2017).

¹⁶ The scope of transportation greenhouse gas emissions data referenced (40 percent) is for the Municipality of Victoria only. For the emissions profile of the region, visit <https://www.crd.bc.ca>

¹⁷ CRD. (2017). 2017 Capital Region District Origin Destination Household Travel Survey.

¹⁸ Statistics Canada. (2018). Census Profile, 2016 Census.

CARBON INTENSITY OF TRAVEL MODES

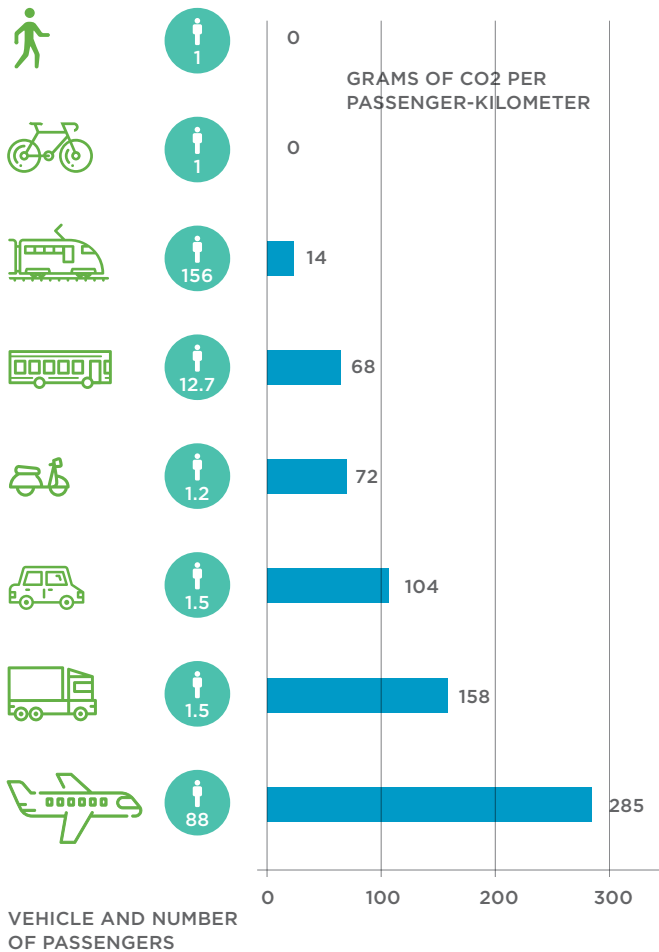


Figure 7: Indicative grams of CO₂ per passenger-kilometre. Sourced from: European Environment Agency, European Union. (2016). Carbon Dioxide Emissions From Passenger Transport. <https://www.eea.europa.eu>

The Plan

Achieving the 2050 targets will require a massive shift to low carbon modes of transportation. This CLP sector seeks to make alternatives to gasoline and diesel-fuelled vehicles more compelling through a variety of strategies, including:

- » Encouraging the use of renewably powered and energy efficiency vehicles;
- » Introducing game-changing improvements in the convenience and reliability of transit;
- » Expanding infrastructure that makes walking and cycling safer and more convenient;
- » Accelerating shared-mobility choices like car-sharing, and bike-sharing.

The plan will **reduce** the number of vehicles in Victoria, the number of kilometres they are driven, and the frequency of driving alone. It also aims to promote vehicle fuel efficiencies and expand the use of electric vehicles (EVs) and clean fuels such as hydrogen and advanced biofuels. Some biofuel technologies, such as cellulosic ethanol technology, can avoid food / fuel conflicts or risks to biodiversity.

EVs are quickly gaining traction in the region, particularly with rising fuel prices, and the CLP will encourage expanding charging infrastructure and incentives to spur them on. Shared mobility, including vehicles and bikes, will offer more options for Victorians to reduce vehicle ownership as fleets expand into every neighbourhood.

Redesigning the way we move around the city and shape land-use development will also be important strategies. Mixed-use neighbourhoods will allow people to access the amenities and services they need with reduced reliance on vehicle travel.



BC Transit electric bus in downtown Victoria.



Targets

<p>GOAL 1:</p> <p>All Victorians have access to low carbon, high-performance and affordable multi-modal transportation.</p>	<p>TARGETS:</p> <p><i>By 2030, 25 percent of all trips by Victoria residents are taken by public transportation.</i></p> <p><i>By 2030, 100 percent of BC Transit buses in Victoria are renewably powered.</i></p> <p><i>By 2030, Victoria residents choose walking and cycling for 55 percent of all trips.</i></p>
<p>GOAL 2:</p> <p>Vehicles in Victoria are powered by renewable energy.</p>	<p>TARGETS:</p> <p><i>By 2030, renewable energy powers 30 percent of passenger vehicles registered in Victoria, and 100 percent of passenger vehicles are renewably powered by 2050.</i></p> <p><i>By 2030, 30 percent of commercial vehicles operating in Victoria are renewably powered.</i></p>
<p>GOAL 3:</p> <p>Smart land use minimizes transportation emissions.</p>	<p>TARGETS:</p> <p><i>By 2030, 100 percent of Victoria’s neighbourhoods are “complete” by design with substantial transportation system diversity.</i></p>

2017 TRANSPORTATION MODE SPLIT

All trips within Victoria

- 34% SINGLE OCCUPANT
- 8% PASSENGERS IN VEHICLES
- 7% TRANSIT RIDERS
- 9% CYCLISTS
- 41% PEDESTRIANS
- 1% OTHER USERS



All trips, to, from and within Victoria

- 50% SINGLE OCCUPANT
- 11% PASSENGERS IN VEHICLES
- 12% TRANSIT RIDERS
- 7% CYCLISTS
- 19% PEDESTRIANS
- 1% OTHER USERS



Figure 8: 2017 Capital Region District Origin Destination Household Travel Survey. All numbers are based on 24-hour travel for people 11 years old and up.

Community in Action

Brian and Rosie have always been on-the-go. Whether it is getting around town to run errands, completing work trips, or going on weekend adventures around the island, the pair each need a vehicle on a daily basis. Being environmentally-conscious, they both realized that action needed to be taken to reduce the amount of carbon emissions their busy lifestyles produced. Shortly after they purchased their first battery-powered electric vehicle, they realized some unexpected benefits. For one thing it turned out to be a smart economic move for the family, thanks to savings on fuel, repairs and maintenance. The vehicle could also comfortably make trips out to Duncan and Shawnigan Lake. And thanks to accessible charging stations around Victoria, easily located via smart phone apps, finding a place to plug in has been no problem. When time came to upgrade their second vehicle, they needed something that could perform on long-distance trips to the mainland and interior - an efficient plug-in hybrid that has both batteries and a gasoline engine.

Moving in a New Direction. A family of four can have big travel needs, but for Claire, Tom and their two children, Mateo and Elara, they have a small transportation footprint. The family made a commitment more than a decade ago to shed the hassles of owning a vehicle and now rely on walking, cycling, public transit and car sharing. “Sometimes there can be a bit more planning involved, but over time, being a car-free family requires less work and costs less. You quickly realize the benefits like not having to worry about insurance renewal or unexpected vehicle repairs,” says Tom. By joining a local car share organization, their family has access to dozens of vehicles including mini-vans, pick-up trucks, hybrid sedans and even an electric SUV. “We still drive a vehicle – just a lot less than we would if we owned one. And because we are cycling and walking more often, we get to be out in our community, get regular exercise and our children know the rules of the road.”



3.6% 

of Victoria's current passenger vehicle inventory are electric, hybrid and bio-powered (3X 2011 ownership rates of 1.1 percent).¹⁹



¹⁹ CRD. (2017). 2017 Capital Region District Origin Destination Household Travel Survey.

Actions



- Complete the City’s Sustainable Mobility Strategy (SMS), which will allow the city to develop the management systems, programs and other tools to optimize and transform the movement of people, goods and services. As part of the SMS, the City will set specific targets for reducing single-occupancy vehicle use, vehicle kilometres traveled, and vehicle ownership. It will also adopt multi-modal service indicators and identify performance criteria for “complete” neighbourhoods and transportation service diversity.
- Work with municipal partners to implement “smart city” technologies that improve safety, affordability and convenience for public transit, walking, cycling, car-sharing and ride-sharing.
- Invest annually in design and construction of new walking and cycling infrastructure, including secure bike parking in the downtown core and in village centres.
- Expand EV charging stations in City parkades, recreation centres, community centres and public spaces.
- Invest in ‘transit-signal priority’ measures to reduce transit wait times in the downtown core.
- Design and implement an EV ecosystem strategy, including design guidelines for new development projects, to promote and support the adoption of electrified personal, public, and commercial vehicles.
- Expand the Active & Safe Routes to School program to all Victoria elementary schools.
- Introduce an electric bicycle incentive program in partnership with CRD and the Province.
- Promote and incentivize comprehensive transportation demand-management strategies for new development projects.
- Assist commercial operators in their transition to renewably-powered fleet.
- Pilot a sustainable urban freight improvement program for downtown using compact electric logistics vehicles and cargo-bicycles.
- Sponsor community-led events, educational programs, and celebrations that encourage use of low carbon transportation.
- Invest in education and promotional programs for Victoria households, informed by behavioral insights, to increase use of public transit and active transportation.
- Develop a transportation GHG information strategy in partnership with CRD and ICBC, supported by technology to facilitate transportation GHG planning and action.
- Advocate for energy performance requirements in provincial ride-sharing regulations.
- Expand car share services in the downtown core and village centres.

LEGEND: ● Action Underway ● Initiate Action by 2020 ● Future Action

- Advocate for significantly improved commercial vehicle performance, higher fuel efficiency, and tighter air quality standards and monitoring and reporting.
- Work with port authorities to supply on-site renewable energy for marine vessels.
- Advocate to the Provincial government to require ICBC to offer distance-based or pay-as-you-drive automobile insurance.
- Partner with the CRD to undertake a regional pricing analysis on effective, fair and long-term mobility options such as decongestion charges.
- Invest in programs that support transportation demand management for businesses and public institutions operating in Victoria.
- Implement rapid transit on major corridors and micro transit services within neighbourhoods.
- Support the expansion of electric buses, including BC Transit and other commercial fleets, through infrastructure and permit programs.



Photo credit: Darren Stone, Times-Colonist

The majority of vehicles on the road today burn gasoline and diesel, accounting for 40 percent of our community GHGs.



Cyclists and pedestrians along the Selkirk Trestle, Galloping Goose Trail.

2018 Sustainable Mobility Strategy

The majority of actions in transportation will come through the development of the City's Sustainable Mobility Strategy. The Sustainable Mobility Strategy will support delivery of an integrated and highly-efficient transportation network to provide affordable and low carbon mobility options for Victorians, and facilitate the effective delivery of goods and services across the municipality.



PROPERTY OF



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LOW CARBON WASTE MANAGEMENT



The Vision *By 2050 waste-related emissions have been eliminated.*

Greenhouse gases produced by organic materials collected and treated in the region supply renewable energy to the community. Continuous improvement of the City's waste management systems has dramatically reduced landfilling of waste to near zero. In fact, 'waste' is rarely heard in our vocabulary by mid-century. Instead, we focus on managing 'materials' and 'resources.'

The Goal



1

**Organic materials
are managed to avoid
GHG emissions.**

Reduce GHG emissions associated with organic waste decomposition by reducing food and yard waste at the source and minimizing the amount sent to landfill. Address management of other materials that produce methane when landfilled (e.g. wood, paper, textiles) as part of the City's sustainable waste management strategy.²⁰

The City will support innovation to improve the capture and use of methane from collected organic waste.

²⁰ The City's sustainable waste management strategy will also address other elements of waste management that generate GHG emissions, including transportation and processing. The CLP covers these elements in its building and mobility sector plans.

The Challenge

Greenhouse gas emissions from waste come largely from the breakdown of organic materials in our landfill. That process releases methane, a greenhouse gas far more potent than CO₂. Organic wastes from Victoria, decomposing at Hartland Landfill, produce the equivalent of 27,000 tonnes of CO₂, which is approximately 7 percent of our community’s GHG emissions (an additional 2 percent of waste emissions are associated with the city’s liquid waste). Until recently, organic materials such as kitchen waste were treated as garbage and buried in our landfill; in 2015, kitchen scraps were banned. This move reduced the volume of organic material arriving at the Hartland Landfill, but it has not eliminated it. Kitchen scraps and other easy-to-compost materials still make up the largest share of the regional waste arriving at Hartland – 21 percent or roughly 75 kilograms per person every year.²¹ Other organic wastes that generate methane at a slower rate, including wood, paper and textiles, make up another 38 percent of Hartland’s intake.



Photo credit: Capital Regional District



A truck dumping different types of solid waste at the Hartland Landfill.

LANDFILL WASTE GENERATING GHGS AT HARTLAND LANDFILL

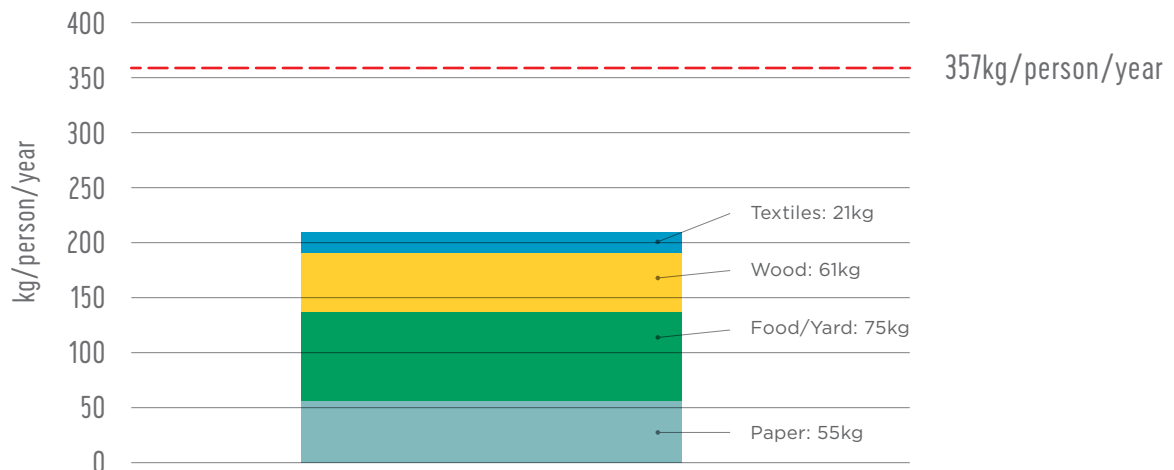


Figure 9: Landfill Waste Generating GHGs at Hartland Landfill. Numbers from the 2016 CRD Waste Stream Composition Study.

21 CRD. (2017). Solid Waste Stream Composition Study. <https://www.crd.bc.ca/docs/default-source/recycling-waste-pdf/WasteCompositionStudy2016.pdf?sfvrsn=4>

The Plan

Reducing GHGs from waste will require major reductions in waste disposal. In addition, landfill gas capture must continue to be maximized. Above all, reducing the amount of waste we generate in the first place is the smartest way to decrease waste related GHG emissions.

There are significant costs involved in landfilling waste and in composting it, so reducing waste generation can save money. Opportunities to reduce organic waste and GHGs include changing consumer and business behaviours and better design and planning.

Organic wastes that continue to be collected will be diverted to sustainable treatment processes that capture any methane emissions and nutrients.



A staff member at a downtown Victoria restaurant emptying kitchen scraps into a compost bin.



Targets

GOAL 1:

Organic materials are managed to avoid GHG emissions.

TARGETS:

Eliminate 100 percent of food and yard waste sent to the landfill by 2030.

Eliminate 100 percent of other organic materials sent to the landfill by 2030.

Capture methane from collected organic waste to provide renewable energy by 2025.

Actions



- Continually improve the residential kitchen and yard waste collection and diversion programs, including for multi-family residences.
- Foster behaviour change to reduce food waste through the “Love Food Hate Waste” educational campaign.
- Partner with CRD to deliver a regional, industrial treatment facility for organic waste by 2025.
- Work with local stakeholders to reduce food waste from restaurants and to divert it from the landfill.
- Reduce additional sources of food waste in the city, such as from the commercial sector and tourism industry.
- Partner with CRD and neighbouring municipalities to get more value from organic waste through pilot programs that stimulate new demand and keep nutrients in the region.
- Work with stakeholders to reduce and divert other materials that produce methane when landfilled (e.g. wood, paper, textiles).

These efforts will be part of a larger sustainable waste management strategy. The strategy’s purpose is to reduce overall waste generation and disposal and to realize economic and community benefits in the process.

LEGEND:

- Action Underway
- Initiate Action by 2020
- Future Action

Hartland Landfill has a target to capture 75 percent of the methane produced from its decomposing waste. Collected methane is combusted and turned into electricity – enough to power 1,100 homes. Because not all of the methane can be collected, it is important to keep compostable material out of the landfill.

DID YOU KNOW? METHANE IS A GHG 25 TIMES MORE POTENT THAN CO₂.



Children make the connection about recycling nutrients back to the soil at the Victoria Compost Education Centre.



Creating compost from food and yard waste at a community workshop.

Photo credits: Victoria Compost Education Centre

Community In Action

Food Rescue Project Food waste from supermarkets has gathered an increasing amount of public attention, particularly after a law passed in France that forbids throwing away unsold food. French supermarkets must now donate the food to charities and food banks. In Victoria, the Food Rescue Project is a grassroots initiative that works along these lines. The Victoria Foundation, the Rotary Clubs of Greater Victoria, Thrifty Foods and the Mustard Seed Street Church collaborated under the Food Share Network to launch the Project in 2017.

Here's how it works: Eleven Thrifty Foods stores, as well as Whole Foods and Country Grocer stores identify bakery, dairy and produce items that are fresh and edible, but that cannot be sold. Mustard Seed collects this food and brings it to their Food Rescue Distribution Centre warehouse where volunteers wash the food and organize it into hampers. There is also a commercial kitchen to transform some rescued food into soups and other value-added products. From the warehouse, the food is distributed to food-insecure communities across Greater Victoria.

The Food Rescue Project directly benefits more than 35,000 people each month. During its first year of operation, the Food Rescue Project kept 114,000 kg of dairy products, and 457,000 kg of fruits and vegetables from entering the waste stream. The Food Rescue Project demonstrates how collective action can have positive social and economic impacts alongside greenhouse gas reductions.



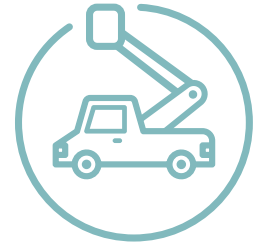


DOWNTOWN



CofairHome

MUNICIPAL OPERATIONS



The Vision *By 2050, all of the City's operations, fleet and buildings will be renewably powered. The City has consistently demonstrated a track-record of successful GHG reduction programs and partnerships with community. The City has found innovative ways to minimize energy use and GHGs without diluting the quality of public services or the quality of community life.*

The Goals



1

The City is a recognized leader in climate mitigation and adaptation.

The City demonstrates leadership in climate action by cutting its corporate annual GHG emissions by over 3,000 tonnes, and by minimizing climate-related risks to City infrastructure through early planning and action.

2

The City takes integrated and informed climate action.

Climate action is integrated with all City programs and plans as they are renewed, and City action is informed by a full understanding of through-life social, environmental, and economic costs, risks and benefits. Understanding the full suite of sustainability risks and benefits for each asset and service area allows the City to make smart investments to reduce GHGs as much as possible for every dollar invested.

3

The City will provide timely and accurate data supporting strong climate mitigation and adaptation actions.

The City will develop an energy and GHG information management strategy that defines, tracks and analyzes energy use and GHG production across all sectors. The data will be publicly-accessible to improve both City and community decision making.

The Challenge

The City of Victoria’s corporate operations released about one percent of total community GHGs (3,400 tonnes in 2017).

Most of the City’s corporate GHG emissions come from the combustion of fossil fuels to provide heat and hot water to buildings, and to operate the City’s fleet. The City manages over 100 buildings, occupying more than 500,000 square feet. Annually, they generate over 1,500 tonnes of GHG emissions. In addition to our emergency service vehicles (police and fire), the City has a fleet of over 200 vehicles supporting the departments of Parks, Recreation and Facilities and Engineering and Public Works. Collectively, the City fleet consumed over 850,000 litres of gasoline and diesel fuel in 2017, generating over 1,900 tonnes of GHGs.

GHG emissions from transportation remained stable over the past decade. Over the same period, building-related emissions declined almost 25 percent. Several factors have reduced

building-related GHGs since 2007 (GHGs from City operations have declined by 14 percent since 2007 (see figure 8) the City has fewer building assets, electrical supply now has lower GHG intensity than previous years, and the City has completed energy efficiency, heating and air conditioning upgrades in both the Victoria Conference Centre and at City Hall.



Parks staff training on chainsaw safety.

GHGs FROM CITY OPERATIONS

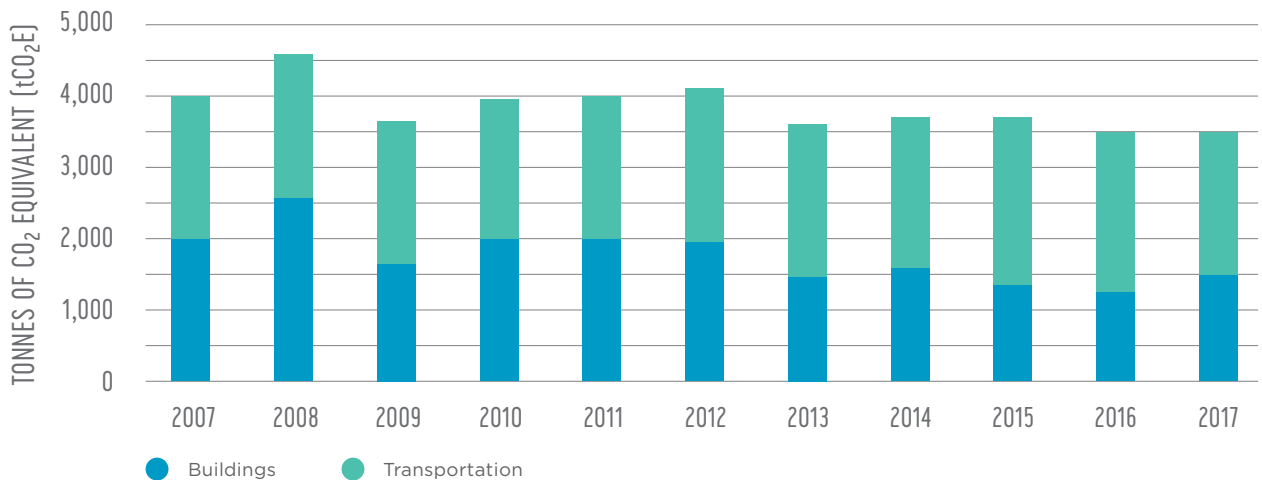


Figure 10: City of Victoria corporate GHG inventory, 2017.

The Plan

The CLP targets further improvements in the City's overall corporate energy efficiency, in its GHG performance and in its role as a leader, inspiring broader action by the community.

In many cases, the city will need a **redesign** in how it delivers services and manages infrastructure. This will be pursued through a comprehensive corporate energy management plan that weaves energy efficiency and GHG performance into City plans and policies. This includes everything from parks and underground utilities to the City's procurement processes.

The City will directly **reduce** GHGs through three main actions: upgraded efficiency in buildings, improved vehicle efficiency and reduced fuel demand, and a progressive shift from fossil-fuel burning equipment to those running on electricity, renewable natural gas, hydrogen or advanced biofuels.

Since 2016, the City has added three e-bikes, eight hybrid vehicles and nine electric vehicles to its fleet, and it is just getting started. The City looks to the marketplace for EV solutions every time it buys new vehicles and it is working to help vehicle providers understand exactly what kind of performance it needs, so they can build EVs that meet the mark.



Specialty vehicles like this Palo Alto garbage truck are now available in electric models. The City of Victoria is actively looking to replace its fleet with electric alternatives.



City in Action

Did you know that the Victoria Conference Centre now runs on 100 percent renewable energy? In 2017 it switched to Renewable Natural Gas (RNG). RNG is made out of organic materials that would otherwise decompose and release methane into our atmosphere – a highly potent GHG!





Targets

<p>GOAL 1:</p> <p>The City is a recognized leader in climate mitigation and adaptation action.</p>	<p>TARGETS:</p> <p><i>By 2040, all City facilities are powered 100 percent by renewable energy.</i></p> <p><i>All new City facilities are renewably powered.</i></p> <p><i>By 2025, all City power tools and small engine-driven equipment are renewably powered.</i></p> <p><i>By 2040, 80 percent of the City fleet is electrified or renewably powered.</i></p>
<p>GOAL 2:</p> <p>The City takes integrated and informed climate action.</p>	<p>TARGETS:</p> <p><i>By 2020, capital and operating plans are informed by climate data, carbon pricing, and the City’s GHG reduction targets.</i></p> <p><i>By 2022 the City has developed a ‘triple bottom line’ accounting system that guides City business planning by assessing and balancing environmental and social risks and financial costs and opportunities.</i></p>
<p>GOAL 3:</p> <p>The City will provide timely and accurate data supporting strong climate mitigation and adaptation actions.</p>	<p>TARGETS:</p> <p><i>By 2022, partner with other local governments and the region to develop a community-accessible Energy and GHG information management System (EGIMS) to define, communicate and track community energy and GHG reduction across all sectors.</i></p>

6,700
LED STREETLIGHTS



Did you know that the City has completed its streetlight replacement program to swap-in energy- efficient LEDs? It has replaced 6,700 street lights reducing energy use by 50 percent, avoiding, an estimated \$200,000 in energy costs per year, which frees up financing to help support increased electrification across our community.

Actions



- Develop a corporate energy and emissions management plan — including a ‘triple bottom line’ accounting system — to assess and balance environmental, social and financial risks and opportunities. The plan will also support deep energy retrofits for existing facilities.
- Incorporate climate action performance measures into the City’s annual budgeting process.
- Develop a Climate Action Economic Assessment Tool for both GHG mitigation and adaptation actions to identify the high-priority community programs that will deliver the most affordable GHG reductions for buildings, transportation and waste management.
- Expand procurement policies to include sustainability performance criteria, including GHG production, and avoidance of all types of waste.
- Establish a two-year staff corporate energy and climate action position using matching funds from an external partner. Join BC Hydro’s Corporate Energy Manager Program.
- Update the corporate building policy for new construction to reference BC Energy Step Code requirements and provide staff training to support its adoption.
- Formalize fleet electrification through the City’s fleet master planning process.
- Plan for City vehicle electrification systems and networks.
- Where electric vehicles are not available, switch to low carbon fuels.
- Implement fleet telematics to identify vehicle and operational energy use patterns to inform decision making.
- Reduce per-vehicle GHG emissions through fleet operation and maintenance as well as vehicle right-sizing.
- Partner with other municipalities and orders of government to support development of the full suite of EVs required by municipal fleets.
- Develop the City’s web-based GHG / Energy education, awareness and information exchange portal to promote information sharing and empower the public to achieve measurable, and trackable, GHG reductions.
- Build an education program to improve staff’s capacity for energy and GHG management in their day-to-day decision making.
- Pilot new technologies in City-owned assets to assess suitability for broad community application.



City carpenters working on Fort Street.

LEGEND: ● Action Underway ● Initiate Action by 2020 ● Future Action



ADAPTING EARLY



The Vision *In 2050, Victorians share sustainable community values, civic pride, neighbourhood partnerships, and a wise and common long-term planning view. Innovative adaptation projects were completed early and affordably to manage an increase in severe and prolonged storms, heatwaves, flooding, and sea level rise, recognizing that modest early investments would minimize costly and disruptive actions later. Victoria's municipal infrastructure is strong and supports a healthy, biodiverse and resilient natural environment, a thriving economy, and a vibrant, active community.*

The Goals



1

All climate-related risks to City infrastructure are minimized through early and wise planning and action.

By managing its natural and built assets, the City ensures that new infrastructure projects will be able to withstand the new climate realities of 2050 and beyond.

2

Victoria's natural environment flourishes in a changing climate.

Through growing expertise and ongoing climate-aware management, Victoria reduces climate stress on its parks and natural environment.

3

All Victorians are empowered and prepared for climate impacts and emergencies.

Education and collaboration enables the community and the City to ensure that all corners of Victoria are prepared for the changes ahead, particularly our most vulnerable populations, including lower income and older residents who often lack the resources to respond effectively to changing conditions.

The Challenge

Victoria will experience hotter and drier summers, warmer and wetter winters, rising sea levels, and more extreme storms, no matter how effectively the world reduces future carbon emissions.²² The severity of these issues will depend on the collective actions taken in the years ahead, to further mitigate climate change and reduce the impacts from GHGs already in our atmosphere.

Hotter and drier summers will stress our trees, parks, and gardens, and could make it harder to find local and affordable food, despite longer regional growing seasons.

More intense rain storms could strain our infrastructure and contribute to local flooding. Sea level rise will also contribute to flooding, and in the process, can cause coastal erosion, and damage our cherished waterfront environment. Victoria must reduce GHG emissions and begin to adapt to climate impacts early if it is to avoid the need for disruptive and costly action later.

Climate adaptation got started in Victoria a decade ago, when cities in BC got their first look at reliable, accurate climate projections for regional temperature and precipitation in 2050 and 2080. In 2011, Victoria joined the first cohort of Canadian

cities creating climate adaptation strategies.

Since then climate risk has been incorporated into numerous City master plans and strategies.

The challenge now is finding strategies for prioritizing near-term actions to address present and future climate impacts, and thus ensure that Victoria remains resilient and prosperous. Acting early to anticipate climate change will avoid disruptive and costly action later. The National Roundtable on the Environment and the Economy estimated that climate change could cost Canada up to \$43 billion per year by mid-century, but projected that the price tag could be more than halved through early action. The Roundtable's endorsement of early action has been affirmed by BC's Auditor General, and by the United States' National Institute of Building Sciences. The latter found that every dollar spent on reaching higher than the baseline building code requirements saved society four dollars in avoided damage during natural disasters. In addition, by becoming more climate resilient, we can support the security of our food, water, and energy, deepen our stewardship of the natural environment, take care of our community's most vulnerable, and strengthen our regional self-sufficiency.

DID YOU KNOW?

The City of Victoria has several plans and strategies that incorporate climate adaptation, including:

Official
Community
Plan

Urban
Master
Forest
Plan

Stormwater
Master
Plan

...and more

²² CRD. (2017). Climate Projections for the Capital Region. https://www.crd.bc.ca/docs/default-source/climate-action-pdf/reports/2017-07-17_climateprojectionsforthecapitalregion_final.pdf

The Plan

The City of Victoria will rely on solid evidence and best-practice to identify climate risks due to aging infrastructure, environmental degradation, or social inequity, and to prioritize actions. For example, Victoria's challenges are similar to that of many Canadian cities where a significant portion of the physical infrastructure is in need of replacement. Resilient infrastructure maintains functionality in the face of shocks or extreme events. By being proactive and continuing to build climate adaptation into the city's business, the City of Victoria will work towards protecting and enhancing its social, natural and built infrastructure. Critically, it will do so while continuing to provide its full set of services to residents, businesses and visitors.

The City cannot manage all risks associated with climate change on its own. For example, homeowners, landlords, and tenants are primarily responsible for keeping residential buildings safe and vibrant. Similarly, the

private sector owns many assets that the community relies on. Only by working together and supporting our community's most vulnerable populations, including lower income and older residents, can we be successful in preparing for the changes ahead. Research shows that these groups are at greater risk from climate impacts, while often possessing the fewest resources to respond. Addressing these social risks can simultaneously boost quality of life and climate resilience for those who need it most.

Adaption planning will involve the creation of a monitoring and evaluation framework for adaptation, which can be more difficult to quantify than the 'mitigation' measures anticipated by the CLP's other sector plans. This framework will be built into a separate climate adaptation planning document that will help us implement the CLP's adaptation actions and update the public on action progress.

PARKS AND ECOSYSTEMS

Climate adaptation action for our parks and ecosystems protects both their intrinsic value and their place in our municipal identity. It is also about sustaining their role as natural infrastructure that provides essential services. Our urban forest helps reduce flood risk by absorbing rainwater, and also provides shade that will help keep our buildings and public spaces cool during increasing hot periods in the future. Early and wise planning and action will help ensure a beautiful and productive natural environment in Victoria for generations to come.



Garry oak tree meadow.



Targets

<p>GOAL 1:</p> <p>All climate-related risks to City infrastructure are minimized through early and wise planning and action.</p>	<p>TARGETS:</p> <p><i>Climate resilience is embedded into all City business.</i></p> <p><i>The City's infrastructure and services are ready to protect and respond to the risks associated with a changing climate.</i></p>
<p>GOAL 2:</p> <p>Victoria's natural environment flourishes in a changing climate.</p>	<p>TARGETS:</p> <p><i>Natural habitats support healthy fish, wildlife, and plant populations and healthy ecosystem function.</i></p>
<p>GOAL 3:</p> <p>All Victorians are empowered and prepared for climate-related impacts and emergencies.</p>	<p>TARGETS:</p> <p><i>The community is knowledgeable and prepared to address the impacts from a changing climate.</i></p> <p><i>The City incorporates best practices in risk communication covering all climate hazards.</i></p> <p><i>Climate resilience enhances quality of life for all Victorians, especially the most vulnerable.</i></p>

Resiliency

Resiliency is the capacity of built, natural and human systems to cope and recover from climate impacts in an efficient and timely manner. The characteristics of diversity and redundancy – which are central to resilience – are found everywhere in nature, and provide important lessons that can be applied in the pursuit of climate resilience. At the building level, green roofs, trees, lawns,

cisterns, and ultimately the city drainage network all serve to remove rainwater from the building vicinity either through evapotranspiration, storage, or removal. These diverse systems work towards the same goal, and help build resilience into the system so that when one part stops working, the building can rely on the others to keep dry.



Burnside Gorge Community Centre green roof.

Actions



- Develop the 'business case for adaptation' to demonstrate benefits of taking early action.
- Conduct a community-wide climate vulnerability and risk assessment.
- Assess how existing City plans incorporate climate risk and identify opportunities to align with ongoing and future City business.
- Seek funding, investment, and partnership opportunities to enhance the speed and quality of adaptation initiatives.
- Minimize flood risks through natural and engineered stormwater infrastructure.
- Analyze the economic, social and environmental implications of adopting a flood construction level.
- Study how the direct and indirect impacts of climate change will affect the local economy.
- Engage community members in refreshing the "Climate Adaptation Plan" and include actions for sectors beyond the municipal corporation (e.g., residents).
- Create a community-wide monitoring and evaluation framework to assess resilience and demonstrate progress.
- Consider future climate impacts when designing and retrofitting City buildings.
- Study the interdependencies between infrastructure systems to minimize cascading effects.
- Continue to integrate climate change impacts in environmental management decisions.
- Increase native plantings on City owned and managed land to enhance biodiversity and support ecosystem migration.
- Support CRD initiatives and investments to acquire, expand and protect green spaces across the region.
- Explore the creation of Environmental Development Permit Areas or other mechanisms to protect and enhance shoreline and marine habitats.
- Work with partners to engage, educate and influence the general public to manage privately owned urban forest to be resilient to climate change.
- Develop or amend landscaping guidelines to encourage private developments to use native tree stock that is adapted/resilient to future climate change.
- Integrate climate adaptation with work being done on local and regional food security, where appropriate.

LEGEND: ● Action Underway ● Initiate Action by 2020 ● Future Action

- Continue to improve public communication methods in advance of extreme weather events.
- Continue to integrate climate risks into emergency preparedness and recovery planning.
- Support projects and programs that increase resilience in populations vulnerable to climate change.
- Collaborate with community partners to expand public knowledge of the impacts of climate change and the preparation required for all Victorians.
- Compile a resource that communicates private sector responsibilities for climate adaptation, and connects them to resources and programs that will help them mitigate risks.



Community in Action

Installing a heat pump in your home, or business not only provides low carbon heating through the winter, but can also be used to provide cooling during the increasingly warm summer months. This was one of the many reasons that Maggie and Dave decided to get one for their new home.

Although Victoria has not traditionally needed much cooling during the summer, this will change in the coming decades, when heatwaves and higher average temperatures are more common. For all of these reasons, we are seeing more and more Victorians making the choice to replace their old furnaces, baseboard heaters, and boilers with ultra efficient heat pumps.



This rain garden at Fisherman's Wharf Park in James Bay treats stormwater collected from nearby roofs, roads and other hard surfaces before it reaches the ocean.

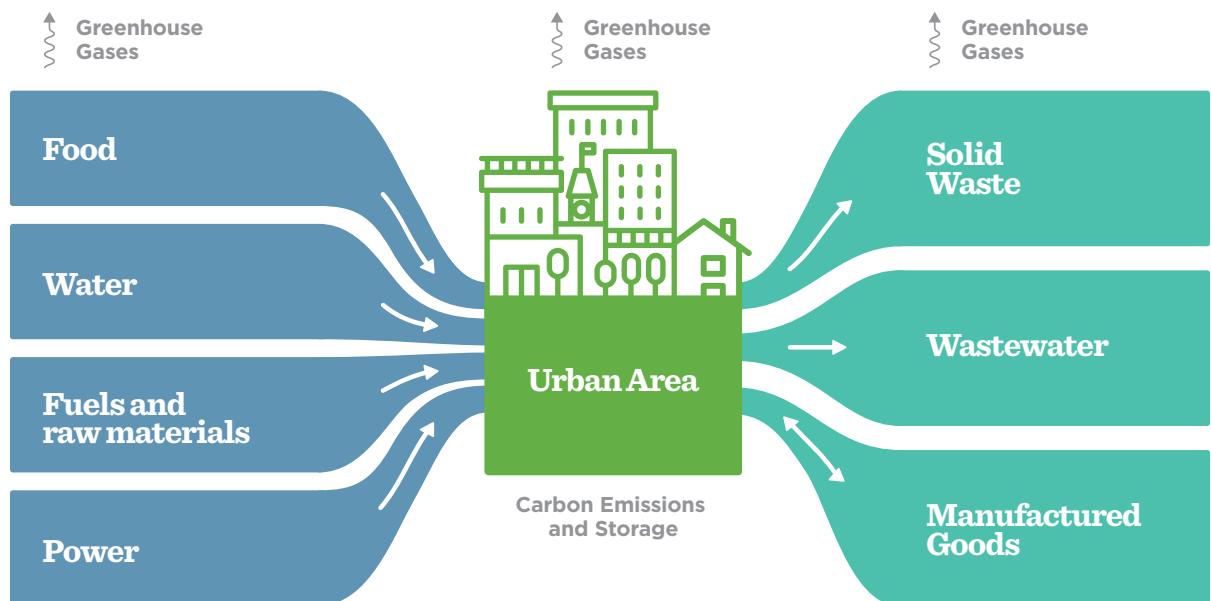
THE NEXT CHAPTER: EMBODIED EMISSIONS

Accounting for Consumption The Climate Leadership Plan focuses on greenhouse gas emissions generated locally - from buildings, transportation and waste. This is the recognized global standard for emissions reporting and action, but there is an emerging initiative that takes broader stock of a community's climate impacts. It calls for a fuller understanding of the GHG impacts — including emissions generated beyond city limits to make and deliver the materials, products and services that we consume. Identifying and measuring these 'embodied emissions' is a key step towards creating opportunities for cities to lead the way towards a more sustainable future.

Research indicates that embodied (or consumption-based) GHG emissions are approximately 60 percent greater than the GHGs generated within city boundaries.²³

While cities do not have direct control over the embodied emissions of most goods and products, they do have many opportunities to design and promote more sustainable urban lifestyles that can help reduce these consumption-based emissions. As work on climate action expands at the City, opportunities to reduce embodied emissions and shift to low carbon consumption patterns will be explored.

CITY FLOWS: THE CURRENT MODEL OF "TAKE, MAKE, WASTE."



²³ C40. (2018). Consumption Based GHG Emissions of C40 cities. <http://www.c40.org/researches/consumption-based-emissions>

Fostering a Circular Economy

The Circular Economy concept is gaining momentum as a new model for reducing waste and improving the efficiency of our current system. The concept looks at transitioning away from the extraction, use and disposal of resources towards a system that keeps resources in use indefinitely.

The City will work towards alignment with the principles of a Circular Economy, and develop actions to reduce consumption-based GHGs. Potential future actions include adopting consumption-based emissions accounting for the City of Victoria, and developing a sustainable consumption strategy that identifies and prioritizes options for lower carbon consumption.



Eco-City Project

In 2017, the City of Victoria piloted the use of a new tool to create a consumption-based inventory. The results revealed a doubling of GHGs when taking into account the embodied emissions from the products and goods

consumed by Victorians. The results of Victoria's consumption-based inventory shows that the choices we make as individuals in what we consume have a significant role to play in reducing our community's GHG emissions.

CONSUMPTION BASED GHG EMISSIONS, 2015

40% TRANSPORTATION 3.3 tCO₂e/ca

14% CONSUMABLES & WASTE 1.2 tCO₂e/ca

18% FOOD 1.5 tCO₂e/ca

28% BUILDINGS 2.3 tCO₂e/ca

TOTAL tCO₂e/ca: 8.3 TOTAL tCO₂e: 703,000

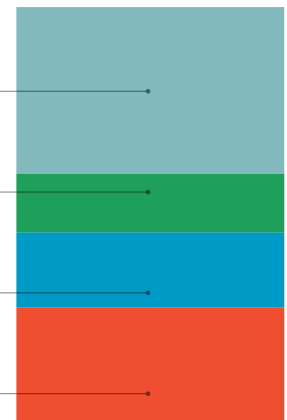


Figure 11 : City of Victoria ecoCity Footprint Tool Pilot Summary Report (2017).

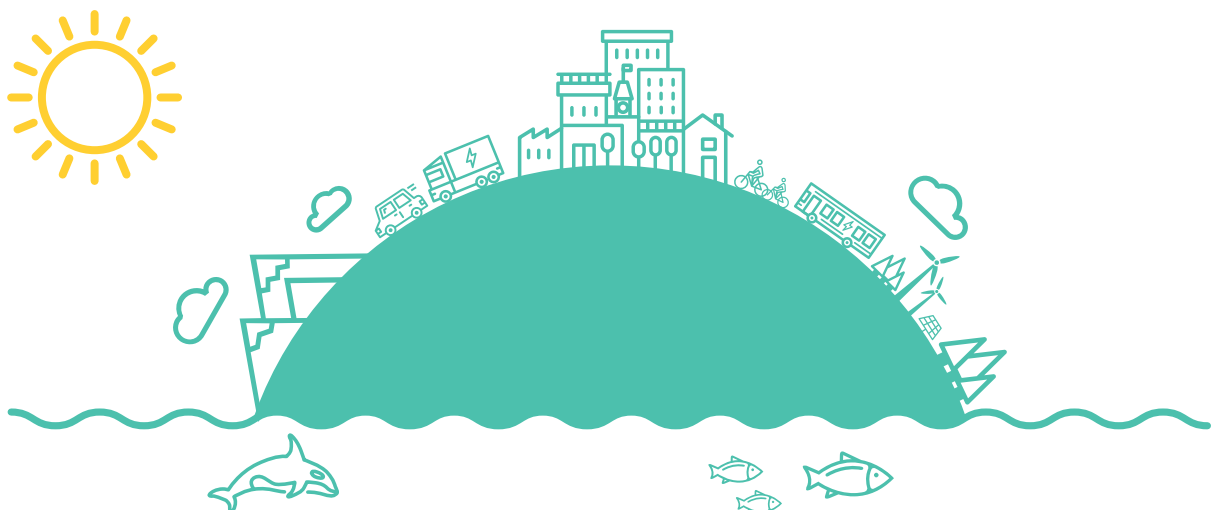
BUILDING MOMENTUM

The CLP is the City's first step toward galvanizing our community around the actions needed to reduce GHGs by 80 percent by 2050, along with a corresponding and necessary shift to 100 percent renewable energy. The CLP calls for reducing energy and GHGs, replacing fossil fuels with low carbon alternatives, redesigning systems to produce less GHGs, and building resilience into our community. Distinct pathways to a low carbon future for the buildings, mobility and waste sectors focus toward building a more prosperous and sustainable future, to be reached through early, well-informed and affordable planning and investments.

Reaching the City's ambitious, but achievable climate action targets will require strong and enduring collaboration across our community, business, government and residential groups.

Through the CLP, the City pledges to help ensure that the necessary information and decision-making systems are in place to support all community members as they seek to make cost-effective, low carbon energy choices. Our community's willingness and ability to take action will determine the overall pace, scale and success of our climate actions.

In many cases, we already have the tools, technology and information to make convenient and high-impact GHG and energy improvements. Across Victoria, many community members are taking action today and are on track to achieve the 2050 targets. These climate leaders are keeping their well-insulated homes comfortable by using affordable and efficient heat pumps; rethinking their mobility choices by taking transit, riding bikes and walking for local trips; driving plug-in hybrids and electric vehicles;



and making conscientious choices to avoid waste in their daily lives.

The actions we take represent our community's values. They reflect the inspiration we draw from Victoria's natural environment, and our recognition that ensuring it continues to thrive requires lasting commitment. We increasingly make tough GHG and energy choices, carefully weighing long-term sustainability alongside pressing near term family and business needs. And we look beyond our island home, recognizing that our individual daily energy choices add up to consequences on a global scale; billions of people taking meaningful action to avoid waste, reduce energy use, or avoid a kilogram of GHGs will have immensely positive

impacts for billions of others on the planet. Stretching limited resources today will enhance opportunities and well-being for generations to come.

As this plan builds momentum and sets the stage for positive change, we will continue to reflect on global limits, our evolving values, and how our behaviour and choices can best support a collective shift toward greater sustainability. The City of Victoria will remain keenly focused on helping people get access to the tools they need to succeed. The City is committed to working with all stakeholders to measure, manage and adjust our climate action progress as we transition together to a low carbon and prosperous community.

Acknowledgements

The Climate Leadership Plan has been developed through deep collaboration across all City departments, and has been made possible thanks to the tireless efforts of many groups across Victoria, including neighbouring municipalities, academia, industry, non-profits, technical experts, and partners in regional and provincial governments. The City is extremely grateful to all leaders and community members who have given freely of their time to help build this plan, and who have demonstrated inspirational leadership in our collective bid to reduce GHGs and thrive in our community.

2018 CITY OF VICTORIA CLIMATE LEADERSHIP PLAN

victoria.ca/climateaction



Appendix B: Climate Leadership Plan Overview

1. Document Structure

a. The CLP is organized into four main sections:

- i. Message from the Mayor and Executive Summary
- ii. Introduction to the CLP, the climate imperative and challenges faced, and the City's vision for low carbon prosperity
- iii. The five sectors of the CLP
- iv. The next chapter for climate action planning at the City and concluding remarks

b. For ease of understanding, each sector of the CLP follows the same general structure:

- i. **The Vision:** the achieved state of GHG performance we aspire to in 2050 for buildings, mobility, waste management, adaptation and municipal operations.
- ii. **The Goals:** the desired outcome for each sector.
- iii. **The Challenge:** discussion of the factors contributing to the climate challenge.
- iv. **The Plan:** This section discusses the actions that the City will take and that the whole community must engage with to reach our ambitious targets.
- v. **Targets:** Each sector states specific climate goals and corresponding targets. All targets (below) and actions act to **reduce** GHGs, **replace** fossil fuels with renewable fuel, **redesign** systems to be more sustainable, or add **resiliency** to systems to protect against a changing climate. These are referred to as the "4 Rs".
- vi. **Actions:** the specific targets that staff are proposing the City and community undertake to address the climate challenge. These actions are organized by those that are currently underway, those that will be initiated by 2020 and those that require more planning and are thus future actions.
- vii. **Community (or City) in Action:** each sector has one or two featured pieces on community members who are leading the way to a renewably powered, low carbon future. For Municipal Operations, there is a focus on what the City has done thus far. These features are meant to inspire others to action and show that an 80 percent reduction in GHGs and a transition to 100 percent renewable energy is possible.

2. Key Principles: key principles that underpin our climate planning actions, decisions, and values:

- a. **Lead and inspire** – The City will be a regional and national leader on climate mitigation and adaptation. It will take urgent action to drive innovative GHG reductions, creatively and collaboratively with other leaders and key stakeholders.
- b. **Harmonize climate action to secure co-benefits** – GHG reduction actions should be integrated with all other priority areas for City planning, including health, safety, and environmental protection, affordability, and quality of life.
- c. **Universal accountability** – All Victorians (residents, businesses, employees, and visitors) have a role to play in improving GHG performance, and should be encouraged to take meaningful action.
- d. **Make energy visible** – Our community's energy use, GHG performance, and climate impacts must be clearly known to drive effective change.

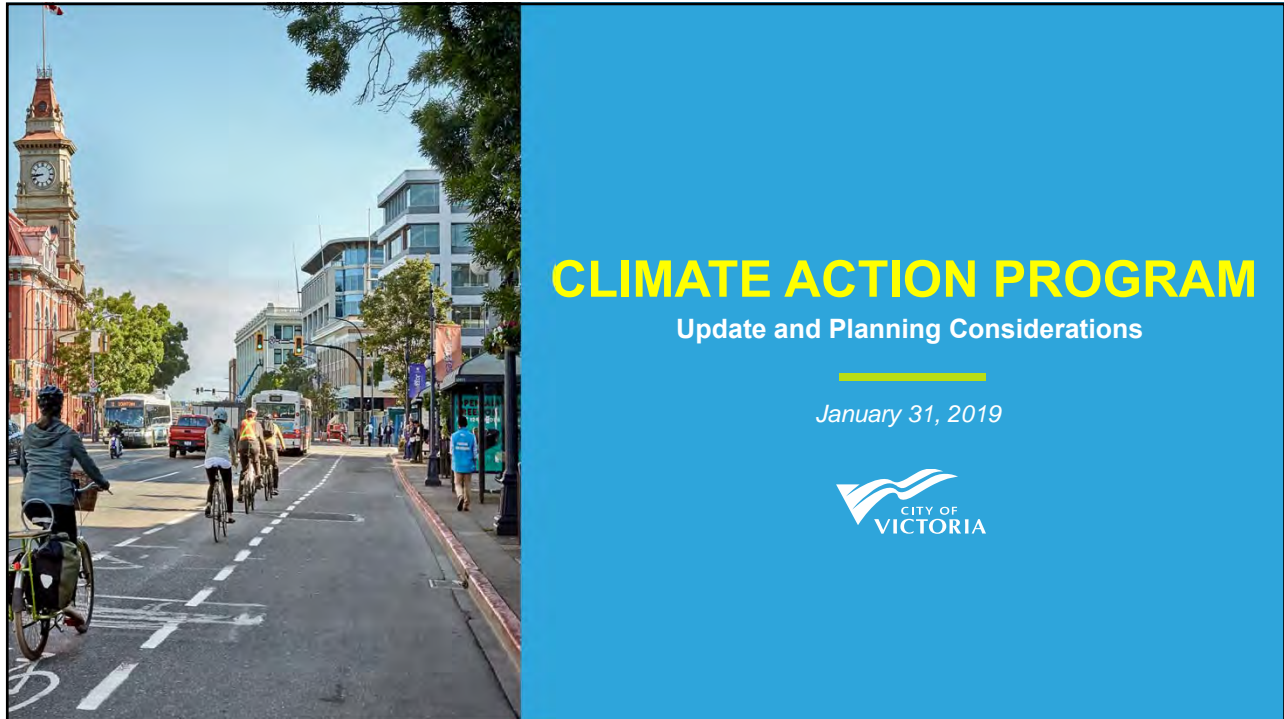
- e. **Evidence-based decisions** – Energy and GHG decisions should be socially-minded, cost-effective and supported by science, including a full, life-cycle understanding of relevant issues and technologies.
 - f. **Renewable energy for all** – Our entire community, regardless of circumstances, must have access to efficient, affordable and renewable energy options.
 - g. **Dismantle barriers** – The City will remove barriers preventing rapid decarbonisation of our energy mix by supporting policies that support smart energy choices and GHG-reduction behaviours.
 - h. **Climate resilience is developed early** – Victoria must act with a sense of urgency and take early and meaningful action to avoid the most disruptive economic, social, and environmental impacts imposed by climate change.
 - i. **Think globally, change locally, partner regionally** – Partnering and advocating across jurisdictional boundaries is key to achieving consensus and maximizing global GHG reductions.
 - j. **Track and Adjust** – The City will measure, track and report on its targets and actions annually, making adjustments where required.
3. **Sector Goals, Targets and Actions:** The CLP is broken out into five chapters covering five sectors: buildings, mobility, waste management, municipal operations and adaptation. In each chapter, high-level goals describe broad climate action objectives for the sector that are supported by more detailed targets and a list of actions. Colour-coding identifies which actions are underway, those the City intends to initiate by 2020, and others to follow in the future. Only some actions include well-defined strategies. For the rest, the City must first gain a fuller understanding of the related barriers and opportunities to determine how best to proceed. In all cases, performance metrics will be established to track progress.

Appendix C: 2018 Climate Action Program Progress/Commentary

Program Area	Project	Status	Comment
High-Performance Buildings	Efficiency BC	NEW	Provincial incentive program. City staff involvement is focused on incentives to support residents in switching away from fossil fuels (natural gas, propane, oil) to air source heat pumps. This program began in September 2018 and will run for 24 months. The City was able to offer \$350 each for up to 60 households in Victoria. Combined with the Province's \$2000 contribution and the CRD's \$350, residents can access \$2700 in rebates for fuel switching.
	Residential Retrofit Acceleration Project (RAPP)	NEW	Staff supported a successful FCM application for \$400,000 in collaboration with other local governments. The goal of RRAP is to mobilize government and industry collaboration and accelerate energy and carbon-reduction strategies/ projects to double the emissions reductions achieved from residential retrofits in program communities.
	Retrofit Strategy	ONGOING	Staff progressed work on the home retrofit strategy through internal staff analysis and a partnership on a successful grant for deep energy retrofits. A "Residential retrofit analysis for the City of Victoria" was also completed for the City by researchers at the University of Victoria.
	Step Code Implementation	ONGOING	Step Code was adopted by City Council on April 26, 2018 and came into effect on November 1, 2018.
	Market Rental and Revitalization Study (MaRRS)	COMPLETE	Study complete and presented to council May 10, 2018. Staff were directed to initiate a Pilot Program for an Energy and Seismic Upgrade Incentive Program targeting aging rental apartment buildings. Work is currently underway to release an Expression of Interest for interesting test-pilot parties, however a delay is expected due to staff changes.
Community Outreach	Climate Champions	TBD	Staff committed to Council on July 26, 2018 to begin the necessary planning and approach for how to best support community-led climate action. In Q4 2018, this involved conversations with other municipalities, staff, and non-profits. More focused work is required in 2019 to assess and recommend how to best seed high impact community climate action. More direction from Council is required to define the approach/urgency, so that staff can assess and present the resource options and costs for Council.

	Communications Strategy	NEW	Staff identified the need for a communications strategy for the Climate Action Program. Staff drafted a scope, but due to capacity issues, no progress has been made.
	Community Energy and GHG Information Management System	ONGOING	The City is developing a Solar Rooftop Tool as part of its commitment to support GHG emission reduction in the community. Launch expected in early 2019.
	Climate and Sustainability Change Agent	SCOPE CHANGE	The funding for this initiative will be partially used to develop the Communications Strategy.
	Climate Leadership Plan Communications	COMPLETE	Following the CLP's adoption, staff began distribution to the community. Staff updated the Climate Action section of City of Victoria's website, but, more work is required as part of a larger climate communications strategy.
Low Carbon Mobility	EV Charging Upgrades – City Parkades	COMPLETE (Q1 2019)	Staff completed the installation of four additional EV chargers in City parkades. The fifth and final charger will be installed in January/February, 2019. The delay was necessitated by a confirmation of electrical system capacity. Once installed, this will bring the City's public EV charging infrastructure to a total of 13 Level 2 stations.
	Sustainable Mobility Strategy	ONGOING	This strategy is managed by the Active Transportation group and will be completed in Q3, 2019.
	EV Strategy	ONGOING	Staff participated in the CRD's steering committee developing the recently released Capital Region EV and E-Bike Infrastructure Planning Guide, This report, together with the anticipated and recently released BC Zero Emission Vehicle Mandate, resulted in a strategic delay on work on Victoria's EV Strategy. Work on the City strategy, with a soon-to-be released RFP, will define the smartest investments in EV infrastructure/policies for the near term.
	E-Bike Rebate Program Study	COMPLETE	Staff partnered with researchers at the University of British Columbia to understand options and approaches for developing a residential and business e-bike incentive program. Staff are currently reviewing the results to decide on recommended next steps and required partnerships. Introducing an electric bicycle incentive is an action in the CLP.
	Zero Waste Strategy	ONGOING	This strategy is managed by staff in Sustainability.

Low Carbon Waste Management	Love Food Hate Waste Educational Program	ONGOING	This work is managed by staff in Sustainability.
	Yard and Garden Waste Management Review	ONGOING	This work is managed by staff in Sustainability.
Low Carbon Municipal Operations	Corporate Energy and Emissions Management System	ONGOING	Consultant support awarded, work to begin in Q1, 2019.
	Fleet Telematics	ONGOING	Interim GHG emissions targets will be set for the City's fleet once defined by the fleet telematics program data, to be finalized with council approval. Fleet emissions performance is now being introduced into replacement prioritization.
	Corporate Energy Manager (Facilities Energy Specialist)	DELAYED	Delay in 2018 due to external funding application award going to another municipality. New partnership has been secured beginning Q2, 2019.
	FCM MCIP Grant, Victoria City Hall Energy Assessment and Net Zero Roadmap:	ONGOING	Engineering and Facilities staff were successful in securing funding through FCM for a Victoria City Hall energy assessment and net-zero energy roadmap. The assessment and roadmap will comprise of an energy audit of all City Hall facilities, including the building envelope and mechanical systems, and develop a road map for City Hall to achieve net-zero carbon emissions and a 100% renewable energy supply in operations. Project is expected to be completed in Q1, 2019.
Adaptation	Risk assessment report	ONGOING	Rigorous assessment of existing and emerging climate risks. To be complete Q1, 2019.
	ICLEI Livable Cities Forum	NEW	A bi-annual event focusing on climate resilience for which Victoria is the host city in 2019.
	Adaptation Implementation Plan	ONGOING	A framework to operationalize the adaptation direction within the CLP, and to advance the adaptation actions identified by staff and stakeholders. To be complete Q2, 2019.



Purpose

- Provide an overview of the Climate Leadership Plan (CLP) and the Climate Action Program (CAP);
- Respond to Council’s queries related to climate action progress;
- Present staff’s recommendation for CAP in 2019

Background

August 2016: Council motion to establish a long-term greenhouse gas (GHG) reduction target for both corporate and community emissions consistent with global reduction goals of 80% GHG reduction by 2050, including a corresponding target of 100% renewable energy.

Dec 2016: staff provided update on development of Climate Leadership Plan (CLP).

Sept 2017: staff provided update on development and structure of CLP.

Dec 2017: staff presented draft CLP; Council directed staff to carry out community and stakeholder engagement and report back with final CLP in June. Council also approved allocation of over \$400,000 from Climate Action Reserve Fund (CARF) for priority staffing and actions.

July 2018: Council approved the City's Climate Leadership Plan and staff provided Council with an update on the Climate Action Program (CAP).

October 2018: Intergovernmental Panel on Climate Change (IPCC) released a special report.

December 2018: Council adopted the motion, "Leadership for Climate Action," directing staff to report back on options for acceleration of climate action.

(CoTW, p. 3-4)



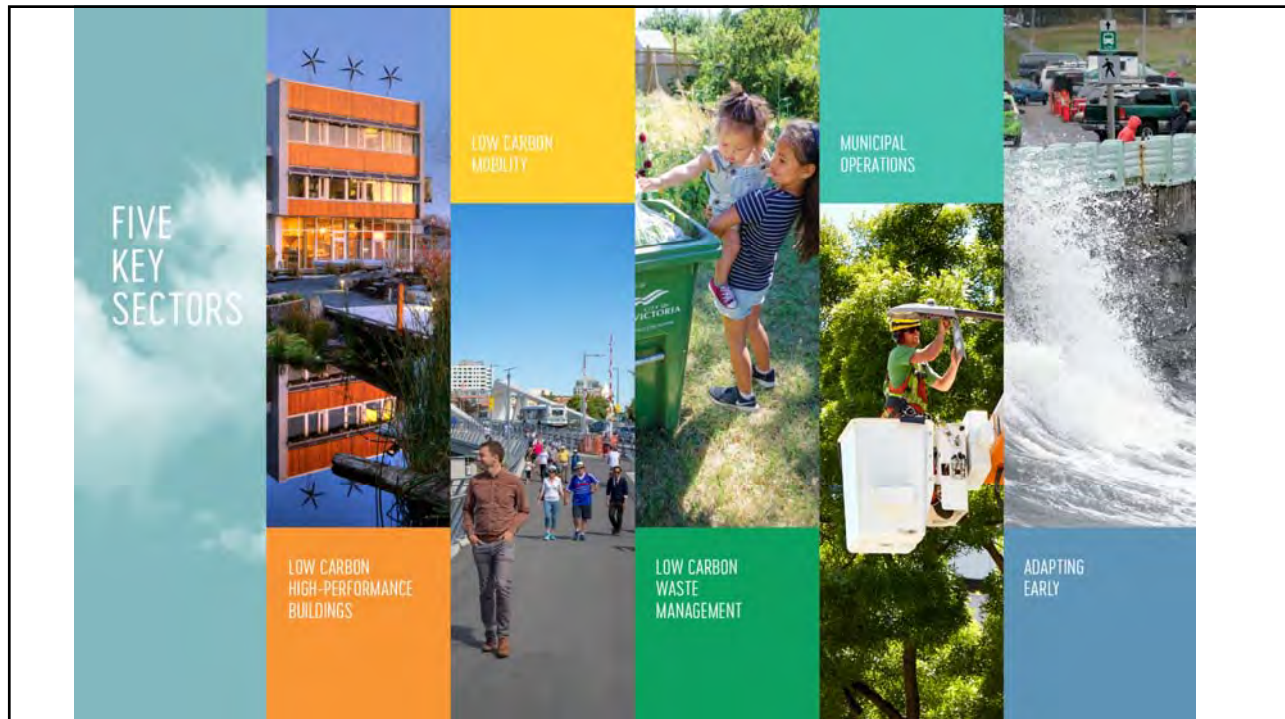
Vision

The City's **vision** for 2050 is of a vibrant, healthy, and prosperous community, fueled by renewable low carbon energy systems, and designed and integrated in ways that promote a high quality of life for all Victorians.

The City's **mission** is to lead Victoria's transition to a renewable energy future, and to inform, equip, enable and inspire the community to rapidly reduce their own GHG emissions and prepare for climate change.



(CLP, p. 18)



Goals	SECTOR	CLIMATE LEADERSHIP GOALS
	 BUILDINGS Page 24	<ul style="list-style-type: none"> » All buildings are highly energy efficient. » All buildings are powered by renewable energy.
	 MOBILITY Page 34	<ul style="list-style-type: none"> » All Victorians have access to low carbon, high-performance and affordable multi-modal transportation. » Vehicles in Victoria are powered by renewable energy. » Smart land use minimizes transportation emissions.
	 WASTE MANAGEMENT Page 42	<ul style="list-style-type: none"> » Organic materials are managed to avoid GHG emissions.
	 MUNICIPAL OPERATIONS Page 48	<ul style="list-style-type: none"> » The City is a recognized leader in climate mitigation and adaptation. » The City takes integrated and informed climate action. » The City will provide timely and accurate data supporting strong climate mitigation and adaptation actions.
	 ADAPTING EARLY Page 54	<ul style="list-style-type: none"> » All climate-related risks to city infrastructure are minimized through early planning and action. » Victoria's natural environment flourishes in a changing climate. » All Victorians are empowered and prepared for climate impacts and emergencies.

(CLP, p. 7)
(CoTW, p. 6)



CLIMATE ACTION PROGRAM: UPDATE AND 2019 CONSIDERATIONS

- 2018 CAP Progress Update
- CAP Staffing Model
- CAP Priorities
- Considerations for Program Acceleration
- Options and Impacts
- Recommendation



2018 Climate Action Program Updates

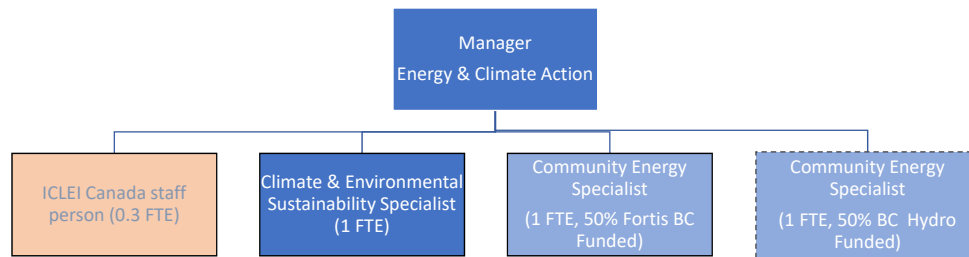
- Step Code adopted
- MaRRS (Market Rental Revitalization Study)
- CLP completed and adopted
- Priority action completion/progress
- Commenced or completed additional initiatives aligned with CAP priorities



(CoTW, p. 9)



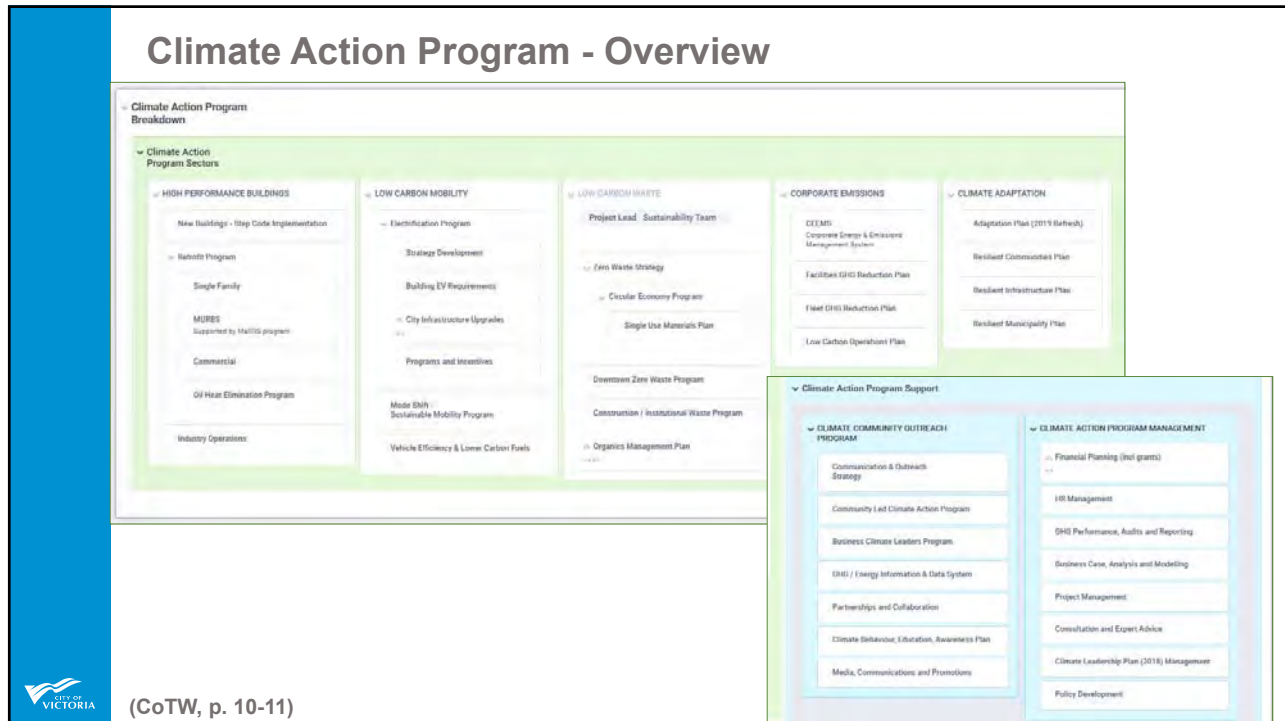
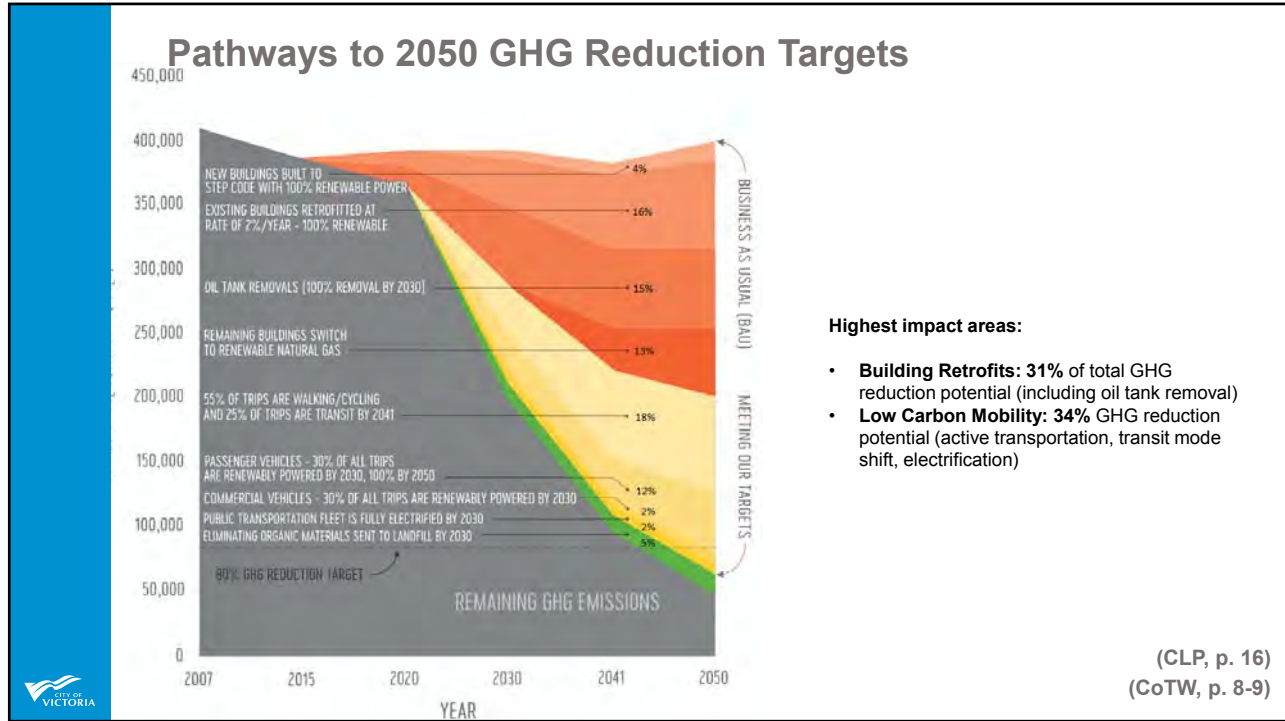
Climate Action Program - Staffing Model



City Climate Action Team. Note: dashed box refers to team member embedded in SPCD, and beige box refers to ICLEI employee/Western Canada office representative.

(CoTW, p. 13)





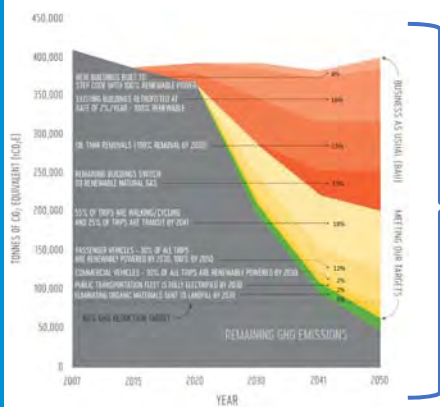
High Impact Initiatives

No.	HIGH IMPACT INITIATIVES	COMMENTS
1	Building Retrofit Program	Buildings represent the largest source of GHG emissions in Victoria.
2	Oil Heat Elimination Project	Oil tank elimination represents a single area with potential for one of the highest GHG reductions.
3	Bike Master Plan	Ongoing investments in mode shift through development of improved safe cycling network.
4	Transit Improvements / Electrification	Partnerships and incentives to transform regional public transit and drastically increase mode-shift to clean public transit system.
5	Climate Outreach Program	Developing strategy and plans for social programs to enable and promote progress in climate action at the personal, family, business and societal levels.
6	Expert Consultant Advice (Policy Workshop)	Comprehensive review of City programs, policy options, approach and priorities to reduce risks and guide staff and Council.



(CoTW, p. 12)

Urgency and Approach



What is the City's **role**, in each GHG reduction area?

What is the **urgency** or **pace** required?

What **approach** should we implement? (specific policy, education, financial, program?)

What are the **resources required** to meet the urgency/ approach?



Considerations for Program Acceleration

That Council direct staff to report back on options for expediting implementation of the Climate Leadership Plan, including options for:

1. Accelerating the reduction of the City of Victoria's corporate emissions.
2. Expediting the transition of the municipal vehicle fleet, as well as the transition of passenger vehicles, commercial vehicles and the VicPD fleet to renewable energy.
3. Mandating electric-vehicle charging capacity in all new construction that provides on-site parking, including a possible exemption for affordable housing.
4. Accelerating the implementation of the BC Energy Step Code for new buildings.
5. Accelerating the retrofitting of existing buildings for energy efficiency, including incentives for the installation of solar hot water, heat pumps and other clean energy technologies.
6. Expediting waste reduction and the capture and re-use of methane.
7. Reviewing the targets in the Climate Leadership Plan to account for GHG emission reductions necessary to limit global warming to 1.5°C.
8. Increasing transparency of the City's annual reporting on emissions targets



(CoTW, pp. 14-16)

Impacts to Financial Plan

- **Climate Action Reserve Fund (CARF)** (approximately \$400, 000 available for 2019)
 - This reserve has been established to provide a source of funds for funding climate mitigation and adaptation strategies that target energy and GHG reductions associated with facilities or transportation of either City-owned assets or community public lands and services.
- **Operating Budget** (\$314, 995, as stated in draft 2019 Financial Plan)
 - To support the Climate Action Program operating costs and expenditures
- **Grants/Funding Partnerships**
 - Yearly, staff submit applications to government agencies, non-profits, and utility providers to supplement those funds available through the CARF and operating budget
- **2018 Carry-Forwards**
 - 2018 work is still underway and funds will be carried forward to 2019
- **2019 Proposed Funding request** (\$592, 700)
 - \$369, 700 available to be funded through the CARF
 - \$223, 000 to be considered as part of 2019 financial planning process
 - **Additional funding requirements may be identified through the recommended policy workshops.



(CoTW, pp. 21-24)

Options

- **Option 1: Status Quo Program**
 - No change to current staffing and resource model
 - This option would include the support of Community Energy Specialist role (new, 2-year agreement with BC Hydro)
 - This option includes progressing several projects and initiatives, currently underway, in order of priority.
- **Option 2: Enhanced Program (recommended)**
 - Includes all of the programming in Option 1 and adds immediate staff resources, and
 - Policy Workshop to define approach for all high-impact initiatives
 - This option requires an allocation of \$369, 700 from the CARF (one-time) and asks that council refer the funding request of \$223, 000 for two new positions to the 2019 financial planning process
- **Option 3: Immediate Program Restructuring**
 - This option would be for Council to consider immediate financial and staffing resource allocations
 - Depending on Council's direction for urgency/policy, staff levels could be augmented and/or consultant support increased.



(CoTW, pp. 19-21)

Recommendation

That Council:

1. Direct staff to proceed on the basis of option 2
2. Approve the Council Proposed Actions to advocate to the Province for the following immediate actions:
 - a) Make available all ICBC municipal vehicle km/make/model/fuel economy information.
 - b) Continue the development and implementation of world-class low carbon fuel standards.
 - c) Continue progressive and direct funding programs and partnerships for municipal low-carbon initiatives, including building retrofit, transportation, waste management and other priority and shared GHG reduction programs.
 - d) Fully invest in delivery of the zero-emission vehicles sales targets as established in the CleanBC Plan.
 - e) Support transformational improvements to regional BC transit infrastructure to promote and enable rapid mode shift to transit in the region, including transitioning the BC Transit fleet to zero emissions as early in the 2020s as possible, and:
 - I. Completion of dedicated bus lanes on all connections between the West Shore and downtown
 - II. Installation of Traffic Signal Priority (TSP) sensors in all buses that operate in the City of Victoria.
 - III. Installation of 'all door loading' capabilities for all busses in the Victoria regional transit system.
 - IV. Introduction of real-time, digital bus information to enable super-convenient, accessible transit operational information.
 - V. Introduction of "tap" payment-systems common to multi-modal service providers, to support rapid loading of busses and align with Smart Mobility goals.
 - VI. Completion of the business-case to determine the most effective investments in public transportation to realize the highest potential mode-shift and ridership in the south island, including but not limited assessing commuter ferry, public transit along the E&N rail corridor and Douglas Street / Highway 1 / Highway 99, bus rapid transit (BRT) or light-rail transit (LRT).
 - VII. Reporting of annual regional transit GHG and combustion pollutants, mitigation priorities, progress and business cases for investments.
 - f) And that Council continue to advocate and engage with the CRD to prioritize the introduction of systems to minimize fugitive methane and capture all landfill GHGs.
3. Consider the 2019 Climate Action Program spending plan as part of the 2019 Financial Planning process:
 - a) Include within the 2019 Financial Plan an allocation of \$369, 700 from the Climate Action Reserve Fund to fund the one-time initiatives as outlined in this report
 - b) Refer consideration of the ongoing funding requests of \$223,000 for two new positions to the 2019 financial planning process



(CoTW, pp. 19-21)

Questions / Discussion



Accelerating Diffusion of Innovation: Maloney's 16% Rule[®]



Maloney's 16% Rule: Once you have reached 16% adoption of any innovation, you must change your messaging and media strategy from one based on scarcity to one based on social proof, in order to accelerate through the chasm to the tipping point.

[^] Robert Cialdini ^{*} Everett Rogers [#] Forrester's [~] Geoffrey Moore ⁻ Malcolm Gladwell

Matinara, Ville & Liu, Yang. (2015). Virtual design and construction: Innovation process and diffusion in Finnish construction business. International Journal of Innovation and Learning. 18. 133. 10.1504/IJIL.2015.070869.

(CoTW, p. 18)



Victoria's Climate Challenge

2017 GHG EMISSIONS BY SECTOR (387,694 tCO₂e11)

- 32% COMMERCIAL, INSTITUTIONAL, INDUSTRIAL, AND MULTI-UNIT RESIDENTIAL
- 19% SINGLE FAMILY HOMES
- 9% SOLID AND LIQUID WASTE
- 40% ON-ROAD TRANSPORTATION

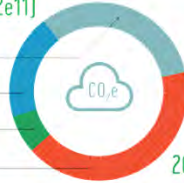


Figure 1: City of Victoria GPC Compliant Inventory, 2017

2017 GHG EMISSIONS BY FUEL TYPE

- 36% GASOLINE
- 3% ELECTRICITY
- 7% DIESEL
- 2% WOOD
- 2% PROPANE
- 12% HEATING OIL
- 38% NATURAL GAS

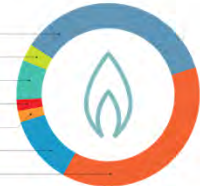


Figure 2: City of Victoria GPC Compliant Inventory, 2017

2017 RENEWABLE AND NON-RENEWABLE ENERGY MIX

- 35% RENEWABLE ELECTRICITY
- 8% HEATING OIL AND PROPANE
- 3% WOOD
- <1% RENEWABLE NATURAL GAS
- 2% BIODIESEL AND ETHANOL
- 23% GASOLINE AND DIESEL
- 29% NATURAL GAS

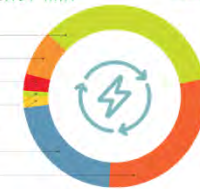


Figure 3: City of Victoria GPC Compliant Inventory, 2017



(CLP, p. 15)

Climate Imperative

- Human activity has produced greenhouse gases (GHGs) at an intensity beyond what the earth's natural systems can absorb
- Warming of Earth's surface will unleash more extreme impacts. Additional 2 degrees of warming expected by the end of this century.
- Experts project impacts could be catastrophic without deep cuts in future GHG emissions
- Local climate risks include:
 - Increased seasonal precipitation
 - Rising sea levels
 - More frequent, longer heatwaves
 - Unavoidable impacts (including wildfires, drought, and increased infrastructure costs)



(CLP, pp. 11-12)



Low Carbon, High Performance Buildings (p. 24)



GOALS

- All buildings are highly energy efficient.
- All buildings are powered by renewable energy.



Photo credit: H2GC

TARGETS

- *By 2030, all new buildings are 'net zero energy ready.'*
- *By 2050, all existing buildings meet new high efficiency standards.*
- *By 2030, heating oil is phased out.*
- *By 2050, all buildings exclusively use renewable energy.*



Low Carbon Mobility (p. 34)



GOALS

- All Victorians have access to low carbon, high performance and affordable multi-modal transportation.
- Vehicles in Victoria are powered by renewable energy.
- Smart land use minimizes transportation emissions.



TARGETS

- By 2030, 25 percent of all trips by Victoria residents are taken by public transportation.
- By 2030, 100 percent of BC Transit buses in Victoria are renewably powered.
- By 2030, Victoria residents choose walking and cycling for 55 percent of all trips.
- By 2030, renewable energy powers 30 percent of passenger vehicles registered in Victoria, and 100 percent of passenger vehicles are renewably powered by 2050
- By 2030, 30 percent of commercial vehicles operating in Victoria are renewably powered.
- By 2030, 100 percent of Victoria's neighbourhoods are "complete" by design with substantial transportation system diversity.



Low Carbon Waste Management (p. 42)



GOAL

- Organic materials are managed to avoid GHG emissions.



TARGETS

- Eliminate 100 percent of food and yard waste sent to the landfill by 2030.
- Eliminate 100 percent of other organic materials sent to the landfill by 2030.
- Capture methane from collected organic waste to provide renewable energy by 2025.



Municipal Operations (p. 48)



GOALS

- The City is a recognized leader in climate mitigation and adaptation.
- The City takes integrated and informed climate action.
- The City will provide timely and accurate data supporting strong climate mitigation and adaptation actions.



TARGETS

- By 2040, 80 percent of the City's fleet is electrified, or renewably powered.
- All new City facilities are renewably powered.
- By 2025, all City power tools and small engine-driven equipment are renewably powered.
- By 2040, 80 percent of the City's fleet is electrified, or renewably powered.
- By 2020, capital and operating plans are informed by climate data, carbon pricing, and the City's GHG reduction targets.
- By 2022, the City has developed a 'triple bottom line' accounting system that guides City business planning.
- By 2022, partner with other local governments and the region to develop a community-accessible Energy and GHG information management System (EGIMS).



Adapting Early (p. 54)



GOALS

- All climate-related risks to City infrastructure are minimized through early and wise planning and action.
- Victoria's natural environment flourishes in a changing climate.
- All Victorians are empowered and prepared for climate impacts and emergencies.



TARGETS

- Climate resilience is embedded into all City business.
- The City's infrastructure and services are ready to protect and respond to the risks associated with a changing climate.
- Natural habitats support healthy fish, wildlife, and plant populations and healthy ecosystem function
- The community is knowledgeable and prepared to address the impacts from a changing climate.
- The City incorporates best practices in risk communication (e.g. advanced warning systems, short videos) covering all climate hazards.
- Climate resilience enhances quality of life for all Victorians, especially the most vulnerable.

Background Information

CANNABIS AND FARM USE ACTIVITIES

Intent: Treat Cannabis the same as other Farm Use activities

WHEREAS the *Agricultural Land Commission Act* states "**farm use**" means an occupation or use of land for farm purposes, including farming of land, plants and animals and any other similar activity designated as farm use by regulation, and includes a farm operation as defined in the *Farm Practices Protection (Right to Farm) Act*;

AND WHEREAS the Agricultural Land Reserve Use, Subdivision and Procedure Regulation (the ALR Regulation) has differentiated the lawful production of cannabis from other "**farm use**" by limiting the structures for production, and narrowing the definition of 'necessary' activities under section 2(3), unlike any other crop in British Columbia:

THEREFORE BE IT RESOLVED that the AVICC request the provincial government to amend the ALR Regulation so that the lawful production of cannabis aligns with the growing structures and site development measures available for all other crops. More specifically, placing limits on the unique concrete structure growing method initially targeted for regulation to all crops. Thus enabling cannabis, when grown as any other crop, to be deemed a "**farm use**", as defined in the *Agricultural Land Commission Act* and a "**farm operation**" under the *Farm Practices Protection (Right to Farm) Act*. Circumscribing cannabis production in structures that are lawful by regulation for all other crops, may not withstand judicial review.

Background:

- Conducting agricultural activities in the municipalities on ALR land, zoned A-1 hinges on the activity being deemed a "Farm Use" under the ALR Regulation.
- Many municipalities and regional districts, including the Regional District of Nanaimo have adopted bylaws that permit cannabis to be grown as a "Farm Use" in accordance with the ALR Regulation.
- Most agricultural facilities in BC from industrial greenhouses to mushroom facilities to equine and hobby farms are deemed "Farm Use" under broad provisions in the ALC Regulation.

- However, due to concerns expressed by UBMC members in 2018, regarding bunker style concrete facilities, and the transition of non-crop based structures, the provincial government amended the ALR Regulation creating a separate “Farm Use” definition for cannabis production.
- The ALC cannabis “Farm Use” definition focuses on the type of structures available for cannabis production. Unlike all other agriculture, driveways and parking lots for cannabis require a “Non-Farm Use” application.
- The generally understood intent of the July, 2018 amendments to the ALC Regulation which introduces structural regulation, and deems driveways and parking lots to require a Non-Farm Use application, missed the original intent; which was to ban cement bunker style structures and generally protect food security.
- The current ALR Regulation allows any crop (other than cannabis) to be grown in a cement style bunker if a farmer so chose. The ALR Regulation also allows any necessary farm structure to be built with a cement foundation and fill to be used for that purpose.
- Cannabis farmers are pursuing growing technology and farm development similar to any other crop(e.g. greenhouses and modular structures), but have been left with confusion due to regulatory language regarding a “structure...with a base consisting entirely of soil”.
- A “Farm Use” for farm production and processing of tomatoes and food crops is not treated the same as a “Farm Use” for the same growing and processing technology for cannabis.
- At the heart of the issue is a clause which defines the “Farm Use” for cannabis and defines that it can be grown in a structure which “has a base consisting entirely of soil”.

Impact on Municipal Government:

Resource costs; time and staff.

Background:

- Low Human Occupancy Farm Use buildings (e.g. greenhouses) fall under the National Farm Building Code. Typically a farmer would take out a building permit directly from a municipality for applicable sections of the building code for an agricultural building. (Plumbing and Fire Safety)
- Secondly, the Processing Facilities, which are a Farm Use, but high occupancy, requires a full building permit (2018 BC Building Code) from the municipality.
- Municipalities are uncomfortable accepting permits for Building Permits without some form of acknowledgement that the facility is considered “Farm Use”.
- Currently there is NO mechanism at the Agricultural Land Commission to allow for a “Farm Use” decision. The ALC only has the authority to make decisions on the requirements for “Non-Farm Use” or through a compliance and enforcement decision.

- The ALC has declined repeatedly to provide “comfort” for reviewing a structure and its foundation to confirm it complies with the regulation, “structure...with a base consisting entirely of soil”.
- The ALC has requested applicants to file formally through the Non-Farm Use Portal (for a \$1500 fee) to have a “Farm Use” affirmation made by a statutory decision maker.

Discussion:

- A “Non-Farm Use” filing (application) to the ALC typically generates a referral to the municipal or regional government. Typically these would enter an internal review cycle that would include review and preparation on the agendas for discussion by a Planning or Agricultural Committee over a 90-day period.
- However, as the filing with the ALC is simply seeking administrative comfort of the “Farm Use” interpretation for the base of structures, significant time and resources may be spent by municipalities and committees reviewing an ALC filing that in fact is “Farm Use”.

Background Information

CANNABIS PLANTS ON THE AGRICULTURAL LAND RESERVE

Intent: Regulation remains the same with clarification of “Farm Use” cannabis structure

WHEREAS the *Agricultural Land Commission Act* states “farm use” means an occupation or use of land for farm purposes, including farming of land, plants and animals and any other similar activity designated as farm use by regulation, and includes a farm operation as defined in the *Farm Practices Protection (Right to Farm) Act*;

AND WHEREAS the Agricultural Land Reserve Use, Subdivision and Procedure Regulation (the ALR Regulation) has differentiated the lawful production of cannabis from other “farm use” by limiting the structures for production, and narrowing the definition of ‘necessary’ activities under section 2(3), unlike any other crop in British Columbia:

THEREFORE BE IT RESOLVED that the AVICC request the provincial government to amend the ALR Regulation in order to clarify the interpretation of section 2(2.5) of the ALR Regulation regarding the lawful production of cannabis “inside a structure (a) that has a base consisting entirely of soil”, and clarify that when producing cannabis in a greenhouse, it has the same meaning as “Greenhouse” under section 2(o)(i) of the Regulation. Circumscribing cannabis production in structures that are lawful by regulation for all other crops, may not withstand judicial review.

AND BE IT FURTHER RESOLVED THAT the AVICC request the provincial government to amend the ALR Regulation section 2(2.5) to resemble something like the following:

- (2.5) The lawful production of cannabis is designated as farm use for the purposes of the Act if produced outdoors in a field or inside a structure
- (a) which has a base consisting entirely of soil, and
 - (i) that is moveable in nature; or
 - (ii) on a helical pile foundation; or
 - (iii) whose base does not create irreversible damage to the soil.

Note to Reader:

Moveable is not to be confused with ‘temporary’, which is a clear municipal jurisdiction and generally dictates size and construction materials.

Background Information

LOW IMPACT FOUNDATION SYSTEMS FOR FARM USE STRUCTURES

Intent: Transition all Agricultural crops to low impact foundation systems for all Farm Use Structures

WHEREAS the structural use of concrete as a foundation system and associated fill, is known to cause irreparable damage to soil biology and render a site unfit for soil-based crops in the future, and low-impact, low carbon, removable foundation technologies are available as a new standard for agricultural structure foundations;

AND WHEREAS the *Agricultural Land Commission Act*, and the Agricultural Land Reserve Use, Subdivision and Procedure Regulation (the ALR Regulation) regulate “**farm use**” structures on the agricultural land reserve (ALR) and the deposit of fill is considered a farm use for all activities under sections 2(1) to (2.2), and does not require notification to the ALR except under limited circumstances, and the National Farm Building Code applies to all agricultural “**farm use**” structures;

THEREFORE BE IT RESOLVED that the AVICC request the provincial government to encourage the use of low carbon, low impact, cement-free foundation technologies for farm use structures and buildings within the ALR, thereby reducing the deposition of fill material and elimination of arable soil capability in the long term.

Note to Reader:

- This is a policy statement which aligns with efforts to reduce environmental impact and generate a low carbon economy.
- In reality the National Farm Building Code applies to all low occupancy agricultural “Farm Use” structures, which supersedes the BC Building Code except as related to plumbing and electrical and fire safety reviews.
- The primary regulatory issue for buildings and structures, particularly greenhouses, deemed low occupancy “Farm Use”, is that there is little permitting to municipal governments and none with the Agricultural Land Commission – except for Cannabis where the definition of Farm Use structure remains unclear.
- Cannabis structure development is actually now paving the way for a new form of low impact, low carbon foundations base (helical piles) given the structural mandate, which could be successfully applied to other agricultural sectors.

BACKGROUND INFORMATION

CANADA POST'S NEIGHBORHOOD MAIL

The District of Highlands has been sending out newsletters and municipal announcements to District of Highlands residents by Canada Post's Neighbourhood Mail Campaign service since incorporation in 1993 as an economical way to communicate with its residents. Previous Canada Post forms for neighbourhood mail (unaddressed bulk mail) permitted the sender to specify delivery to portions of rural routes/delivery routes falling within Highlands municipal boundaries, so that **only** Highlands's residents would receive the neighbourhood mail.

District staff has been told by Canada Post that the neighbourhood mail campaign service (unaddressed bulk mail) can only be sent using Canada Post's online tool, "Precision Targeter", which does not allow delivery to a specified area with a municipal or regional district boundary. Using Precision Targeter, Highlands staff must now send out a minimum of 1500 pieces of mail (from the previous 800), substantially increasing staff copying and preparation time, and sending out almost as many notices outside the municipality than there are Highlands addresses. Cost per mail out increase from \$750 to an estimated \$1750.

This not only causes financial harm to municipalities and regional districts with limited financial resources, it makes distribution of municipal and regional district notices far more cumbersome, to a far wider area than necessary. It also increases staff and material costs significantly, along with unnecessary paper waste.

2019 AVICC AGM & CONVENTATION

BACKGROUNDER:

The City of Campbell River has identified a concern with the current UBCM resolutions process, which has yet to be sufficiently addressed by a dedicated resolutions committee or the UBCM executive. The most recent review was performed as a result of a member resolution noting similar concerns in 2008. The associated committee resolution report was published with recommendations in August 2010. Building on recommendations in the 2010 report, the City of Campbell River encourages the UBCM to revisit their resolutions process.

The basic nature of policy resolutions is to change or influence the government's policy agenda. As such, to draft resolutions that may be repetitive, poorly worded, inaccurate or contradictory will impede our ability to have other levels of government act on our recommendations.

The City of Campbell River requests that UBCM conduct a thorough review of its resolutions and procedures to ensure that the resolutions on the floor are reduced in number, repetition and are focused on priority issues. The following are recommended best practices:

- Resolutions should avoid conflict or duplication.
- Resolutions should be well researched and well written.
- Resolutions should give a rational, structured argument that present a compelling case.
- Resolutions should not include any misleading or contradictory statements.
- Resolutions should be reviewed to determine if they conflict with any existing policy statements.
- Resolutions that include figures, statistics or quotes should be appropriately and thoroughly vetted for accuracy and completeness.
- The Resolutions Committee should return any submitted resolution to the sponsoring municipality or area association to have deficiencies corrected or to clarify details of the resolution.
- The Resolutions Committee should implement a procedure to reduce and prioritize resolutions to ensure that the number on the floor are manageable and can be appropriately debated by members.



AVICC Resolution Submission

RECOMMENDATION:

THAT the District of Sooke bring forward the following resolution to be considered at the Association of Vancouver Island and Coastal Communities (AVICC) 2019 Annual General Meeting for consideration:

Statutory Advertising Regulations

WHEREAS many constituents are accessing community news and current events through daily and weekly online publications;

AND WHEREAS municipalities should be free to advise mandated notices additionally or exclusively in these daily and weekly online publications;

THEREFORE BE IT RESOLVED that the definition of "newspaper" in section 29 of the *Interpretation Act*, section 29 be amended to include online publications including similar criteria related to content and publication intervals to print newspapers.

Previous Council Action:

At the June 11, 2018 Regular Council meeting staff were directed to query UBCM on the status of changes to the definition of 'newspaper' in the *Interpretation Act*.

At the December 10, 2019 Regular Council meeting Council received information notifying of the deadline for submission of resolutions to be endorsed at the 2019 AVICC conference. A member of the public questioned the status of the previous June 11th inquiry which spurred staff to contact the UBCM to follow up on Council's previous request.

Report:

On June 11, 2018, Britt Santowski of the Sooke Pocket News presented Council with a resolution pertaining to allowing legislated advertising to be done in online newspaper publications. She requested Council consider forwarding the resolution to UBCM. The deadline for submissions had passed and Mayor Tait advised there were similar resolutions put forward at past conferences. Staff were directed to inquire into the status.

On January 8, 2019 staff spoke with a representative at UBCM regarding the District's June 21, 2018 request for a status pertaining to Statutory Advertising Provisions - Public Notice. They advised no update was yet available but would provide a written update

once information was received. During this conversation the UBCM representative encouraged Council to submit a resolution for endorsement as it would provide further support for change.

Ms. Santowski's original resolution has been amended as presented in the recommendation.

Strategic Relevance:

Excellence in Management and Governance

Attached Documents:

[Report-AVICC Resolutions-Dec-10](#)

[Endorsed UBCM Resolutions](#)

[Letter UBCM-Statutory Advertising Provisions](#)

[Letter-Statutory Advertising Provisions](#)

[Jun-11-2018-RC-Minutes](#)



AVICC Resolutions

RECOMMENDATION:

THAT Council receive this report on AVICC Resolutions, for information

Report Summary:

The Association of Vancouver Island and Coastal Communities (AVICC) invites member municipalities to submit resolutions on a subject, issue or concern, specific to the local community.

For a resolution to be considered at the Union of British Columbia Municipalities (UBCM) Conference it must first be received and subsequently endorsed by the local Area Association, which is the AVICC. Then the Area Association, the AVICC, submits the endorsed resolution from its Convention to the UBCM. Should Council have any issues to be forward to the 2019 conference, they would need to be brought forward to Council at the first Regular Council meeting in January 2019.

Anyone wishing to bring forward a resolution should forward it to the Corporate Officer no later than January 4, 2019 for review and inclusion in the agenda package for Council consideration at the first meeting in 2019.

Attached Documents:

[2019-Call-for-Resolutions](#)

Whereas Section 94 of the *Community Charter* prescribes public notice provisions through a newspaper distributed at least weekly;

And whereas other forms of media have a far greater reach than newspaper publications:

Therefore be it resolved that the Ministry of Community, Sport and Cultural Development be requested to conduct a comprehensive review and evaluation of the statutory advertising provisions with a view to amending such provisions in response to the technological advances of recent years.

Convention Decision: **Endorsed**

Provincial Response

Ministry of Municipal Affairs & Housing

Section 94 of the Community Charter provides a degree of flexibility for communities to use "alternative means" where it is not practical to publish a public notice in a newspaper. Additionally, the Community Charter also explicitly authorizes additional public notices, including by the internet or other electronic means.

While there is flexibility already in place, the Province recognizes that media environments are evolving in communities throughout BC. Though local newspapers continue to reach residents in many communities, electronic and internet-based forms of communication have increasingly become a useful tool for local information.

Any changes to public notice requirements would have considerable policy implications. Therefore, careful consideration and consultation would be necessary. The Province will continue to monitor the changes in local media communication throughout BC and is willing to engage in discussion with UBCM regarding potential changes to public notice requirements.

Whereas newspaper closures in communities throughout British Columbia are affecting local governments' ability to publish mandatory public notification advertisements in local newspapers especially in regional districts which already have unique geographical challenges due to local newspaper circulation areas not aligning with regional district boundaries;

And whereas the Municipalities Act of the Province of Saskatchewan enables local governments to choose their own manner of providing public notice that suits their communities;

Therefore be it resolved that both the Local Government Act and Community Charter be amended to replace the mandatory requirement to advertise in newspapers with the requirement for local governments to adopt a public notice policy based on local criteria that would enable local governments to choose their own manner of providing public notice tailored to best serve their communities.

Convention Decision: Endorsed

Provincial Response

Ministry of Community, Sport and Cultural Development

Public notices are an important component of local democracy. They serve to alert the public to important local government business, and facilitate communication between local elected officials and community members. Careful consideration and consultation would be needed before making changes to public notice requirements.

The Community Charter provides a degree of flexibility for communities to use "alternative means" where it is not practical to publish a public notice in a newspaper. The Community Charter also explicitly authorizes additional public notices, including by the internet or other electronic means.

While there is flexibility already in place, the Province also recognizes that local media environments are evolving. Although newspapers continue to reach residents in many communities, in some places, electronic and internet-based forms of communication have become increasingly important as a source of local information. The Province will continue to monitor how local media evolves; if appropriate, consideration could be given to a future dialogue with UBCM regarding changes to public notice requirements.

Whereas the *Local Government Act* and the *Community Charter* require that all public notices be published in a newspaper;

And whereas printed newspapers are no longer the only or most effective means of giving public notice:

Therefore be it resolved that UBCM request the provincial government amend the *Local Government Act* and the *Community Charter* to allow statutorily required public notices to be published using a variety of media channels, including but not limited to: newspapers, social media, web sites and online advertising, as long as reasonably equivalent or better reach than that of solely using printed newspapers can be demonstrated.

Convention Decision: **Endorsed**

Provincial Response

Ministry of Community, Sport & Cultural Development

The Community Charter contains provisions for a degree of flexibility regarding the statutory requirement to publish a notice. Section 94(7) provides the option for a local government to broaden the types of media used to publish a notice – that is, a local government must still publish the notice in a newspaper, but may in addition, publish the notice in another way (e.g. on the internet).

Section 94(4) of the Community Charter also addresses situations where publishing a notice in a newspaper is not practical. For example, in a small community without a local paper, a community could set alternative means to satisfy the statutory requirement to publish a notice.

Legislative amendments on the publication of public notices are not being considered at this time.

June 21, 2018

Union of British Columbia Municipalities
60-10551 Shellbridge Way
Richmond, BC V6X 2W9

Re: Statutory Advertising Provisions – Public Notice

The District of Sooke Mayor and Council are requesting a status update on the request for a comprehensive review of the statutory advertising provisions from the 2017 UBCM Resolution from Section B1 *Legislative – Public Notice*.

As this has been an ongoing submission since 2015, we encourage UBCM to work with the Province in consultation with Local Municipalities to establish new regulations surrounding minimum statutory requirements for publication. It is the belief of this Council that a review of this legislative requirement is needed to align with the technological advancements of today's Local Governments and the needs of our community.

We look forward to hearing from you.

Sincerely,

Maja Tait
Mayor

cc: City of Penticton
Cowichan Valley Regional District

File No. 0400-20

June 21, 2018

Cowichan Valley Regional District
Legislative Services
175 Ingram Street
Duncan, BC V9I 1N8

Re: Statutory Advertising Provisions – Public Notice

You are receiving the attached letter as the District of Sooke Council, based on the below resolution from the Regular Council meeting held on June 11, 2018.

THAT Council direct staff to send a query to UBCM, copy Cowichan, Penticton and AVICC, on the status of the change being considered to advertising.

THAT Council direct staff to submit the proposed resolution regarding changes to the definition of 'newspaper' to the AVICC.

Sincerely,

Maja Tait
Mayor

7.4. **Expanded Local Government Advertising**

Ms. Britt Santowski, from the Sooke Pocket News, presented to Council on the legislative requirements of advertising within a print newspaper. Ms. Santowski requested a resolution be drafted to the Union of British Columbia Municipalities (UBCM) for a change in the definition of "newspaper" in the Interpretation Act, to read: 'a provision requiring publication in a newspaper, means a publication, intended for general circulation, published regularly at intervals of not longer than a week, consisting in great part of news of current event of general interest". This would allow for an increased reach of notification and competitive rates.

Council Discussion:

- The formality requirements surrounding resolutions being put forward to UBCM, through AVICC.
- Previous motions have been brought forward; including policy implications, the need for future engagement and consultation on the adjustments required for changing times.

2018-266

MOVED by Councillor Pearson, seconded by Councillor Parkinson:

THAT Council direct staff to send a query to UBCM, copy North Cowichan, Penticton and AVICC, on the status of the change beginning considered to advertising.

CARRIED.

In Favour: Mayor Tait, Councillor Berger, Councillor Logins, Councillor Parkinson, Councillor Pearson, and Councillor Reay

Absent: Councillor Kasper

2018-267

MOVED by Councillor Logins, seconded by Councillor Parkinson:

THAT Council direct staff to submit the proposed resolution regarding changes to the definition of 'newspaper' to AVICC.

CARRIED.

In Favour: Mayor Tait, Councillor Berger, Councillor Logins, Councillor Parkinson, Councillor Pearson, and Councillor Reay

Absent: Councillor Kasper



Corporation of the Village of Cumberland

R31

2673 Dunsmuir Avenue
P.O. Box 340
Cumberland, BC V0R 1S0
Telephone: 250-336-2291
Fax: 250-336-2321
cumberland.ca

File No. 0390-20
February 1, 2019

Backgrounder to AVICC Funding of Fire Halls and Public Safety Buildings

Under Part 14, Division 19 of the *Local Government Act*, development cost charges may be imposed to provide funds to assist a local government to pay the capital costs of providing, constructing, altering or expanding sewage, water, drainage and highway facilities, and improving park land, to service, directly or indirectly, the development for which the charge is being imposed.

The Ministry's Development Finance Review Committee has previously taken the position that protective services are more appropriately paid for by the greater community, since the benefits of these services are shared by all property owners. Further, that DCCs are based on the principle of "user pay" – that infrastructure should be paid by those who use and benefit from it.

Economic growth can put immense pressure on municipalities to expand services and supporting infrastructure, which includes protective services and associated buildings. While local government may negotiate community amenity charges at the time of rezoning, the requirement for zoning to be consistent with an official community plan (section 478 of the *Local Government Act*) may preclude this opportunity.

It is the position of the Village of Cumberland that the collection of development cost charges for growth-related capital costs of constructing, altering or expanding fire halls and public safety buildings is justified. The required expansion of protective services due to growth is reasonable as "user-pay" through development costs charges and will ensure that growth-related capital costs are not borne by existing taxpayers.

Development cost charges for fire services are currently permitted in the Province of Ontario. Further, the opportunity for infrastructure funding in British Columbia is limited due to the Federal policy to not fund public safety infrastructure.

Supporting Documents

Development Charges across Canada: An Underutilized Growth Management Tool? Mia Baumeister, University of Toronto

Sustainable Prosperity, Submission to the Government of Ontario Development Charges System Review, January 10, 2014

R31



Government of Ontario
Development Charges
System Review

January 10, 2014

SP | Sustainable
Prosperity

SUBMISSION

January 2014

John Ballantine
Manager
Municipal Finance Policy Branch
Ministry of Municipal Affairs and Housing
777 Bay Street, 13th Floor
Toronto, ON
M5G 2E5
DCAconsultation@ontario.ca

Re: EBR Registry 012-0281 - Development Charges System Review

Dear Mr. Ballantine,

Sustainable Prosperity commends the Government of Ontario on undertaking the development charges system review, and is pleased to provide the following comments.

About Sustainable Prosperity

Sustainable Prosperity (SP) is a national research and policy network based at the University of Ottawa. SP focuses on market-based approaches to build a stronger, greener economy in Canada. It brings together business, policy and academic leaders to develop innovative ideas and inform policy development.

Our Sustainable Communities program focuses on analyzing and developing a broad array of market-based instruments to help municipalities address environmental concerns while boosting their economies and improving their fiscal capacity.

For further discussion of the issues outlined in this submission, please refer to Sustainable Prosperity's report "Suburban Sprawl: Exposing Hidden Costs, Identifying Innovations"¹ and our Policy Brief "Managing Urban Sprawl: Reconsidering Development Cost Charges in Canada."²

¹ Thompson, D. "Suburban Sprawl: Exposing hidden costs, identifying innovations" (Oct 2013), Sustainable Prosperity www.sustainableprosperity.ca/dl1045

² Sustainable Prosperity "Managing Urban Sprawl: Reconsidering Development Cost Charges in Canada" (Jan 2012), www.sustainableprosperity.ca/article2364

Why development charges are important

Development charges are important in helping municipalities to achieve fiscal sustainability. The charges can be structured to allow municipal governments to recover the financial costs that new developments impose on them. These costs are significant, and are imposed at several stages: prior to and during the construction of new developments (capital costs of infrastructure construction); during the lifespan of that infrastructure (operational costs); when the infrastructure first needs to be rehabilitated a few decades after construction (capital costs of rehabilitation); and permanently into the future (indefinite cycle of operational costs and capital costs of periodic rehabilitation). If development charges are inadequate to compensate for those current and future costs, new developments can erode municipalities' financial positions, resulting in either tax increases or public debt.

Development charges are also important in helping to ensure horizontal equity, and as an application of the 'benefits principle' in municipal taxation. Development charges, if set at the correct level, can ensure that those who benefit financially from new development also bear its costs.

Development charges are also important in providing a potential incentive to efficient forms of development; they can be set so as to encourage urban density, which is associated with economies of agglomeration, and lower levels of smog and climate change emissions. Development charges can provide a disincentive to inefficient forms of development - forms that externalize the costs of development and make those costs fall onto other parties.

Development charges need to be structured properly in order to have the desired effects noted above. In order to do so, a number of problems introduced by the 1997 legislative amendments need to be corrected. Key changes needed include:

- completing the list of eligible costs so that they include all costs caused by new developments;
- removing the backward-looking 10-year average service level cap; and,
- removing the 10% discount on some costs.

These corrections and others are discussed further below. The key point here is that development charges affect prices, and prices are a key influence on decisions of firms and individuals.

“Ontario's long-term prosperity, environmental health and social well-being depend on wisely managing change and promoting efficient land use and development patterns. Efficient land use and development patterns support strong, liveable and healthy

communities, protect the environment and public health and safety, and facilitate economic growth.” - Ontario Ministry of Municipal Affairs and Housing³

Achieving policy goals related to urban form

Because prices are a strong influence on decisions, in order to achieve their policy goals governments will need to work to align prices with those goals. Where prices are pulling in the direction of policy goals, it will be much easier to achieve those goals. Where prices are pulling in the opposite direction, it will be very difficult to achieve policy goals.

Governments in Canada - and in all developed countries - already employ pricing policy to help achieve their policy goals, e.g. to promote retirement savings (RRSP tax deductions)

Where prices are pulling in the direction of policy goals, it will be much easier to achieve those goals. Where prices are pulling in the opposite direction, it will be very difficult to achieve policy goals.

and reduce youth tobacco consumption (tobacco taxes). The Government of Ontario could change development charge structures in order to help achieve provincial policy goals, and to help municipalities achieve their goals.

Government of Ontario policy relating to urban form is to reduce suburban sprawl,⁴ direct growth to built-up areas,⁵ use land efficiently,⁶ and

thereby minimize negative impacts to air quality and climate change,⁷ and promote energy efficiency.⁸

³ Ontario Ministry of Municipal Affairs and Housing “Provincial Policy Statement, 2005” (2005) P.14, <http://www.mah.gov.on.ca/Asset1421.aspx>

⁴ Ontario Ministry of Infrastructure “Growth plan for the greater golden horseshoe, 2006” (Jun 2013) P.7, <https://www.placestogrow.ca/content/ggh/2013-06-10-Growth-Plan-for-the-GGH-EN.pdf>

⁵ Ontario Ministry of Infrastructure “Growth plan for the greater golden horseshoe, 2006” (Jun 2013) P.14, <https://www.placestogrow.ca/content/ggh/2013-06-10-Growth-Plan-for-the-GGH-EN.pdf>; The Places to Grow Act, SO 2005, c 13, s 6, http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_05p13_e.htm

⁶ Ontario Ministry of Infrastructure “Growth plan for the greater golden horseshoe, 2006” (Jun 2013) P.10, <https://www.placestogrow.ca/content/ggh/2013-06-10-Growth-Plan-for-the-GGH-EN.pdf>; Ontario Ministry of Municipal Affairs and Housing “Provincial Policy Statement, 2005” (2005) P.5, <http://www.mah.gov.on.ca/Asset1421.aspx>.

⁷ Ontario Ministry of Municipal Affairs and Housing “Provincial Policy Statement, 2005” (2005) P.14, <http://www.mah.gov.on.ca/Asset1421.aspx>

⁸ Ontario Ministry of Infrastructure “Growth plan for the greater golden horseshoe, 2006” (Jun 2013) P.32, <https://www.placestogrow.ca/content/ggh/2013-06-10-Growth-Plan-for-the-GGH-EN.pdf>

Municipal governments across Ontario have adopted similar policy goals, e.g.:

North Bay

North Bay’s Official Plan states that “sustainability will be achieved by concentrating urban built form within the Settlement Area and through infilling, intensification, and reclamation of brownfields.” The Plan also states that development charges are to be used to ensure that “new development pays for itself and that additional capital costs do not fall on existing residents in the form of higher property taxation and user fees.”⁹

Toronto

Toronto’s Official Plan states that “over the next several decades the majority of the new growth will take place in the areas of the City where intensification is appropriate – in the Downtown, the Centres, and along the Avenues,” and it speaks to “reducing loss of foodlands to urban sprawl.”¹⁰

Windsor

Windsor’s Brownfield Redevelopment Strategy and Community Improvement Plan includes “[promoting] Smart Growth, including the reduction of urban sprawl and its related costs... and green planning and building practices.”¹¹

Ottawa

Ottawa’s Official Plan “promotes an efficient land-use pattern within the urban area through intensification of locations that are strategically aligned with the transportation network, particularly the rapid transit network, and [aims] to achieve higher density development in greenfield locations.”¹²

⁹ City of North Bay “Official Plan” (Jan 2012) P.5

<http://www.cityofnorthbay.ca/common/pdf/CityofNorthBayOfficialPlan-2013.pdf>

¹⁰ City of Toronto “Toronto Official Plan” (Dec 2010) Toronto City Planning. p. 1-5

http://www1.toronto.ca/staticfiles/city_of_toronto/city_plannippng/developing_toronto/files/pdf/chapters1_5_dec2010.pdf

¹¹ City of Windsor “Windsor Brownfield Redevelopment Strategy and Community Improvement Plan” RCI Consulting (2010), P.6 <http://www.citywindsor.ca/residents/planning/Land-Development/Planning-Policy/Documents/Brownfield%20Redevelopment%20Strategy.pdf>

¹² City of Ottawa “City of Ottawa Official Plan, 2003” (2003) City of Ottawa By-Law No. 2003-203, <http://ottawa.ca/en/official-plan-0/volume-1-official-plan>

Hamilton

Hamilton's Official Plan endorses the concept of residential intensification, and aims for a downtown core density of, at minimum "250 people and jobs per hectare by 2031" By 2015, Hamilton "is required to plan to achieve a minimum of 40% of all residential development occurring annually within its built-up area."¹³

Thunder Bay

Thunder Bay's Official Plan includes direction to "encourage efficient residential land use within the City by facilitating the creation of new residential accommodations within existing buildings or on previously developed and serviced land." Thunder Bay "recognizes that compact urban form results in efficient transit systems and shall support the intensification of the City's existing and developing urban areas."¹⁴

Niagara Falls

Niagara Falls' Community Improvement Plan aims to "[limit] sprawl in the City and promote infill and downtown redevelopment."¹⁵ Their Brownfields Community Improvement Plan states that they will use "brownfield development to reduce the amount of greenfield land being consumed... thereby reducing urban sprawl and its associated negative environmental impacts, including air and water pollution and the loss of prime agricultural land."¹⁶

Guelph

For Guelph, "by 2015 at least 40% of residential growth must be occurring within the city's built boundary, through redevelopment and intensification. A significant portion of this growth will occur in the downtown... The growth that occurs on greenfield sites

¹³ Hamilton "Urban Hamilton Official Plan" (30 Oct 2013)
<http://www.hamilton.ca/NR/rdonlyres/0A939735-8827-4D79-8C54-B01970515106/0/UHOPVol1PoliciesrevOct2013.pdf>

¹⁴ City of Thunder Bay "Official Plan" (Oct 2000) By-law 189-2000. P6.6,
<http://www.thunderbay.ca/Assets/thunderbayassets/docs/planning/1721.pdf>

¹⁵ The City of Niagara Falls Canada "Downtown Niagara Falls Community Improvement Plan" (Nov 2004). RCI Consulting and GSP Group, Inc. P.34, <http://www.niagarafalls.ca/pdf/business/cip/downtown/downtown-niagara-falls-CIP-november-2004.pdf>

¹⁶ The City of Niagara Falls "Brownfields Community Improvement Plan" (Feb 2006). RCI Consulting and GSP Group, Inc, and Acres International. P.2,
<http://www.niagarafalls.ca/pdf/business/cip/brownfield/brownfield-community-improvement-plan.pdf>

outside the built boundary must be denser and have a broader mix of uses than typical post-war suburban development...”¹⁷

London

London’s Community Improvement Plan for Brownfield Incentives notes that redevelopment will provide “a public benefit by reducing urban sprawl and taking advantage of the City’s existing servicing infrastructure.”¹⁸

Barrie

Barrie’s Official Plan identifies the need “to provide residential densities which are higher, more cost effective, energy efficient, and more environmentally sustainable than previous development in the City.” Housing intensification will “minimize the infrastructure requirements of new development and... utilize existing services including transit, schools, and open space.”¹⁹

Brampton

Brampton’s Official Plan states: “to ensure that Brampton will grow in a sustainable manner, the City is committed to plan for compact and transit supportive communities that use resources efficiently and are sensitive to the natural environment.”²⁰

Greater Sudbury

Greater Sudbury’s Official Plan recognizes the need for “increased residential intensification, the need to provide municipal services in an efficient and responsible manner, and the necessity of promoting sound environmental planning policies consistent with provincial directives.”²¹

¹⁷ City of Guelph “Urban Design Action Plan” (4 May 2009) Urban Strategies Inc. P.4 <http://guelph.ca/wp-content/uploads/UrbanDesignActionPlan.pdf>

¹⁸ City of London “Community Improvement Plan for Brownfield Incentives” By-law C.P.-1451-70, P.14 <http://www.london.ca/business/Planning-Development/fees-incentives/Documents/Brownfield-CIP.pdf>

¹⁹ City of Barrie “City of Barrie Official Plan” (March 2011) City of Barrie Planning Services Department. P.2-7 <http://www.barrie.ca/Doing%20Business/PlanningandDevelopment/Documents/Official%20Plan%20-%20Office%20Consolidation%20March%202011.pdf>

²⁰ City of Brampton “Official Plan” (Oct 2008) p.3-1 <http://www.brampton.ca/EN/Business/planning-development/Documents/PLD/officialplan358-2006.pdf>

²¹ City of Greater Sudbury “Official Plan” (14 June 2006) City of Greater Sudbury Planning Services Division P.18 <http://www.greatersudbury.ca/?LinkServID=75012515-928F-6F71-E9FF1FF1CEE6E6AB>

Mississauga

Mississauga's Official Plan states that "projected growth will be directed to appropriate locations to ensure that resources and assets are managed in a sustainable manner to:

- a. protect ecological functions, public health and safety;
- b. utilize existing and proposed services and infrastructure such as transit and community infrastructure;
- c. minimize environmental and social impacts."²²

Municipalities are echoing Ontario's policy goals of restraining sprawl and creating denser and more vibrant communities. Ontario's development charge system needs to be reformed to enable municipalities to achieve those goals

The Consultation Document

The Consultation Document²³ is informative and points to important problems with Ontario's existing development charge system. Overall, the system offloads too much of the costs of new developments onto municipalities, and thus municipal taxpayers, and it promotes inefficient sprawling-type development. The system needs to be amended to ensure that growth actually does pay for growth, and to improve economic efficiency.

"Growth must pay for growth. Development charges are important to ensuring tax equity among property taxpayers."

- Association of Municipalities of Ontario²⁴

As an OECD report put it, Ontario's development charge system is currently "clearly inefficient" and "likely to result in overdevelopment of low-density housing and underdevelopment of high-density housing relative to what is economically efficient."²⁵

We believe that the development charge system can - and should - be reformed to address these concerns, and to help municipalities and the Government of Ontario achieve their

²² City of Mississauga "Mississauga Official Plan" (Sept 2011) p.5-2

http://www6.mississauga.ca/onlinemaps/planbldg/OfficialDocs/MOP_5.pdf

²³ Development Charges in Ontario Consultation Document. (2013) Ministry of Municipal Affairs and Housing, Municipal Finance Policy Branch. <http://www.mah.gov.on.ca/AssetFactory.aspx?did=10253>

²⁴ Association of Municipalities Ontario "Development Charges- Make Municipal Voice Heard" (24 Oct 2013) <http://www.amo.on.ca/AMO-Content/Policy-Updates/2013/Development-Charges-%E2%80%93-Make-the-Municipal-Voice-Heard.aspx#>

²⁵ Merk, O., Saussier, S., Staropoli, C., Slack, E., Kim, J-H. "Financing Green Urban Infrastructure||," (2012) OECD Regional Development Working Papers 2012/10, OECD Publishing; <http://dc.doi.org/10.1787/5k92p0c6j6r0-en> p40

policy goals related to urban form. Below we provide input on some of the specific questions asked in the Consultation Document.

The Development Charges Process

1. Does the development charge methodology support the right level of investment in growth-related infrastructure?

No, the existing development charge methodology does not support the right level of investment. The calculation methodology required by the Act since 1997 makes some services ineligible, requires a 10% discount for “soft services,” and imposes a ten-year historical service average cap. These policies restrict municipal recovery of development costs. Without adequate cost recovery, investment is deterred.

The Consultation Document states that the Act was created with the core principle of growth paying for growth. However, because the calculation methodology prevents municipalities from recovering all growth-related costs, it fails to support the right level of investment in growth-related infrastructure. Growth does not pay for growth, and the result is an added cost on existing taxpayers. Existing citizens and businesses end up paying through taxes and user fees to support new growth that does not necessarily provide them with benefits, and could end up imposing costs on them (e.g. residents of existing areas that become burdened with emissions and congestion due to motor vehicle traffic from new growth areas).

*“Discounted development charges can drive up property taxes for all residents.”
- Association of Municipalities of Ontario²⁶*

Second, the methodology allows municipalities to charge flat rates that do not vary by area or by density. Rates are not calculated by the actual costs of providing infrastructure to these areas.²⁷ Doing so can result in far-flung areas and low-density developments having charges that are too low to cover the costs of “hard services.” Hard services are generally more expensive to provide in areas distant from the urban-core, such as greenfield and lower density suburban developments.

The methodology effectively provides subsidies to new developments in greenfield areas, and to low-density developments. This results in excessive demand and production of those types of developments - at the expense of higher density developments and developments in established areas (e.g. downtowns, brownfields,

²⁶ Association of Municipalities Ontario “Development Charges- Make Municipal Voice Heard” (24 Oct 2013)

²⁷ Miller, Gord. “Building Momentum Provincial Policies for Municipal Energy and Carbon Reductions: Annual Energy Conservation Progress Report-2012 (Volume One).” (2012) Environmental Commissioner of Ontario. p32 <http://www.eco.on.ca/uploads/Reports-Energy-Conservation/2013v1/13CDMv1.pdf>

and greyfields). Thus the methodology not only provides the wrong level of investment, but it also encourages private investment (and consequent induced public investment) in the wrong locations.

2. Should the Development Charges Act, 1997 more clearly define how municipalities determine the growth-related capital costs recoverable from development charges? For example, should the Act explicitly define what is meant by benefit to existing development?

Yes, the Act should more clearly define how municipalities determine the growth-related capital costs recoverable from development charges, specifically to ensure that all growth-related capital costs are recoverable, and none are excluded.

(To briefly address the example provided, there should be no reduction for infrastructure that benefits existing developments. New developments impose costs on existing developments and their occupants, which already offsets the benefits and thereby removes the rationale for the reduction. If there is to be any reduction due to benefits to existing development, then that reduction should be limited to cases where the infrastructure would have been constructed to service the existing development regardless of the advent of the new development.)

3. Is there enough rigour around the methodology by which municipalities calculate the maximum allowable development charges?

There is not enough rigour in the methodology prescribed by the Act. It is important that municipalities carry out the background study to calculate the costs of growth. However, the costs calculated under the Act omit important categories, and a rigorous calculation is one that is complete. The costs calculated should include not only all of the initial capital costs imposed directly by new developments, but also the operational costs, infrastructure renewal costs, and externality costs, e.g. due to motor vehicle smog emissions and climate change emissions, vehicle collisions and associated emergency response costs, etc.²⁸

Furthermore, the 10-year averaging limit and the 10% discount should be removed from the calculation.

²⁸ Thompson, D. "Suburban Sprawl: Exposing hidden costs, identifying innovations" (Oct 2013), Sustainable Prosperity www.sustainableprosperity.ca/dl1045.

Eligible Services

4. The Development Charges Act, 1997 prevents municipalities from collecting development charges for specific services, such as hospitals and tourism facilities. Is the current list of ineligible services appropriate?

No, the list of ineligible services is not appropriate. There should be no growth-related services exempt from development charges. Growth should pay for growth.

Furthermore, the Act should set a consistent standard requiring all municipalities to determine the full range of growth-related costs, to make the calculations public, and to collect development charges to cover all of those costs.

5. The Development Charges Act, 1997, allows municipalities to collect 100% of growth-related capital costs for specific services. All other eligible services are subject to a 10% discount. Should the list of services subject to a 10% discount be re-examined?

The list of services subject to a 10% discount should be eliminated. There should be no services subject to a discount. Most other Canadian jurisdictions do not apply this discount.²⁹ Such a discount means that new growth does not pay for itself, but instead enjoys a subsidy from existing residents and businesses. New developments should pay their own way; growth should pay for growth. The city of Brampton estimated that between 2004 and 2009 \$42 million dollars of general revenue was used to cover transit costs due to the discount. In Ottawa, between 2004 and 2007, the cost was \$26 million from general revenue for transit.³⁰

Furthermore, the operation of the 10% discount has meant that reserve funds have been depleted of funds over a 16-year period since the discount was imposed. In order to raise reserves and enable much-needed municipal investment in infrastructure, municipalities should be enabled to collect an additional percentage for services that were previously subjected to the 10% discount, until reserve levels recover to baseline levels that they would have been at if the discount had not been applied.

²⁹ Baumeister, M. "Development charges across Canada: An underutilized growth management tool?" (2012) IMFG. P.12 http://www.munkschool.utoronto.ca/imfg/uploads/201/imfg_no.9_online_june25.pdf

³⁰ Miller, G. "Building Momentum Provincial Policies for Municipal Energy and Carbon Reductions: Annual Energy Conservation Progress Report- 2012 (Volume One)." (2012) Environmental Commissioner of Ontario. p32 <http://www.eco.on.ca/uploads/Reports-Energy-Conservation/2013v1/13CDMv1.pdf>

6. Amendments to the Development Charges Act, 1997 provided Toronto and York Region an exemption from the 10 year historical service level average and the 10% discount for growth-related capital costs for the Toronto-York subway extension. Should the targeted amendments enacted for the Toronto-York Subway Extension be applied to all transit projects in Ontario or only high-order (e.g. subways, light rail) transit projects?

Yes, the amendments enacted for the Toronto-York subway extension should be applied to all transit projects at all levels. The 10% discount should be eliminated not only on transit but entirely. New development should pay for itself, as noted elsewhere in this submission.

Moreover, the 10-year historical service level average should be eliminated. The 10-year historical service level average restricts municipalities' ability to cover costs involved in expanding services, as the Region of Waterloo has pointed out.³¹ In place of the 10-year historical service level average, municipalities should be required to plan future transit service levels for at least a 10-year period, and allowed to collect development charges that would enable them to provide those levels of service.

Reserve Funds

7. Is the requirement to submit a detailed reserve fund statement sufficient to determine how municipalities are spending reserves and whether the funds are being spent on the projects for they were collected?

Yes, the requirement to report in detail on expenditures of development charge funds is sufficient to determine spending, but the regime governing what municipalities can spend reserves on is too restrictive. Municipalities should be able to collect development charges and spend the funds on a wider range of projects and services.

There are two mechanisms that provide more than adequate accountability for spending of development charge funds: market discipline; and democratic governance. Each is a traditional and powerful mechanism controlling municipal use of funds.

- The market imposes a discipline on municipalities, and can ensure developers are getting an adequate, competitive return on development charges that they pay. If developers don't like what a municipality spends its development charge funds on, they can vote with their feet and take their developments to other municipalities. Capital is mobile.

³¹ Office of the Chief Administrator "Memorandum to Area MPPs - Development Charges Act Amendment - Transit" (19 Apr 2013) Region of Waterloo. P.32
<http://www.regionofwaterloo.ca/en/regionalGovernment/resources/CA2013-0426.pdf>

- Municipalities, like other governments in Canada, have accountability mechanisms and are democratically governed. If voters are not pleased with what a municipality has spent funds on, they can replace the mayor and councillors.

With the discipline of the market, and the capacity of voters to replace council, municipalities will self-govern on their use of development funds, and will spend them in the way that the market and the voters prefer. The restrictions on what municipalities can spend development charge funds on are unnecessary, and should be removed.

8. Should the development charge reserve funds statements be more broadly available to the public, for example, requiring mandatory posting on a municipal website?

Yes, reserve fund statements should be easily available to the public. They should be presented and provided with context so that they are easy to understand.

In order to provide greater consistency and comparability, as well as avoid higher municipal costs, they could be provided on the Ontario Government website, with links from each municipality's website.

9. Should the reporting requirements of the reserve funds be more prescriptive, if so, how?

No, reserve fund reporting requirements need not be any more prescriptive than they already are. If individual municipalities wish to provide additional information, they can do so.

[Sustainable Prosperity is not providing comments on questions 10 through 14 at this time.]

Growth and Housing Affordability Questions

15. How can the impacts of development charges on housing affordability be mitigated in the future?

The development charge changes proposed in this submission will have a positive overall impact on housing affordability.

Total housing affordability is comprised of several elements:

1. the up-front price paid for the house by the buyer ("sticker price")
2. the subsequent housing costs paid by the buyer ("additional private costs")

3. public costs, which are comprised of two elements:
 - a. financial costs paid by governments and passed on to taxpayers
 - b. non-financial costs absorbed by individuals and businesses

The sticker price paid for a house is often confused with housing affordability, but it omits significant private costs faced by the homeowner. The largest omitted cost is that of transportation. If a house is located in an area that requires the household to own one more automobile than it would otherwise need to own (due to poor transit service, distance from amenities and services, etc.) then the effective cost of that home will be increased by hundreds of thousands of dollars - thus greatly reducing affordability. There are US and Canadian versions of a Housing + Transportation Index that provide a more accurate picture of housing affordability than sticker price provides.

Development charge structures that subsidize house construction in areas that are automobile dependent do not foster housing affordability; they hide housing costs.

Public costs of housing include financial subsidies and non-financial subsidies. Failure to have new developments pay their own way on infrastructure, operations and renewal requires that tax revenues subsidize those developments, with the cost being passed on to taxpayers. Housing types that require additional automobile transportation impose additional costs of smog, collisions, climate change emissions, policing, emergency response and other costs. Such public costs raise the total costs of housing that are borne by individuals and communities, and thereby reduce affordability.

In a nutshell, development charge structures that subsidize house construction in areas that are automobile dependent do not foster housing affordability; they hide housing costs.

Adjusting development charges to reduce the relative financial burden placed on infill developments, secondary suites, laneway housing, redevelopment of underutilized greyfields and brownfields, and higher density in central areas generally will result in more truly affordable housing.³²

³² See Thompson’s 2013 write up here for a more in depth analysis of how housing affordability is linked to sprawl: Thompson, David. “Suburban Sprawl: exposing hidden costs, identifying innovations.” (2013). Sustainable Prosperity. http://www.thecostofsprawl.com/report/SP_SuburbanSprawl_Oct2013_opt.pdf

16. How can development charges better support economic growth and job creation in Ontario?

By reducing the subsidization of inefficient land uses, the proposals in this submission would reduce economic distortions and boost economic efficiency. Improved economic efficiency leads to higher levels of economic growth.

The proposals in this submission, in helping to develop greater levels of density in established areas, would also enhance economies of agglomeration:

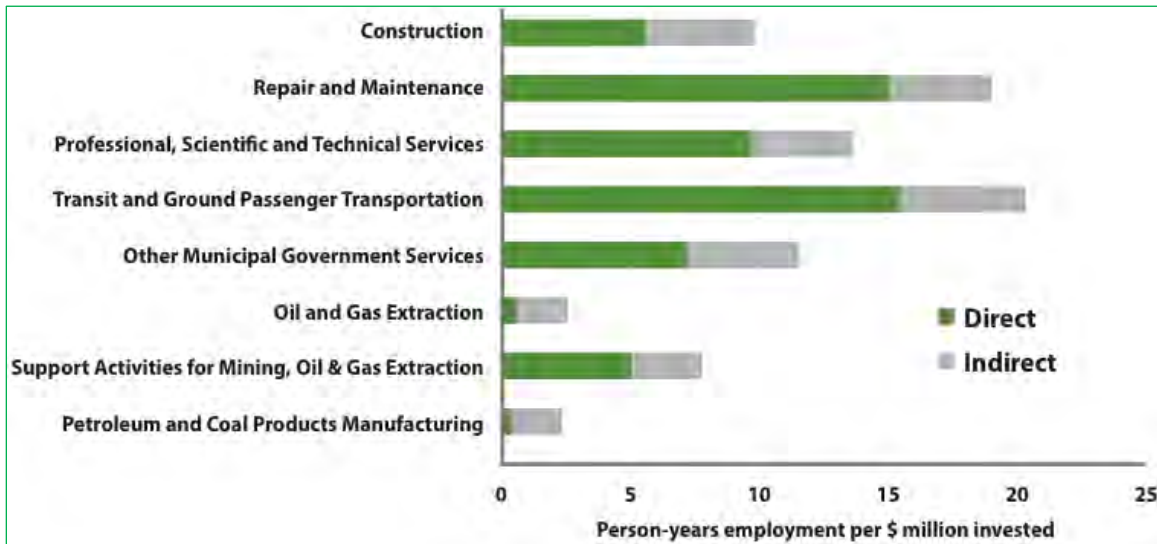
- Higher urban density results in spreading the fixed costs of infrastructure over more businesses and households, reducing costs on a per-unit basis.
- Density also improves the access of firms to workers and vice versa. Firms have more potential workers to choose from, resulting in better employment fit and higher labour productivity.
- Job seekers also have more employers to choose from, reducing unemployment.
- Greater density of firms and employees results in productivity-enhancing knowledge spillovers, both within sectors and between sectors.
- Urban density also improves the access of firms to suppliers and markets.
- Proximity of firms in related or complementary industries allows for productivity gains through specialization and outsourcing.

Such economies of agglomeration boost economic growth, and as the economy continues becoming more information-based, that association will grow stronger.

Using the proposals in this submission to stoke downtown improvements can help attract knowledge workers and firms that employ them. For example, younger and well-educated Torontonians report that being close to work and public transit are their top two reasons for living downtown. Employers are moving to downtown to attract this workforce and access the market.

Boosting employment is a top priority among all governments, and it is important to target sectors that can provide a lot of jobs per dollar invested. The construction sector is commonly cited as creating ten to eleven jobs per million dollars of spending. Because it is fairly labour intensive, it creates far more jobs per dollar spent than capital-intensive sectors (e.g. oil and gas extraction). See figure 1 below. Money spent on wages ends up being recirculated in the local economy. The proposals in this submission would help support the construction of transit infrastructure. And transit operations provide even higher levels of employment per dollar spent.

Figure 1 - Canadian employment multipliers for selected industries



High Density Growth Objectives

17. How can the Development Charges Act, 1997 better support enhanced intensification and densities to meet both local and provincial objectives?

The changes proposed in this submission would result in the Act better supporting enhanced intensification and densities, and meeting local and provincial objectives relating to urban form.

Reducing or even eliminating the subsidies to sprawling, low-density greenfield development provided by the existing development charge system will help to level the playing field and enable a more balanced and economically efficient development pattern.

18. How prescriptive should the framework be in mandating tools like area-rating and marginal cost pricing?

Marginal cost pricing would be the most accurate, fair, and economically efficient method of setting development charges. This said, depending on how the system is set up, pure marginal cost pricing could have high administrative costs. Area rating, if set up properly, can be an acceptable second-best policy.

The framework should establish a requirement that all municipalities employ area rating in development charges in order to ensure fairness and efficiency. The comprehensive study should be required to include accurate determination of cost variations by area. Area delineation should be standardized in order to avoid lower-cost areas being lumped in with higher-cost areas.

19. What is the best way to offset the development charge incentives related to densities?

The Consultation Document points out that development charges can deter growth in areas that municipalities have targeted for intensification, and that waiving development charges in these areas should be considered to stimulate development. We agree that targeted reductions in development charges for priority areas are an appropriate policy response. Some municipalities have reduced or waived development charges or provided credits in downtown and brownfield areas.

The framework should establish which areas are eligible for such targeted reductions. Downtowns, brownfields, and areas around transit nodes and corridors are appropriate for reductions. Greyfield redevelopments, where the proposed new density is comparable to the denser areas of the municipality, would also be appropriate, as would infill developments in older neighbourhoods.

Such reductions would need to be offset by allowing municipalities to increase overall development charge rates in order to cover the overall costs of development across the municipality.

Conclusion

Again we commend the Ontario Government for conducting this review and inviting submissions.

The development charge system needs to be improved to help support the achievement of provincial and municipal policy goals related to urban form. Such improvements can help to restrain urban sprawl, with its consequent traffic congestion and productivity losses. By reducing economic distortions and capitalizing on economies of agglomeration, Ontario's economic potential and competitiveness would be enhanced.

We regard this consultation as a very positive step toward the creation of communities that are healthier, more livable and vibrant, and more environmentally, fiscally and economically sustainable.

Yours truly,

Mike Wilson
Executive Director
Sustainable Prosperity

David Thompson
Policy Director
Sustainable Communities Program

IMFG PAPERS ON MUNICIPAL FINANCE AND GOVERNANCE

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Development Charges across Canada: An Underutilized Growth Management Tool?

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University of Toronto

Preparing for the Costs of Extreme Weather in Canadian Cities: Issues, Tools, Ideas

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The Institute on Municipal Finance and Governance (IMFG) at the Munk School of Global Affairs at the University of Toronto focuses on developing solutions to the fiscal and governance problems facing large cities and city-regions. IMFG conducts original research on Canadian cities and other cities around the world; promotes high-level discussion among Canada's government, academic, corporate, and community leaders through conferences and roundtables; and supports graduate and post-graduate students to build Canada's cadre of municipal finance and governance experts. It is the only institute in Canada that focuses solely on municipal finance issues and large cities and city-regions. IMFG is funded by the Province of Ontario, the City of Toronto, Avana Capital, and TD Bank.

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Development Charges across Canada: An Underutilized Growth Management Tool?

Mia Baumeister

Abstract

Increasingly, compact and sustainable development has become a priority for Canadian municipalities. In order to realize these growth objectives, it is possible to look not only to conventional land use and growth management policies, but also to fiscal instruments to achieve planning goals. Existing literature suggests that development charges, which are financial tools used by municipalities in several Canadian provinces to pay for the growth-related capital costs associated with new development or redevelopment, can influence how land resources are consumed and developments are designed. Drawing on information from the literature and interviews with key informants, this research analyzed how development charges are used in British Columbia, Alberta, and Ontario, as well as the Halifax Regional Municipality, to understand how jurisdictions employ development charges and what role these charges currently play in achieving growth objectives.

The research found that few municipalities use their development charges proactively to meet planning goals. Moreover, the research revealed a divide among practitioners, with some maintaining that development charges were a revenue-raising tool and a poor mechanism by which to achieve planning objectives. Others recognized that development charges could be—and were being—used as a tool to encourage compact growth, but identified several barriers to more effective and widespread use as a planning tool. Suggested recommendations for policy changes include more flexibility within legislation to collect for transit and other services, ongoing support from provincial officials to assist municipalities in designing development charge programs with policy goals in mind, and further exploration of how fiscal tools can best be used as planning tools.

Keywords: development charges, smart growth, compact growth, sustainable development, transit

JEL codes: H23, H27

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This research and paper also formed the basis for my Current Issues Paper, which was completed to fulfil the academic requirements for the Master of Science in Planning program at the University of Toronto, and research papers completed for Sustainable Prosperity.

Development Charges across Canada: An Underutilized Growth Management Tool?

I. Introduction

Development charges—also called development cost charges, capital cost charges, off-site levies, or development impact fees¹—are financial instruments used by municipalities to pay for the growth-related capital costs associated with new development or redevelopment. These charges are levied by municipalities in Ontario, British Columbia, and Alberta, and by the Halifax Regional Municipality (HRM) on the principle that development related to growth should pay for itself and not impose a burden on existing residents.

The literature suggests that the way development charges are structured affects how land resources are consumed and developments are designed (for example, whether they will take the form of compact development or sprawl). However, as Tomalty and Skaburskis (2003) argue in their study of municipalities in Ontario, most municipalities do not coordinate their development charges and planning goals, and consequently are underutilizing development charges as a planning tool. Similarly, Slack (1994) argues that while it may be complex to use development charges to influence land use patterns, they should support planning objectives and not subsidize one form of development at the expense of another.

Encouraging more compact and sustainable forms of development has increasingly become a priority as development constraints, environmental concerns, and fiscal pressures necessitate an alternative to the prevalent low-density, post-Second World War suburban growth patterns. Researchers have studied the extent and implications of these patterns. For example, a Neptis Foundation study of the Vancouver, Toronto, and Calgary areas reported that between 1991 and 2001, gross urban housing density fell by 5.2 percent in Toronto and by 12.1 percent in Calgary (Neptis Foundation 2010, 33). IBI Group (2002) estimated that if the region of Toronto were to continue with “business-as-usual development,” by 2031, population growth in the Toronto region would require the urbanization of an additional area almost double that of the current City of Toronto. Policies designed to stop sprawling, inefficient growth—such as the *Growth Plan for the Greater Golden Horseshoe* in Ontario—are increasingly employed to legislate more compact, sustainable, and transit-oriented development.

The question remains, how can municipalities implement these policies and shift the way a community is planned and growth occurs? As growing “out” is giving way to growing “up and in,” municipalities need to look not only to conventional land use and growth management policies, but also to fiscal instruments to achieve planning goals. Although development charges are currently used by many municipalities to pay for new infrastructure, their use as a

1. In this paper, “development charges” will be used as a generic term. When development charges in specific jurisdictions are being described, the context-appropriate term will be used.

planning tool, as the literature suggests, remains less clear. A study completed by Skaburskis and Brunner (1999) showed that only 8 percent of surveyed planning officials used development charges and cost-sharing agreements as a part of their growth management programs (29).²

How do municipal officials perceive the utility of development charges as a planning tool? Are there reasons municipalities do not or cannot use development charges as a growth management tool? Would changes to the legislative framework make them both an effective finance tool and planning tool? Comparing the literature with how municipalities actually perceive, implement, and use development charges will provide insight into the role they do—and could—play in practice.

This research builds upon existing literature to identify the specific development charge models employed in Canada, how jurisdictions use development charges, and whether they are used to achieve more compact forms of development. Understanding the context in which different jurisdictions use development charges will assist in identifying what role development charge programs could play within broader planning and policy initiatives related to compact growth and sustainability. Specifically, I will explore how development charges can be used more fully as a planning tool, but also recommend changes to their structure to ensure they support growth management initiatives and compact growth patterns while mitigating sprawl.

This report provides an introduction to the current state of knowledge on sprawl, growth management, and development charges, as well as the history and structure of development charges in the jurisdictions studied. I will present the main findings from the interviews with key informants and conclude with the implications for policy and recommendations regarding proposed changes to the structure of development charge programs that would increase their effectiveness and broaden their appeal as a growth management and planning tool.

2. Approach and Method

To understand how development charges are being used in Canada and to what extent they are—or are not—being used to encourage more compact growth patterns, I conducted 15 semi-structured interviews with key informants in four jurisdictions: British Columbia, Alberta, Ontario, and the Halifax Regional Municipality (HRM). These jurisdictions were chosen because their development charge programs are widely employed and well-established. The interviews included seven with municipal officials and eight with provincial officials and development charge consultants.

Additionally, I conducted a content analysis of the current literature, in order to review the broader context of development charges in Canada. Further, I evaluated the current regulatory framework within which the programs are based,

2. Skaburskis and Brunner (1999) mailed their surveys to planning directors of municipalities in English Canada with populations of more than 10,000 (1991 Census) that had a positive growth rate between the census years of 1986 and 1991.

including the history and legislative background. A summary of development charge characteristics in each of the provincial jurisdictions studied can be found in Table 1.³

The research was guided by the following questions:

- How are development charge systems currently employed across Canada?
- To what extent are municipalities interested in using development charges as a growth management tool?
- Do municipalities try to use development charges as a way to achieve certain growth patterns?
- Have municipalities studied the impacts of development charges on their jurisdictions' growth patterns?

3. The Current State of Knowledge

3.1 Urban Form, Sprawl, and Growth Management

Debate on how cities should grow and the form this growth should take is not new, and the matter has acquired some urgency: between 2001 and 2006, 90 percent of population growth in Canada occurred in metropolitan regions (Blais 2010, 1). Increasingly, governments—whether provincial, regional, or local—are developing growth management tools and strategies and greater importance is now being placed on ensuring that growth is orderly, compact, and efficiently uses existing infrastructure and services.

The most frequently term used to describe the currently dominant form of urban growth is urban sprawl, defined by Soule (2006, 3) as “low density, auto-dependent land development taking place on the edges of urban centers, often ‘leapfrogging’ away from current denser development nodes, to transform open, undeveloped land, into single-family residential subdivisions and campus-style commercial office parks and diffuse retail uses.” In the Greater Toronto Area, more than 80 percent of housing in areas outside Toronto and parts of Mississauga is in the form of either single-family or semi-detached houses—that is, low-density development (Blais 2000). Blais (2003) also found that in 2001, of the four regions surrounding the City of Toronto, only 3 percent of proposed residential development was directed to already built-up areas. In Calgary, between 1991 and 2001, medium-density housing as a share of the total housing stock declined by 4.5 percent; apartments by 10.4 percent; these changes were accompanied by an increase in low-density housing forms (Neptis Foundation 2010).

3. This research also formed the basis of a larger paper completed to fulfil the academic requirements for the Master of Science in Planning program at the University of Toronto. As a part of that larger paper, I reported on a questionnaire sent to 23 municipalities. This paper will not include an in-depth discussion of the results of the questionnaire. The survey, however, helped me identify the municipal officials who participated in the interviews reported here. The questionnaire response rate was 83 percent and the list of municipalities that responded can be found in Section 10.

Low-density, inefficient development on the urban fringe has resulted in fragmented, automobile-dependent communities in which transit is not viable and the loss of open and agricultural space.⁴ Persky and Wiewel (1996) argue that “at the level of society as a whole, the efficiency benefits of suburban growth are just about wholly offset by the inefficiencies of increased traffic congestion, duplication of infrastructure, decline and abandonment in the central city, and other externalities and public costs” (as cited in Wiewel, Persky, and Sendzik 1999, 96).

Many studies point to the benefits of moving towards more compact forms of growth. In particular, infrastructure and service provision for higher-density development is more cost-effective than for lower-density development (Burchell 2005; Burchell and Mukherji 2003; Canada Mortgage and Housing Corporation n.d.; Slack 2000). For example, the Canada Mortgage and Housing Corporation (CMHC) compared the cost of infrastructure provision for a traditionally built postwar development and that of a New Urbanist development and concluded that the initial costs to provide infrastructure and services to the New Urbanist development would be \$5,301 less per housing unit (CMHC n.d.b). Furthermore, the New Urbanist development was projected to provide \$10,977 in savings per unit over the infrastructure’s life-cycle. Similarly, CMHC studied a project in the East Clayton neighbourhood of Surrey, B.C., which was designed with increased density, mixed uses, and an integrated road system (CMHC 2001 2-3). The study concluded that when compared to development in a traditional postwar neighbourhood, even with similarly sized housing units, the East Clayton project’s total land, building, and infrastructure costs would be 20 percent lower (CMHC 2001, 7).

Some commentators have questioned the benefits of compact growth (Gillham 2002, chapter 4; Gordon and Richardson 1997; Windsor 1979). For example, Gordon and Richardson (1997), contend that many of the arguments for compact cities, namely that they will stem the loss of open space and agricultural lands, reduce traffic congestion, and lead to greater efficiency, are not fully supported by the data. Nevertheless, the negative consequences of sprawl have been well studied, such as work by Burchell et al. (2002) in the *Costs of Sprawl—2000*.

Several alternative development forms have been popularized and promoted as solutions to low-density development and the segregation of land uses. These alternatives have been called “smart growth,” “transit-oriented development,” and “New Urbanism,” among other terms. Despite variations in name, these models generally promote many similar features and types of urban form. These key elements are summarized by Blais (2003, 3), who suggests that in order to counter sprawl, municipalities and regions should promote development with “(1) higher densities; (2) a wide range of choice in building types; (3) a closer mix of

4. The Ontario Farmland Trust reports that more than 18 percent of Class 1 Agricultural land in Ontario has been urbanized and that between 1996 and 2001, farmland in the Greater Toronto Area decreased by 50,000 acres (Ontario Farmland Trust n.d.).

employment and residential uses; and (4) a greater share of development in nodes and on already-urbanized lands.”

Several jurisdictions have introduced growth management policies to encourage land use intensification, as well as more coordinated, compact forms of growth. Generally implemented at the regional level, such policies are not limited to land-use issues, but commonly include coordinated transportation and infrastructure planning, housing issues, and protection of employment lands.

Examples in Canada include:

- the Province of Ontario, which passed the *Places to Grow Act* (2005) to support the *Growth Plan for the Greater Golden Horseshoe* (2006), the latter intended to direct growth in the Greater Toronto Region to 2031;
- Metro Vancouver, which is in the process of adopting a new Regional Growth Strategy to direct and coordinate growth through 2040;
- the Edmonton Capital Region, which has adopted a Regional Growth Plan—approved by the Province—to direct and coordinate growth in the region.

The importance of these policies should not be underestimated. As Burchell et al. (2005, 15) note, “While sprawl is typically believed to result from market forces expressing consumer preferences, in fact a web of local zoning ordinances, state policies, and federal laws and programs has encouraged sprawl to such a degree that it is often difficult to build anything else.” This opinion is echoed by others who point to failures in the market and inadequate policies that have contributed to a status-quo development form (single-detached housing) and exacerbated some effects of sprawl (Blais 2003; Brueckner 2000; Slack 2002; Wiewel, Persky, and Sendzik 1999).

While these factors are most often discussed in the American context, the parallels to Canada are clear. The growth management policies adopted by various jurisdictions are all important components of shifting prevailing development patterns. However, as growth management policies are implemented at the regional level, municipalities are required to conform to them. While some argue that regional policies remove some of the autonomy municipalities have to make decisions about local development, as Kelly (1993) notes, regional coordination is crucial. Without it, growth management policies at the municipal level may be ineffective because they do not facilitate change in urban form, raise local housing prices, and shift new growth to neighbouring communities (cited in Wiewel, Persky, and Sendzik 1999).

How can municipalities comply with growth management strategies and change the type of growth in their communities? What tools are available for jurisdictions to help achieve more compact growth patterns? One tool cited as an option to help encourage efficient growth patterns is development charges. Already employed in many Canadian jurisdictions as a fiscal tool, development charges have the potential to act as a planning tool as well.

3.2 *Development Charges as a Planning Tool*

Using fiscal instruments as planning tools to encourage more compact, dense growth is not a new concept. McFarlane (1999, 416) asserts that “fiscal policy, when uncoordinated with urban planning, is an element that could bring about an inefficient urban structure.” Therefore, how can governments ensure that they effectively coordinate their fiscal policies to support efficient growth patterns, instead of subsidizing inefficient, sprawling growth?

The literature indicates that if designed appropriately, development charges can play a role in growth management and support more compact urban forms. In both Canada and the United States, development charges are used by municipalities to recover hard and soft infrastructure costs related to development projects. The way in which these charges are implemented can vary greatly; however, generally they are levied to pay for the off-site infrastructure necessitated by new development, and occasionally redevelopment as well.

Development charges are often cited as an appropriate option to pay for infrastructure related to new growth, because they place the onus on those who require this infrastructure, instead of the existing tax base (Skaburskis and Tomalty 2000; Slack 2002; Wiwel, Persky, and Sendzik 1999). Researchers have argued that using development charges that reflect the true cost to provide services “can reinforce planning goals by steering development away from high-cost sites to more efficient locations” (Skaburskis and Tomalty 2003, 144; see also Nicholas, Nelson, and Juergensmeyer 1991; Snyder and Stegman 1986). Skaburskis (2003, 197) asserts that “pricing policies can be effective planning tools because they directly engage developers, they make them accept the full project costs, they recognize and publicise the need to correct for the external costs of development by increasing the cost of land, and they raise funds for infrastructure development and compensation programmes.” Another study by Wiwel, Persky, and Sendzik (1999, 111), which looks specifically at sprawl, concludes that using development charges as a growth management policy is not only feasible, but also can combat the expansion of sprawl.

Yet research by Tomalty (2000) and Tomalty and Skaburskis (2003) indicates that municipalities are underutilizing development charges as a way to discourage inefficient—and costly—land uses. Tomalty’s study of municipal officials and developers in the Vancouver and Toronto regions, as well as in Calgary and Saskatoon, found that municipalities were not “structur[ing] charges so as to actively use them as planning and growth management instruments” (Tomalty 2000, 50). The paper concluded that:

In fact, we found that most municipalities were focused on the role of development charges in generating revenue to help cover their capital needs: they had little interest in land use or planning implications. It was not unusual to encounter officials during the research we undertook for this project who denied that development charges had any implications for development activity or urban form (Tomalty 2000, 50).

This finding was echoed by Tomalty and Skaburskis in their Ontario study. They noted, “most municipalities do not design their development charge schedules to reflect these planning goals” (Tomalty and Skaburskis 2003, 144).

3.3 Designing Development Charges Effectively

The literature suggests that the way in which development charges are structured affects how land resources are consumed and how developments are designed (for example, whether they take the form of compact development or sprawl). It has been argued that area-specific pricing⁵ encourages more efficient land development and equitable distribution of costs related to development (Nicholas, Nelson, and Juergensmeyer 1991; Skaburskis 1991; Tomalty and Skaburskis 2003).

In a municipality that uses area-specific charges, districts that already have been developed should have lower development charges, encouraging intensification and redevelopment in these areas. Therefore, developers who choose to develop in such areas would benefit from lower development charges. Development that is farther away from existing infrastructure or that requires extensive service or infrastructure provision should bear the cost burden of such a location decision. Conversely, a system that uses uniform or average-cost development charges subsidizes development that has higher growth-related capital costs, while raising costs for higher-density development compared to low-density development (Amborski 2011; Bird and Slack 1991; Blais 2003; Blewett and Nelson 1988; Skaburskis and Tomalty 2003; Slack 2002).

When development charges reflect the true cost of service provision, development shifts to land that is less costly to develop, because those lands would be subject to lower development charges. Slack (1993) argues that “a development charge that is the same magnitude per lot regardless of where it is located in the municipality will not reflect the true costs associated with any one development and will not lead to efficient development decisions” (36; see also Nicholas, Nelson, and Juergensmeyer 1991).

While setting development charge rates to ensure full cost recovery based on the type or size of development and location is important, it is not the only factor that will influence developers’ decisions. Many development conditions influence where and how developers choose to build. And while the influence of development charges should not be minimized because of poor design, the role of other policy and planning initiatives such as the shift to mixed-use zoning is also critical.

However, area-specific charges are not used for various reasons, including the belief that they are difficult to administer when segmented by geographic area. While intuitively this may make sense, Skaburskis and Tomalty, studying the Ontario context, conclude:

5. Area-specific pricing means calculating and assigning the costs to develop within a specific part of a municipality. Conversely, a uniform charge averages the costs of all development within a community and apportions those costs to all new development, regardless of its location or the services it requires.

We could find no evidence that a municipality-wide approach was more efficient in terms of the administrative resources needed to negotiate the charges with developers. Interviews with municipal officials that had experience with both the earlier site-specific and the current municipality-wide approaches revealed that the latter required more consulting studies and extensive negotiations with developers over the development charge bylaw (Tomalty and Skaburskis 1997, 1991).

In addition to using area-specific charges to appropriately reflect true development costs, the literature also suggests that municipalities should vary their development charges based on the type of development and density. Blais (2010, 92–95) notes that many municipalities do not vary their charges based on the location, intensity, or type of development and argues that a blanket approach means that “low-cost areas subsidize high-cost areas,” “small lots subsidize large lots,” and “smaller residential units subsidize larger units.” As a large component of development charges is infrastructure calculated on a linear basis—such as roads, sewers, or water—factors such as lot size, density, and development design will affect how much infrastructure is required. Slack (2002, 4) echoes this observation, noting, “the denser the neighbourhood, the smaller the increment of development costs that these services represent.”

Both the Province of British Columbia, through its *Development Cost Charges Best Practices Guide* (2005), and a report completed by Coriolis Consulting for West Coast Environmental Law (2003), advocate for development charges based on density. The *Best Practices Guide* states that charges based on a density gradient are effective because they encourage more compact growth patterns and “compact forms and higher density contribute to sustainability, as these types of development reduce the amount of roads built, make transit more viable, and have smaller ‘ecological footprints’” (Province of British Columbia 2005, 2.16). Moreover, Tomalty and Skaburskis (1997, 1991) cite studies such as that by C.N. Watson and Associates, which indicates that in addition to higher-density development requiring less linear infrastructure, they also “tend to use less water and sewer capacity per capita and generate less waste.”

Other studies have evaluated the impact of varying development charges on a square-foot basis. A report prepared by Energy Pathways,⁶ titled *Levying Development Cost Charges on a Square Foot Basis* (1997) concludes that when development charges do not account for unit size and are charged on a per-unit basis, this structure may encourage the construction of large homes versus smaller

6. This report was prepared in conjunction with the Urban Development Institute (Pacific Region) with a grant through the Affordability and Choice Today Program. It was prepared for the Federation of Canadian Municipalities, the Canadian Home Builders’ Association, the Canadian Housing and Renewal Association and the Canada Mortgage and Housing Corporation.

units. Specifically, the authors note “when development costs increase in direct relationship to the number of units created, a greater number of smaller homes becomes more expensive to build than fewer, larger homes” (Energy Pathways Inc. 1997, 2). Accordingly, municipalities should calculate their development charges based on unit size, and not the number of units. This sentiment is echoed by Amborski (2011, 34), who argues “even where a development charge by-law differentiates apartment units by the number of bedrooms, within each bedroom class, it does not take the unit size into consideration in the quantum of the charge.”

Opting to calculate development charges based on the type, location, or size of development, in addition to discouraging inefficient growth patterns, is also more equitable because developers building more efficient urban forms do not subsidize those who are not. However, in many jurisdictions, such considerations do not factor into the calculation of development charges.

4. Development Charges across Canada

The following section reviews the development charges programs in each jurisdiction studied, including an overview of how the charges are structured and implemented and the types of services for which they can be collected. A summary of development charge characteristics in each provincial jurisdiction studies can be found in Table 1.

4.1 British Columbia

Beginning in 1958, the province has made several legislative moves to shift the onus of new development costs from municipalities to developers (Province of British Columbia 2005). Early methods used to recoup infrastructure costs were ultimately found to be invalid by the courts and by the 1970s a system emerged whereby municipalities negotiated land use contracts with developers to ensure the provision of infrastructure and services (Province of British Columbia 2005; Tully 1996). The land use contract system was eventually phased out in 1977 and the system was modified to resemble the current structure in place.

Under the current system, fees known locally as development cost charges (DCC) are imposed under the *Local Government Act*, according the Province, “to assist local governments in paying the capital costs of installing certain local government services, the installation of which is directly or indirectly affected by the development of lands and/or the alteration/extension of buildings” (Province of British Columbia 2005, 1.1). The system permits municipalities—with the exception of Vancouver and Whistler⁷—to collect for roads, sewage, water,

7. The City of Vancouver will be discussed in a latter section. The legislation allows Whistler to impose charges to assist in providing employee housing (Province of British Columbia 2005).

Table 1: Summary of Development Charge Programs

Province/ Jurisdiction	Local Legislation Governing Development Charges	Identified Locally As	Services Development Charges can be Levied For	Development Exempted from Develop- ment Charges in Legislation	Services Exempted from Development Charges in Legislation
British Columbia	Local Government Act	Development Cost Charges	Sewers, water, drainage, roads, parks	Places of worship; Development of fewer than 4 residential units ¹ ; Residential devel- opment which is less than 29m ² ; Residential development which is valued at less than \$50,000 ² ; Development which has already paid charges or does not impose new bur- den on infrastructure.	No services identified in legislation
City of Vancouver	Vancouver Charter	Development Cost Levies	Sewers, water, drainage, transportation facilities, parks, replacement of afford- able housing, child care facilities	Places of worship; Development which does not increase total floor area of a building; Building additions less than 500m ² in size and with fewer than 4 residential units; Res- idential unit less than 29m ² in size	No services identified in legislation
Alberta	Municipal Government Act	Redevelopment and Off-Site Levies	Sewers, water, parks, drainage, roads	No development identified in legislation	No services identified in legislation
Manitoba	Planning Act	—	No services identified in legislation	No development identified in legislation	No services identified in legislation
Winnipeg	Winnipeg Charter Act	Development Agreements	No services identified in legislation	No development identified in legislation	No services identified in legislation
Ontario	Development Charges Act	Development Charges	Growth-related capital costs. ³ Develop- ment charges collected for growth-re- lated capital costs will be discounted by 10%, with these exceptions: sewers, water, roads, electrical power, fire and police protection, Toronto-York subway extension	Development charge exemptions available for the enlargement of industrial buildings, when the proposed building expansion is less than 50% of the existing gross floor area.	Development Charges cannot be collected for: Cultural or Entertainment facilities; (i.e. museums, theatres, art galleries); tourism facilities (including convention centers); land for parks; hospitals; waste management; buildings for administration of municipalities or local boards.
Nova Scotia	Municipal Government Act	Capital Cost Charges	Water, sewers, stormwater, streets, solid waste management, traffic signs and signals, transit facilities	No development identified in legislation	No services identified in legislation
Halifax Regional Municipality	Halifax Regional Municipality Charter	Capital Cost Charges	Water, sewers, stormwater, streets, solid waste management, traffic signs and signals, transit facilities	No development identified in legislation	No services identified in legislation

1. Development cost charges may be levied on projects of fewer than 4 residential units if the charges are levied at the building permit stage.

2. Municipality may increase value exempt from development charges.

3. Capital costs are defined as (1) Costs to acquire land or an interest in land, including leasehold interest, (2) Costs to improve land, (3) Costs to acquire, lease, construct or improve buildings and structures, (4) Costs to acquire, lease, construct or improve facilities including (i) rolling stock with an estimated useful life of seven years or more, (ii) furniture and equipments, other than computer equipment, and (iii) materials acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act*, (5) Costs to prepare studies related to growth related capital costs and development charge background studies, (6) Interest charges (Province of Ontario 1997, Part II, S(3)).

drainage, and parkland acquisition and improvement (Province of British Columbia 2005, 1.1).

The charges for services may include the costs required for “providing, constructing, altering or expanding facilities,” including the debt incurred in providing the services (Province of British Columbia 1996). In addition to the legislation governing DCCs, the Province has also produced a *Development Cost Charge Best Practices Guide* (revised in 2005) to provide guidance and clarify how DCCs should be applied, ensure consistency and flexibility within the system, provide municipalities with scenarios and options for implementing their DCCs, and explain how varying the design of DCCs may produce different effects.

The legislation mandates the exemption of several uses or types of development from DCCs including buildings for public worship, development where the value is less than \$50,000, buildings with fewer than four residential units, and developments in which it can be demonstrated no new capital costs are created or where the charge was already levied for the same development (Province of British Columbia 2005, 1.3–1.4).⁸ Additionally, the Province has included provisions permitting a municipality to either exempt or reduce the development cost charges levied on “(1) not-for-profit rental housing, (2) for-profit affordable housing, (3) a subdivision of small lots that is designed to result in low greenhouse gas emissions and (4) a development that is designed to result in low environmental impact” (Province of British Columbia 1996, 933.1 [1]).

The process to impose development charges in a locality is fairly straightforward. The legislation requires the municipality to use development cost charge revenue only for approved services and adopt a development cost charge bylaw reviewed and approved by the Provincial Inspector of Municipalities (Province of British Columbia 2005). Moreover, the *Local Government Act* states that a municipality must consider if its development cost charges, “(1) are excessive in relation to the capital costs of prevailing standards or services, (2) will deter development, (3) will discourage the construction of reasonably priced serviced land, or (4) will discourage development designed to result in a low environmental impact” (Province of British Columbia 1996, Section 934 (4)(e)).

While this is not a requirement, the *Best Practices Guide* also suggests that municipalities ensure that there is a clear link between the development cost charge bylaw and other municipal policies such as Official Community Plans—which direct land use policies—and Financial Plans—which provide a framework for future infrastructure projects (Province of British Columbia 2005). Flexibility within the act also allows municipalities to decide whether charges will be levied on a uniform or area-specific basis, when charges will be collected, and how DCCs will vary (e.g., on a density gradient or per-unit basis) (Province of British Columbia 2005).

8. See Table 1 for complete list of exemptions.

4.1.1 City of Vancouver

In the City of Vancouver, development charges are governed by the *Vancouver Charter* and are known as development cost levies (DCL). The legislative framework is generally similar to that of British Columbia's *Local Government Act*, however, there are some key differences. The main difference is in the types of services for which Vancouver is permitted to collect the levies. In addition to collecting development charges for roads, sewage, water, drainage, and parks, Vancouver is also permitted to include the capital costs associated with childcare provision and replacing any low-cost rental units lost during development (City of Vancouver 1953; 2004, 9). Vancouver has a citywide DCL, seven area-specific charges,⁹ and three areas that are subject to layered charges (where both the citywide and an area-specific charge applies). With limited exceptions, these are calculated on a square-metre basis (City of Vancouver 2011). The land use categories for which the City levies development charges include:

- residential floor space ratio (FSR) under 1.2;
- residential over 1.2 FSR, commercial, and most other uses;
- industrial uses;
- day cares and temporary buildings (levied on a per building permit basis);
- a number of specific uses such as parking garages and schools (City of Vancouver 2011).

DCLs are levied at the time the building permit is issued, but allow for staggered payments if a letter of credit is provided to the City.

The City of Vancouver also has a parallel program for acquiring community amenities through the rezoning process, called Community Amenity Contributions (City of Vancouver 2004). Community Amenity Contributions are considered to be different from development cost charges, as “their importance is not as a large revenue source, but rather to address specific impacts of a rezoning—and on large sites, providing significant in-kind assets” (City of Vancouver 2004). Comparable to Section 37 provisions in Ontario, Community Amenity Contributions, “are voluntary in-kind or cash contributions provided by developers when City Council grants additional development rights through rezonings” (City of Vancouver 2010).

4.2 Alberta

Legislation authorizing development charges in the Province of Alberta is the *Municipal Government Act* (MGA). In this context, development charges have been used since approximately 1979 (Interview with B. Symonds 2010). However, a report for the Halifax Regional Municipality on development charge programs in other jurisdictions, explains that for much of their history in Alberta, development

9. Where the area-specific levy applies, only this development cost charge is paid.

charges have been limited to larger communities, but recently, growth pressures have necessitated their use in more communities (SGE Acres Limited 2006).

Amborski (2011) notes in his paper, *Alternatives to Development Charges for Growth Related Capital Costs*, the magnitude of development charges levied in Alberta are generally much lower than in other Canadian jurisdictions such as British Columbia or Ontario. He explains that “most high density developments do not pay any kind of charge in the Province; however lower density developments have been subject for some year to acreage assessment fees. These tended to be applied to large tracts of land designated for low density development” (2011, 21).

Two types of charges are imposed in the Province. First, redevelopment levies are imposed when a development permit is issued in a redevelopment area. A redevelopment levy may be collected to provide lands needed for parks and schools, as well as new or expanded recreational facilities. Second, off-site levies are imposed on subdivided lands and can be collected to provide the land or infrastructure required for new or expanded water, sewage, stormwater management facilities, as well as roads (Province of Alberta 2000).

Aside from requiring municipalities to pass a bylaw imposing charges in their community, the *Municipal Government Act* is not highly prescriptive and has few regulations governing the implementation or calculation of charges. However, the Province has also implemented Regulation 48/2004, *Principles and Criteria for Off-Site Levies Regulation*, which determines how municipalities administer and calculate charges. The development charge rate is established through consultation with landowners, developers, and the municipality and is required to include “a description of the specific infrastructure facilities, a description of the benefiting areas, supporting technical data and analysis, and estimated costs and mechanisms to address costs increases over time” (Province of Alberta 2004). The Regulation also provides guidelines to facilitate the development charge negotiations (Province of Alberta n.d.). A report by IBI Group for CMHC summarizes the guiding principles in the Regulation, as requiring municipalities to:

1. “maintain full and open disclosure of all levy costs and payments;
2. share the responsibility between the municipality and the developers for the costs of providing and installing infrastructure for future and existing requirements;
3. coordinate with neighbouring municipalities where possible;
4. have a clear correlation between the levy and the impacts of the new development;
5. be consistent across the municipality (while recognizing variations of infrastructure types)” (IBI Group 2005, 32–33).

4.3 Manitoba

The least prescriptive legislation of the five jurisdictions studied, the *Manitoba Planning Act* allows municipalities to establish a development charge to recover capital costs associated with land subdivision. The Act does not include any further

guidance as to how the charge should be calculated or the timing of the charge, but it does require municipalities to establish a reserve fund, into which the charges are paid (Province of Manitoba 2005).

Discussions with a provincial official revealed that development charges or levies are not used by municipalities in the province; instead, development agreements are used to collect capital costs related to development (Interview with J. Platt 2011). The provincial legislation permits municipalities to impose development agreements as part of a zoning bylaw amendment, variance application, or conditional use and to collect monies to pay for various hard services or require landowners to install the services themselves (Province of Manitoba 2005).

4.3.1 City of Winnipeg

The *Winnipeg Charter Act* regulates the city's ability to collect capital costs related to development. When land is subdivided, the city can impose, as a condition of approval, that a development agreement be signed. The agreement can include provisions that the landowner provide either lands or monies for roads and "pay to the city some or all of the cost of existing or future public works, including the cost of any related environmental, engineering or other studies or reports, which benefit or will benefit the proposed subdivision" (City of Winnipeg 2002b, S.259(1)(f)(i)). These agreements are negotiated on a case-by-case basis, and the City has adopted Development Agreement Parameters, to "ensure that all parties pay their equitable share of the costs of development, that development agreement obligations are consistent for all developments and that development occurs in accordance with current City of Winnipeg construction specifications" (City of Winnipeg 2002a, 4).

4.4 Ontario

As early as the 1950s and 1960s, Ontario municipalities began requiring developers to pay a portion of the costs for the hard services necessitated by new development, and shortly thereafter began requesting funding for related soft services as well (Doumani and Macaulay 1998). These charges were known as lot levies. The development charge system was not regulated provincially and while implemented by municipalities, the levies were often shaped by decisions of the Ontario Municipal Board and the court system. Doumani and Macaulay (1998, 1.4) note that this resulted in a muddled process because, "the Courts, in fact created government policy where none existed."

In 1989, the Province adopted a legislative framework through the *Development Charges Act* to guide how development charges were to be implemented, allowing municipalities to collect for the hard and soft services of "growth-related capital costs associated with development" (Slack 1994, 14). The legislation permitted both upper- and lower-tier municipalities, as well as public and separate school boards, to levy development charges. The resulting process was more regulated and predictable, largely ending the system of "outrageous standards of services ('gold plating') in return for 'uncomplicated' subdivision

approval” (Skaburskis and Tomalty 2003, 150).

The Province reformed the *Development Charges Act* in 1997, and while the resulting legislation was generally in the same spirit as the previous act, it contained further clarification as to how development charges could be levied and the services for which they could be levied (Province of Ontario 1998). The *Development Charges Act* 1997 allows municipalities to collect for growth-related capital costs, which include:

1. “Costs to acquire land or an interest in land, including leasehold interest;
2. Costs to improve land;
3. Costs to acquire, lease, construct or improve buildings and structures;
4. Costs to acquire, lease, construct or improve facilities including
 - i. rolling stock with an estimated useful life of seven years or more,
 - ii. furniture and equipments, other than computer equipment, and
 - iii. materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act;
5. Costs to prepare studies related to growth related capital costs;
6. Costs to prepare development charge background studies;
7. Interest charges paid to borrow for growth related capital costs”
(Province of Ontario 1997, Part II, S(3)).

The *Development Charges Act* also did away with charges for many soft services, such as cultural facilities, hospitals, and waste management (Province of Ontario 1998). Moreover, the new legislation stipulated that aside from water, sewer, roads and related services, fire and police protection, electrical power, and development charges for the Toronto-York Subway line, the amount collected for all other services must be discounted by 10 percent (Province of Ontario 1998).¹⁰ Requiring that municipalities discount the amount collected for some services by 10 percent, “reflects the concern that new residents should not be expected to pay for the entire cost of new facilities as well as contributing, through their property taxes, toward the cost of existing facilities and their renewal” (SGE Acres Limited 2006, 4-2).

Each municipality is required to produce a background study outlining its projected growth and providing justification for its development charges, which will shape the municipality’s development charges bylaw. The *Development Charges Act* also specifies that for the purposes of calculating its charges, the municipality must base the amount collected on an average level of service for the preceding 10 years. The timing of development charge collection is generally at the building

10. For example, if a municipality determined that new development necessitated \$100.00 per unit in transit investments, it could use its development charges to collect only \$90.00 of those costs.

permit stage or, if specified in a municipality's bylaw, can also be required when a subdivision or consent agreement is executed. However, if agreed upon by the parties involved, there is flexibility within the legislation to allow the charges to be paid at another time. Once enacted, a development charges bylaw is valid for five years; the bylaw, however, can be appealed to the Ontario Municipal Board. Skaburskis and Tomalty (2003) have found that this final provision has often resulted in unpredictable and conflicting decisions.

4.5 Nova Scotia

Coming into force January 1, 1999, Part 6, Section 81, and Part 9, Sections 274-6, of the *Municipal Government Act*, gives municipalities the authority to collect charges to pay for growth-related infrastructure. Section 81 of the act allows municipalities to impose bylaws to collect development charges, while Section 274-6 outlines the regulations for how infrastructure charges are to be calculated and used. The legislation permits the collection of charges, referred to locally as capital cost contributions (CCC), to pay for new or expanded water, wastewater, stormwater, solid waste, and transit facilities, as well as streets (Province of Nova Scotia 1998).

The charges are imposed through a subdivision bylaw and may vary based on land use, zoning, lot size, or number of lots. They are to be used only on infrastructure for which they have been collected, while the timing of the collection of the charge is to be specified in the implementing bylaw. Moreover, the subdivision bylaw passed by the municipality must identify the areas benefiting from the charge, the amount and types of infrastructure for which the charge will be used and finally, the method used to determine the charges (Province of Nova Scotia 1998, Part IX).

4.5.1 Halifax Regional Municipality

While the Halifax Regional Municipality (HRM) is governed by specific legislation—the *Halifax Regional Municipality Charter*—the framework “contains identical provisions for development charges” (Interview with P. Duncan 2010). The provisions regulating CCCs came into force on January 1, 1999; however, the HRM did not adopt a policy framework for imposing charges until 2002 (Interview with P. Duncan 2010).

To facilitate the adoption of the policy, the municipality commissioned a report titled *Infrastructure Charges Best Practice Guide*, which was “designed to facilitate a constructive and practical approach to adopt an effective policy for a municipality” (Regional Municipality of Halifax n.d., 2). Much like the *Best Practices Guide* for British Columbia or the *Principles and Criteria for Off-Site Levies Regulation* in Alberta, Halifax's *Best Practice Guide* includes nine principles meant to provide consistency and predictability within the system.

Discussions with HRM staff indicate that the municipality has implemented two types of charges: a region-wide charge collected at the building permit stage and intended to pay for solid-waste facilities and wastewater treatment; and area-specific charges, collected at the subdivision stage to support new or expanded

Table 2: Total Development Charges for Singles/Semis Units in the GTA (2010)

Region	Regional Development Charge	Educational Development Charge	GO Transit Development Charge	Local Municipality	Local Charge	Total Charge				
Halton	\$29,118.01	\$2,576.00	\$970.15	City of Burlington	\$7,517.00	\$40,181.16				
				Town of Halton Hills	\$13,388.17	\$46,052.33				
				Town of Milton	\$10,735.00	\$43,399.16				
				Town of Oakville	\$17,821.00	\$50,485.16				
				Durham	\$17,887.00	\$1,946.00	\$610.00	City of Oshawa	\$6,751.00	\$27,212.00
Durham	\$17,887.00	\$1,946.00	\$610.00	Municipality of Clarington	\$14,143.00	\$34,604.00				
				Town of Ajax	\$11,340.00	\$31,801.00				
				City of Pickering	\$9,694.00	\$30,155.00				
				Town of Whitby	\$10,412.00	\$30,873.00				
				Township of Brock	\$12,853.00	\$33,314.00				
				Township of Scugog	\$11,905.00	\$32,366.00				
				Township of Uxbridge	\$10,692.00	\$31,153.00				
Peel	\$16,696.30	\$1,7759.00	\$446.09	City of Brampton	\$21,279.51	\$40,180.90				
				City of Mississauga	\$15,709.43	\$34,610.82				
				Town of Caledon	\$18,240.04	\$37,141.43				
				York	\$25,875.00	\$2,020.00	\$306.00	City of Vaughan	\$13,044.00	\$41,245.00
York	\$25,875.00	\$2,020.00	\$306.00	Town of Richmond Hill	\$11,433.00	\$39,634.00				
				Town of Markham	\$18,256.00	\$46,457.00				
				Town of Aurora	\$14,670.00	\$42,871.00				
				Town of Georgina	\$4,370.00	\$32,571.00				
				Township of King	\$11,138.00	\$39,339.00				
				Town of Whitchurch-Stouffville	\$11,549.00	\$39,750.00				
				Town of Newmarket	\$13,327.00	\$41,528.00				
				Town of East Gwillimbury	\$10,822.00	\$39,023.00				
				City of Toronto	—	\$544.00	—		\$11,737.00	\$12,281.00

Source: David, Amborski, *Alternatives to Development Charges for Growth-Related Capital Costs*, 2011

water, sewer, and transportation services. Legislation also allows HRM to collect for transit services; however, this development charge is still being finalized and will be included in HRM's regional CCCs in the future (Interview with P. Duncan 2010).

5. Discussion with Key Informants and Research Observations

Fifteen interviews were conducted with municipal officials, provincial officials, and consultants who have experience reviewing development charge programs and writing background reports for governments. The information from the interviews provided a comprehensive understanding of development charges in the jurisdictions studied and the role they do—and do not—currently play as a growth management or planning tool.

While some jurisdictions reported using development charges as a growth management tool, the research raised several issues that warrant further analysis. These issues will be discussed in the recommendations section.

5.1 Financing Tool versus Planning Tool

One of the most significant discussions which emerged from the research was the debate over whether development charges are a finance tool, a planning tool, or both. Those who have studied the topic note that many jurisdictions are missing out on an opportunity to have development charges work in concert with their planning objectives. Notably, a report by Tomalty and Skaburskis (2003, 158) concluded, “development charges in Ontario are geared almost exclusively to their revenue-raising role and disconnected from planning goals.”

The research also revealed challenges with shifting the role of development charges. One obstacle was the mindset of key informants. The questionnaires and interviews revealed that many jurisdictions are trying to use development charges proactively and view them as both a finance and planning tool. In particular, the Province of British Columbia has been promoting the role that development charges can play in achieving wider policy objectives. However, although others acknowledged the value of development charges as a planning tool, this view was frequently prefaced by the opinion that their primary role is to raise revenue.

The role of development charges as a revenue-raising tool should not be understated: as financial pressures on municipalities grow, these charges are one of the few methods most municipalities have to pay for growth-related services. In Ontario the fiscal pressures faced by municipalities have resulted in more jurisdictions “try[ing] to increase development charges to the greatest extent possible,” while “recommendations to increase development charges tend to come from the chief administrative officers, finance departments and politicians, *often without due consideration to other policy objectives*, or the unintended impacts of the increase in development charges” (Amborski 2011, 9 [emphasis added]). Municipalities need to recognize that development charges can have a dual purpose.

Some municipal representatives stated that development charges could not be used to direct growth patterns because the revenue is still needed to provide the

services necessitated by new development. Others noted that in cases where development charges were waived or reduced for particular types of development or urban forms, the infrastructure was still needed, even though they could not collect development charges to provide it. Although beyond the scope of this research, it is important to consider to what extent financial pressures have contributed to municipalities' ability to use development charges as a growth management tool. For example, how much do municipalities rely on development charges as revenue? Does this reliance impede their ability to use development charges to meet planning objectives?

As provinces amend their legislation to encourage municipalities to consider exempting or waiving development charges for subdivisions with small lots or development designed for low environmental impact, as in British Columbia, can municipalities afford to offer these exemptions? Consultant Fraser Smith remarked that municipalities in British Columbia often consider reducing or waiving development charges to encourage rental housing construction. But when they are reminded that infrastructure still needs to be built and paid for, "then the enthusiasm goes away a little and we are not having as many people getting excited about it" (Interview with F. Smith 2010). While his comment was not in reference to exemptions for growth management purposes, it highlights similar issues. The provincial legislation is generally similar in all jurisdictions studied, as municipalities are free to discount their development charges as they see fit, but they cannot recoup that lost revenue by increasing development charges for other uses or geographic areas.

As development charges play an ever-increasing role as a revenue source in many jurisdictions, this loss of revenue may be a significant obstacle restricting municipalities' capacity to structure development charges to support policy objectives. The disconnect between how a municipality structures its development charges and its policy objectives results in a missed opportunity to leverage its charges as a planning tool. For example, Amborski (2011) points to the example of the Greater Toronto Area. The Province's *Places to Grow* document has identified several growth centres and the transportation authority Metrolinx¹¹ has proposed several transit routes where higher-density development is to be encouraged. Yet "the current application of development charges is not structured to support or encourage these land-use objectives" (Amborski 2011, 33) and municipalities are missing an opportunity to use development charges to achieve the policy objectives of *Places to Grow* or Metrolinx.

Moreover, decisions made now about the type of urban built form constructed—whether compact or sprawling—will affect not only how much money needs to be spent immediately on infrastructure and service provision, but also what will be required for future maintenance and renewal. Little consideration is usually given to the lifetime requirements of a particular type of urban form, in

11. Metrolinx is an agency created by the Government of Ontario to develop a coordinated transportation system throughout the Toronto and Hamilton region.

terms of future financial impacts. But as the life-cycle costs of maintaining the infrastructure and services necessitated by inefficient growth patterns become more pronounced in the coming years, the importance of using development charges as a planning tool to encourage more efficient growth patterns should not be minimized. Therefore, if development charges are not restructured to meet current planning objectives for more intense growth, not only do municipalities squander a chance to use their charges proactively now, but miss an opportunity to reduce their future infrastructure costs.

The research showed that some municipalities are willing to forgo revenue by reducing or exempting their development charges to encourage intensification and redevelopment of their downtown cores. For example, the Town of Ajax has reduced the development charges in its Downtown Community Improvement Plan area for some types of development. The development charge reductions are only one part of a larger strategy, but one that the Town characterizes as very important. Discussions with planning staff indicated that two projects have benefited from these reductions and the developers have advised the Town that without these reductions, the developments would not have been possible. When asked how the municipality has grappled with the loss of revenue, the municipal representative responded:

We take a bit more of a global approach on this, in that if there is development on these sites in the long term, the Town is going to be benefitting, in terms of millions of dollars of additional [property tax] assessment based on development of these lands that wouldn't otherwise [be] occurring. So we don't take an immediate approach, we take a bit more of a long-term approach on these things. And so the [forgoing of] development charges...it's a short-term concession for essentially a long-term or ultimate-term gain (Interview with G. Muller 2011).

Ajax's approach may not be an option for all municipalities. Other approaches are needed to show provincial officials, municipalities, and consultants alike how designing development charges can effectively advance land use objectives without necessarily reducing or waiving charges. Other options include density gradients or area-specific charges.

Promoting a greater understanding of the role development charges can play in achieving planning objectives—especially to those who have a part in designing the programs, but might not have a planning background—is important. If the planning department does not have a strong role in a municipality's development charges program, there may not be a clear or cohesive connection between the program's design and strategic goals or planning objectives that could be achieved with well-designed charges.

Municipalities such as Markham and Halifax, which both indicated they use development charges as a growth management tool, have recognized the value and importance of removing any institutional barriers that may prevent development charges from being used to their greatest potential. A representative from the Town

of Markham noted, “DCs do have a role as a planning tool as long as the municipality thinks of them in this way...the trick is to get your finance staff to understand the planning implications of fiscal tools. I’ve found that once provided that perspective, they are supportive” (Interview with Town of Markham staff, 2011). Furthermore, the interviewee added, “the use of DCs can have growth management consequences if the charges promote compact mixed-use development. The Ministry of Housing,¹² together with Finance could do a lot to promote the use of DC methodologies to reduce sprawl.”

These observations can easily be applied to jurisdictions outside Ontario. Often it is not just the planning department that has a role in establishing development charge programs, so planners should work to ensure that non-planning staff understand the role development charges can play in urban form and growth management. Halifax planners reported that collaboration between departments and having a common policy document—in their case a regional plan—have been key to ensuring that goals are achieved and conflict is mitigated.

Finally, a few key informants indicated that they do not believe development charges are a significant part of total development costs. Although the proportion that development charges represent varies from jurisdiction to jurisdiction, it seems imprudent not to design a community’s development charges in a way that promotes efficient growth patterns, no matter how small the impact. Further, studies looking at development charges and their effects on urban development in Toronto and Ottawa, found that “Fourteen of the 19 developers who expressed an opinion agreed that development charges affect their decision on building type and lot size” (Skaburskis & Tomalty 2000, 318).

While the magnitude of their effect may be debated, development charges are not likely to be the only tool municipalities use for growth management, but one of many which can be layered to achieve planning objectives, as in downtown Ajax. Removing subsidies for sprawl will be one important way to ensure future development is cost effective.

5.2 Challenges to Using Development Charges to Direct Growth

The second theme that emerged in the research was the number of challenges in implementing development charges to direct development patterns. In particular, key informants noted the challenges of working within the constraints of provincial legislation. Provincial frameworks governing development charges are essential because they ensure consistency in application at the municipal level. The research did not find that municipalities in provinces with less prescriptive legislation—such as Alberta—use development charges more proactively as a growth management tool compared with those with more prescriptive legislation. However, several challenges emerged.

First, the issue of how development charges are calculated and the types of services for which they can be collected is problematic in many jurisdictions. For

12. That is, Ontario’s Ministry of Municipal Affairs and Housing.

example, in Ontario, municipal representatives commented that being required to discount many services by 10 percent and base service levels on a historical average for the previous 10 years is difficult. For example, this requirement usually precludes municipalities from collecting development charges for *improved* and *expanded* transit service levels. Similarly, the key informant from the Town of Ajax commented that the Town needed to make improvements to its trails network to increase service levels so it could raise the amount collected through development charges. The rationale for using an average service level in Ontario is to prevent municipalities from trying to “gold plate” their services; however, in the case of transit, this restriction should be reconsidered.

Meanwhile, legislation in British Columbia and Alberta does not permit municipalities to collect for transit services. Given that providing transit is an important component of compact communities, funding through development charges seems crucial for growth management.

Second is the issue of timing, that is, when the money can be collected. A consultant for IBI Group indicated that in Ontario, taking better advantage of municipalities’ ability to adjust when they collect their development charges would be beneficial, particularly for high-rise development. Generally, in all the jurisdictions studied, development charges are collected at either the subdivision or building permit stage. However, because high-rise projects can take longer to complete—and thus longer to close on the units—developers of high-density residential development have to carry those costs for a longer time.

The development context varies greatly in the municipalities studied and not all had a large number of high-rise projects at the time of this research, so it was difficult to gauge the importance of timing. However, some municipalities did agree that the timing of the collection of development charges poses a potential problem. This finding is supported by Skaburskis and Tomalty (2000), who note that developers believe development charges affect both project timing and cash flow. Moreover, British Columbia’s *Best Practices Guide* also indicates that delaying the collection of development charges “can also reduce carrying costs for developers, savings that can be passed on to the home purchaser” (Province of British Columbia 2005, 1.4). While some municipalities, such as Vancouver and Halifax, allow developers to stagger the payments of their development charges, more municipalities may want to consider offering this option.

Finally, there is the issue of area-specific charges. According to the literature, development charges can be designed as a growth management tool if municipalities use area-specific charges instead of a uniform charge for the entire municipality. However, a key informant suggested that perhaps many municipalities did not use area-specific charges because they were too onerous from an administrative standpoint. When I asked municipalities to verify this assertion in follow-up interviews, the answers varied.

The Town of Ajax and City of Lethbridge—both of which employ a uniform charge—indicated that based on municipality size and development context, employing area-specific charges did not make much sense. The Town of Markham,

which until 2008 had 31 different area-specific charges, did find management quite burdensome, because it requires careful accounting of the reserve accounts and ensuring that the money collected is allocated appropriately. The Town has since reduced the number of area-specific charges to 19 and limited the types of services calculated on an area-specific basis to stormwater management and sewer services only. Vancouver, which has both area-specific and city-wide charges, reported that the administration is not very onerous, as the City employs a staff member to coordinate development charges. The respondent from Vancouver did, however, remark that some developers have complained that the system is confusing. In addition, as some areas that have area-specific charges in place are now fully built out, Vancouver indicated it would be reducing the number of area-specific charges in the future.

While no smaller or mid-sized municipalities were contacted specifically about area-specific charges, they likely face challenges administering such charges because of a lack of staff and other resources to dedicate to their administration. In particular, staff from the City of Oshawa indicated in comments accompanying the questionnaire that because Ontario's *Development Charges Act* requires that development charge bylaws be updated every five years, having multiple bylaws is both time-consuming and expensive. Furthermore, municipalities' development charge bylaws can be challenged at the Ontario Municipal Board, which would involve additional staff time and costs. Although some of these concerns and requirements are specific to Ontario, all the jurisdictions require some form of study and consultation when setting a development charge rate, so this concern is valid.

6. Implications for Policy

As the costs related to inefficient growth patterns and sprawl have grown, there is greater support for more compact growth patterns. Increasingly, governments are adopting growth management policies to legislate change, as in Ontario, the Greater Vancouver Regional District, and the Edmonton Capital Region. The need for a cohesive, regional approach to coordinate growth, infrastructure provision, and transportation is apparent; but despite literature suggesting that development charges can serve as a policy instrument to achieve more efficient and intensive growth patterns, they are generally not used in this way. This is a lost opportunity to meet the objectives set out in many regional growth management strategies, but also to influence how communities develop.

Blais (2010, 174) notes, "As currently structured, development charges result in a situation in which efficient uses are overcharged while less efficient uses are subsidized, creating distortions in the land development process and promoting sprawl." And as studies by CMHC cited earlier demonstrate, in developments designed at higher densities or according to smart growth principles it is less costly to provide infrastructure and services (n.d.; 2001). However, many municipalities do not structure their charges to reflect the true cost of pricing or in a way which aligns with their land use planning goals. Despite the link between the form

development may take and the cost to provide infrastructure and services to that development, municipalities have been slow to employ charges to promote smart growth outcomes and reduce subsidies for inefficient development.

Some common themes have emerged from this research. First, there remains a municipal mindset that development charges are primarily intended to raise revenue and are not a policy tool. Even those who have embraced development charges note that the revenue lost from waiving charges to encourage more compact growth cannot easily be recovered and that there is a need for alternative revenue streams, such as tax-increment financing. Municipal reliance on development charges for revenue may affect staff's ability to see how these charges could also be used as a planning tool. Additional study of this issue will be important to understand the role financial pressure may play.

Second, although municipalities stress that they want to change how they grow, many development charge programs are still structured in ways that subvert the provision of more compact and sustainable development. To ensure development charges are designed effectively, Blais (2010, 175) argues that, "any restructuring of DCs should be based on the principle that the charges reflect actual servicing costs *as they vary with location, development pattern, and type of use*—that is, based on true cost pricing." Other important issues include making changes at the provincial level, including amending the legislation governing how development charges are implemented. Examples include modifying how transit services are funded through development charges and allowing for the timing of the collection of charges to be flexible to reflect the development context in the community.

Third, education and research is needed about the impact of development charges, how they can be designed effectively to meet their current planning objectives, and generally, how municipal finance tools can play a role in how a city grows and develops. Because the development context varies greatly across Canada, growth management may be a top concern in many urban centres, but in others it may not. Some jurisdictions might not yet see the need to use their development charges to direct growth patterns. Initiating further research into the long-term benefits of designing development charges more effectively may provide some perspective on the importance of modifying the structure of the development charge programs. Over the long term, it will be important to present officials with evidence that low-density, sprawling developments require much more infrastructure and services compared with what is required for compact communities. Thus factors such as lot size, density, and development design will affect not only how much infrastructure is needed and how much must be spent immediately to provide these services, but also the revenue needed to maintain and upgrade this infrastructure in the future.

There also needs to be a greater understanding generally about the impact of development charges on land use decisions and the outcomes of designing development charge programs in particular ways. Moreover, municipalities need to remove institutional barriers that prevent development charges from being used to

their greatest benefit. These efforts may include structuring development charges in ways which complement a municipality's existing growth objectives and policies or ensuring that all departments affected by development charge programs or revenue are aware of the impacts of fiscal decisions. There may also be an opportunity for the provinces to help municipalities and government departments understand the effects of designing development charge programs in a particular way—not through further legislation, but by undertaking research, developing best practices guides, and acting as a resource centre.

7. Recommendations

Development charges cannot solve all growth-related problems. Nonetheless, if used in conjunction with other growth management strategies, they can be an effective and powerful tool. As development charges are already used in many jurisdictions to pay for costs related to new development, the opportunity to restructure them to work in concert with other tools and strong policy initiatives should not be wasted.

Although provincial governments may be hesitant to play a larger role in the process, their leadership is crucial in guiding change. The need for more research—studying issues such as how development charges can be used more effectively with other policy tools—and providing best practice guidelines will be important in ensuring that municipalities understand how to restructure their development charge programs to use them as growth management tools. The following recommendations are intended to promote needed change.

1. Provincial governments should amend development charge legislation to include the costs of providing transit services related to growth.

Transit provision is essential to successful compact development and should be a component of growth management policies. Allowing municipalities to include transit within their development charges will help finance the higher-order transit needed to support more compact, transit-oriented communities. In British Columbia and Alberta, this will mean expanding the types of services eligible for development charges to include transit. In Ontario, this will require changes to the legislation mandating that municipalities discount the amount they can collect by 10 percent and giving them the flexibility to collect for improved service levels.

2. Municipalities should provide the option for delayed or staggered payment schedules for development charges.

Municipalities usually collect development charges at the subdivision or building permit stage. However, high-rise projects can take a longer time to complete, which requires that developers carry the costs of development charges for a long period, in comparison with low-rise development. Consequently, the longer period between the time at which development charges are paid and the completion of a project may affect financing for projects and discourage some developers from pursuing these forms of compact development. Municipalities—especially those

with an established or emerging high-rise market—should be encouraged to be more flexible as to when they collect development charges and should offer a staggered payment schedule.

3. Municipalities should remove internal barriers preventing development charges from being used as both a planning *and* finance tool.

The department with the greatest influence in the design and implementation of development charge programs varies according to the municipality. Finance, planning, and engineering departments are all involved and may have different—and competing—interests.

If the planning department does not have a strong role in development charge planning, there may not be a clear connection between the program's design and planning objectives that could be achieved with well-designed charges. A more cohesive and integrated approach is needed when preparing development charge programs, which includes all relevant departments (and even perhaps other outside key stakeholders) to resolve issues of competing interests and ensure that all are aware of the impacts of any fiscal decisions. Municipalities should also conduct a comprehensive review of the structure of their development charge programs to ensure the way they are structured to complement any land use policies or growth management strategies.

4. Provincial governments should undertake ongoing studies of policy issues related to development charges.

Provincial leadership in the form of ongoing support and guidance is needed to ensure development charge programs are designed effectively and used to their fullest extent. The approach recommended is not the introduction of more regulation, but instead more guidance and further research. Specific solutions that may be considered include providing information and background studies demonstrating how designing development charges can produce a different outcome depending on the desired planning goal. An example would be the *Best Practices Guide* produced by the Province of British Columbia.

Another approach could include a mechanism for ongoing policy research on issues related to development charges, municipal finance, and infrastructure provision generally. Research could include further study of the lifecycle costs of infrastructure and whether municipalities can reap future benefits—realized through lower lifecycle infrastructure costs—if they forgo some revenue now by reducing development charges to encourage more compact growth. Lastly, further study is needed into how much municipalities rely on development charges as a revenue tool and whether other sources of revenue are required.

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 Duncan, P., Manager of Infrastructure Planning and Asset Management, Halifax Regional Municipality. January 2011.
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Questionnaire Respondents

Province	Municipality
B.C.	Abbotsford
	Coquitlam
	Kelowna
	Richmond
	Surrey
	Vancouver
	Victoria
Alberta	Calgary
	Leduc
	Lethbridge
	Medicine Hat
	Regional Municipality of Wood Buffalo
Ontario	Ajax
	Markham
	Mississauga
	Oshawa
	Waterloo
Nova Scotia	Regional Municipality of Halifax (HRM)
Manitoba	Winnipeg ¹³

13. While it initially appeared that the City of Winnipeg has a development charge system that was comparable to those in the other jurisdictions, the questionnaire response and subsequent interview, as well as discussion with provincial officials, revealed it is not. Winnipeg’s use of development agreements to recoup for on-site and off-site services is completed on a case-by-case basis, unlike the predetermined or standardized charges found in the other jurisdictions. As a result, the questionnaire completed by the City of Winnipeg and interview with the Provincial official are not included in the discussion of the key findings from the interviews.

Preparing for the Costs of Extreme Weather in Canadian Cities: Issues, Tools, Ideas

Cayley Burgess

Abstract

This paper reviews the risks to Canadian municipal finance from extreme weather and analyzes the financial tools that cities can use to prepare for extreme weather events: insurance, weather reserves, weather derivatives, and budget provision. Despite the threat of climate change, Canadian cities are not substantially increasing their use of these tools. However, improvements could be made to accounting procedures and disaster assistance regulations, and amalgamating smaller cities could improve their ability to manage risk, all of which will ameliorate the financial impacts of extreme weather. The paper proposes reasons why Canadian cities have failed to fully adapt their infrastructure to extreme weather: lack of information, low fiscal capacity, externalities, moral hazard in disaster assistance arrangements, and poor program design. It concludes by discussing how these arrangements may be overhauled to better prepare Canadian municipalities for extreme weather, including new provincial legislation and the creation of a federal infrastructure fund modelled on the United States' Pre-Disaster Mitigation program.

Keywords: climate change, extreme weather, insurance, budgeting, disaster assistance, risk management

JEL codes: D81, G22, H29

Preparing for the Costs of Extreme Weather in Canadian Cities: Issues, Tools, Ideas

I. Introduction

The scientific basis of climate change is well known but, given its importance, bears repeating. While some energy from the sun is reflected by the earth's atmosphere and surface, the rest is absorbed and then re-emitted as infrared energy. Naturally occurring "greenhouse" gases (GHGs) such as carbon dioxide and methane, in turn, absorb some of this energy, warming the earth to habitable temperatures. Human activities, such as fossil-fuel combustion and deforestation, however, produce additional GHGs. As the concentration of GHGs in the atmosphere increases, global average temperatures rise.

Climate change poses a variety of challenges to Canadian public policy, including sea-level rise, crop failures, and global instability. In particular, however, climatologists predict that extreme weather events will grow increasingly common.

Extreme weather can affect municipal finances when infrastructure is damaged. In the Canadian system of federalism, municipalities are responsible for such critical and expensive infrastructure as sanitary and storm sewers, water supply systems, and local roads. While provincial and federal governments often provide funding for such infrastructure and, increasingly, the private sector may be involved in its provision, the responsibilities of municipal governments are still substantial (Gagnon, Gaudreault, and Overton 2008, 6).

Considering that nearly all municipal infrastructure in all Canadian cities is at risk from extreme weather and that Canadian municipal infrastructure is currently valued at \$1.1 trillion (MacLeod 2010, 3), the effect on municipal finances could be extremely high. After a single rainfall in 2005 washed out roads and sewers in Toronto, the municipal government was forced to spend \$44 million to restore them to their previous condition (Oates 2008, 11). Furthermore, in an era of globalization, the quality of Canada's municipal infrastructure is more important than ever: empirical evidence reveals that countries with excellent infrastructure are more productive and competitive internationally (Gagnon, Gaudreault, and Overton 2008, 3). Simply deferring maintenance on damaged infrastructure will not be sufficient.

With this in mind, governments have tried to limit the costs of extreme weather by improving infrastructure, modifying land-use patterns, and updating response plans. Public servants suggest that infrastructure and services in Toronto, in particular, are much better prepared for extreme weather than they once were. Many commentators, however, have suggested that despite recent steps, Canada's municipalities have still not sufficiently adapted their infrastructure for extreme weather events (Henstra and McBean 2009, 4), and the impact of extreme weather on municipal finance has been understudied.¹ If cities are not prepared, expenses

1. Extreme weather can also raise the costs of services: in January 1999, Toronto was forced to spend more than twice its snow-clearing budget for the entire winter (Penney and Dickinson 2009, 4).

from extreme weather will crowd out other municipal responsibilities such as libraries, arts and culture programming, and public health. Because of the current strains on municipalities from provincial downloading and public resistance to tax increases (Bird and Slack 2008, 73), this financial burden will be all the more challenging.

The following section of this paper reviews why, despite provincial disaster assistance, Canadian municipalities must prepare financially for extreme weather. It then outlines financial tools that they can use to handle these costs and suggests potential improvements to municipal and provincial governance. Since adapting infrastructure to extreme weather, rather than simply repairing it when damaged, will mitigate strains on municipal finances, the last part of the paper also examines barriers to adaptation and proposes policies to overcome these barriers.

2. Disaster Assistance and Canadian Municipalities

In Canada, as in many nations, municipalities stricken by weather disasters are typically supported financially by higher orders of government. Municipalities must still be concerned with the financial impacts of extreme weather, for the following five reasons.

First, not all costs of extreme weather disasters are covered by provincial legislation. In Ontario, for example, insurance deductibles are not eligible for provincial reimbursement (Ministry of Municipal Affairs and Housing [MMAH] 2009, 9). In British Columbia, if a public facility needs to be relocated following an extreme weather event, the costs of acquiring land cannot be recovered (Government of British Columbia 2006). These exemptions can be substantial: Nova Scotia declared a state of emergency in Halifax after Hurricane Juan in 2003, but only an estimated \$17 million of a total \$23.8 million in costs will be recovered through disaster assistance; as of its 2010 budget, not all of the projected assistance had yet been received, as will be discussed below. Some of that shortfall was covered by insurance and charitable donations, but the rest will have to be absorbed by the city's operating budget (Halifax Regional Municipality 2010, C9).

Second, municipalities may experience financial pressures from weather events that are costly but do not constitute disasters as defined by provincial governments. For example, a succession of heavy snowstorms may damage infrastructure and increase snow-clearing costs just as much as a single, disastrous event, but cities may not be compensated for these costs (City of Toronto 2008). Alternatively, a provincial government might declare a disaster, but define the affected area narrowly, refusing to reimburse costs to municipalities outside that area.

Third, provincial assistance is discretionary. Guidelines vary between provinces. In Ontario, financial assistance "may" be provided to affected municipalities "when damage is so extensive that it exceeds the capacity of the affected municipality to manage" (MMAH 2009, 8). Considerations include "current financial capacity, debt ratio, and capital commitments of the affected municipality; local economic impact, e.g., tourism and ability to recover without

provincial assistance; and future financial pressures resulting from response and recovery costs” (MMAH 2009, 8). Public servants at the City of Toronto report that its relatively large fiscal capacity means that the damage that it would have to sustain to receive provincial disaster funding would be nearly unthinkable—certainly in the hundreds of millions of dollars. Similarly, public servants at the City of Edmonton suggest that Edmonton cannot rely on aid from the province, since the amount of aid provided would depend both on the funding available and the number of other affected municipalities with which it must be shared.

Fourth, receiving aid through government bureaucracies takes time, while the financial burden from extreme weather events is immediate. It is now clear that after Hurricane Katrina, American municipalities that had financial resources to cope with the effects of weather disasters were far better off than those without. Marc Landy (2008, S189) points out that after the storm had passed, the

titanic struggles with nature morphed into prosaic problems of public finance and service contracting. These efforts were greatly complicated by the voluminous and often mutually contradictory requirements and limitations that the Federal Emergency Management Agency (FEMA) placed on the use of its aid funds. [Mississippi municipalities] were able to progress far more rapidly [than those in Louisiana]. They had rainy day funds that they could tap to pay for their immediate needs.

While, as discussed above, Halifax anticipates the recovery of \$17 million from provincial disaster assistance for Hurricane Juan, seven years after the hurricane they had received only \$11 million and had to wait for the final accounting to be completed (Halifax 2010, C9). Edmonton also reported a significant lag time in disaster assistance from the province after its July 2004 thunderstorm, although its fiscal capacity was great enough that the lag was not a serious problem.

Finally, disaster-assistance legislation in Canada typically excludes coverage for the loss of revenue by municipalities. Depending on the weather event, municipal revenue losses could be negligible: Toronto public servants suggest that the possibility of revenue loss is not currently considered important enough to necessitate much planning, and they have recommended that Toronto’s extreme weather reserve (described below) not be used to cover departmental revenue losses (City of Toronto 2008, 7). Natalie Cohen points out, however, that extreme weather can hurt municipal revenue through the decline of the tax base (1996, 1). For example, with slight hyperbole, Landy notes that after Hurricane Katrina, New Orleans had “no inhabitable property to produce real estate taxes” (2008, S192). While, in principle, property taxes must be paid regardless of habitability, in reality, municipal tax revenues may shrink because of increased exemptions. For example, in Ontario, according to Section 364(1) of the *Municipal Act*, property taxes on abandoned industrial or commercial sites are reduced 30 and 35 percent, respectively (Government of Ontario 2001). Also, under Section 365(1) of the act, if citizens are left in financial straits because of extreme weather damage and their property taxes become “unduly

burdensome,” municipalities may need to pass tax relief by-laws (Government of Ontario 2001).

Municipalities may lose revenue from other sources as well. Since Toronto’s land transfer tax is based on market value, a decrease in property values due to damage from extreme weather events could lower revenues. Toronto staff have also raised the concern of reduced transit use after an extreme weather event (City of Toronto 2008, 3). Profits from public utilities will fall if there are service outages, and lease payments on city-owned property may be abated because of flooding or other conditions (Cohen 1996, 1). Vancouver staff have also noted that the revenues of certain programs, like Parks and Recreation, will be particularly affected by unpredictable weather (City of Vancouver 2008, 191). Edmonton’s golf courses lost substantial revenue when they were closed following its July 2004 thunderstorm. Conversely, of course, if government facilities that purposely run at a loss are closed, a municipality may in fact save money, although service levels will suffer.

3. Financial Tools for Canadian Municipalities

For all these reasons, municipalities cannot ignore the financial implications of extreme weather events, but must analyze risks and consider using financial instruments to reduce these risks.

3.1 Insurance

Canadian municipalities have often dealt with severe weather risks to public infrastructure through private insurance. This is in contrast to some countries, like Sweden, where municipalities are not legally allowed to insure their assets (Hochrainer and Mechler 2010, 4). However, coverage in Canadian municipalities is incomplete: after Toronto’s 2005 rainstorm, only \$2 million was recovered from insurance out of a total loss of \$44 million (Oates 2008, 11). Similarly, very little of the municipal infrastructure that sustained damage in Edmonton’s July 2004 thunderstorm was insured.

In general, however, Canadian municipalities are not increasing their reliance on insurance to respond to climate change. Halifax has not significantly altered its insurance purchases, and Toronto is actively moving away from relying on private insurance by raising its deductible in order to reduce the premiums it is required to pay. After Edmonton’s 2004 storm, the city began insuring the revenue stream from its golf courses, but otherwise it has not changed its insurance strategy in several years.

The reason for the limited role of insurance in preparing for climate change-driven extreme weather is that public servants anticipate higher premiums on existing policies (City of Toronto 2008, 3; Halifax 2007, 77), as extreme weather will increase the number and size of claims. Halifax’s premiums certainly went up after Hurricane Juan. The rise of premiums, however, may not always be entirely rational. Premiums on public infrastructure in Barbados jumped 1,000 percent after Hurricane Andrew devastated the Bahamas and Florida in 1992, even though Barbados is not in a hurricane path (Hochrainer and Mechler 2010, 4). Moreover, even if a city’s own risks have not changed, premiums rise if insurance providers

experience losses elsewhere. Thus, relying on private insurance leaves municipalities at the mercy of skittish insurance providers and external events.

3.2 Weather Reserves

Another important financial tool available to Canadian municipalities is the extreme weather reserve. If a municipality can maintain an adequate reserve, it may be cheaper to pay for infrastructure damages out-of-pocket—a practice known as “self-insuring”—rather than paying the premiums of insurance policies. After all, Yuhua Qiao estimates that private insurance providers spend 150 to 200 percent of what they pay in claims on their own overhead costs (2007, 37). Furthermore, some low-value, high-risk municipal assets are uninsurable in practice, and the loss of insured assets still requires municipalities to absorb the cost of deductibles. These costs are usually funded through reserves.

In 2009, Toronto created an Extreme Weather Reserve Group to offset deficits in Toronto’s operating and capital budgets caused by uninsured extreme weather costs (Oates 2008, 11). The Toronto Environment Office recommended that the City contribute an “appropriate” annual target to the reserve based on projected expenditures on extreme weather events, to be funded through “unspent program budgets, or fixed direct contributions, or a combination of both” (Oates 2008, 11).

Other Canadian cities, however, have not taken this approach. In 2007, Halifax considered establishing a reserve to both prepare for and respond to extreme weather events, but did not institute it, deciding instead to focus on preventive infrastructure upgrades (Halifax 2007, 92). Currently, Halifax maintains a weather reserve aimed primarily at winter snow and ice control, but not infrastructure damage. Similarly, while Edmonton created a snow removal reserve in 2010, public servants suggest that it is intended simply to improve the level of service and not to deal with extreme weather *per se*.

There are two significant, although not insurmountable, problems with the use of weather reserves. First, the appropriate balance for a weather reserve is difficult to determine. Municipal departments may not actually know how much extreme weather events will cost them. For example, while an extreme heat wave may necessitate keeping swimming pools open for longer, a Parks and Recreation department may not have a policy for exactly how long pools will be kept open, and they may not even know how much each hour of extra operation will cost. Moreover, the changing climate makes past expenditures on extreme weather events less relevant for predicting future costs. Both of these problems make financial planning challenging. Toronto, in particular, has taken important steps to quantify the costs of extreme weather, but municipalities with smaller research capacities may be less prepared.

Second, maintaining an appropriate balance in a weather reserve is politically difficult. Toronto City Council ruled that, contrary to the advice of the Toronto Environment Office, the Extreme Weather Reserve Group would be supplied by budget surpluses only and not necessarily receive annual contributions. The Group also does not receive funds left over from years in which there were few weather-

related costs. As a result, Toronto Transportation Services, for example, concludes that their subreserve in the Extreme Weather Reserve Group does not have a sufficient balance (\$19.1 million in 2010) to handle a winter similar to 2008's 207-cm snowfall, let alone an even more extreme weather event (Djergovic and MacLeod 2010). As of 2010, the balance of all the other subreserves was zero. Thus, since the Extreme Weather Reserve Group is not adequately funded, resources may have to be diverted from other municipal programs in the event of extreme weather.

Municipalities maintain general reserves, of course, that may be used to fund the costs associated with extreme weather. They too, however, are often poorly funded and may not be able to support particularly costly weather events. Toronto staff note that "many existing reserves and reserve funds are significantly underfunded" (City of Toronto 20 08, 6). In particular, public servants suggest that Toronto's fund for insurance deductibles is approximately half of what it should be. After Toronto's amalgamation, the political leadership refused to increase taxes or cut services, so many reserves, including the insurance reserve, were drawn down. Similarly, Edmonton's Financial Stabilization Reserve, which is intended for both "revenue instability and unforeseen costs," is funded only out of surpluses (McDougald 2009). Because of the 2008 recession, it has a "significantly" lower balance than the targeted amount and is thus less capable of covering the costs associated with extreme weather events (McDougald 2009).

3.3 Weather Derivatives

Some municipalities, including Toronto, use derivatives to hedge against fluctuating energy and fuel prices. These are securities whose value depends on measurable weather conditions such as temperature or precipitation, either through derivative exchanges like the Chicago Mercantile Exchange (CME) or through private negotiations. For example, a municipality could reach an agreement with a financial institution whereby the municipality receives a payout if the temperature in a given year reaches a certain level for a certain number of days. In exchange, the financial institution would receive a smaller, upfront payment.

Conventional insurance pays out only when specific hazards damage specific assets, but extreme weather imposes other financial burdens on municipalities. Weather derivatives could therefore play a unique role in municipal adaptation to climate change (Labatt and White 2007, 188). In particular, municipalities that depend heavily on revenue streams from certain weather-dependent activities, especially smaller cities with less capacity to self-insure, may benefit. The financial infrastructure is in place for purchasing exchange-traded derivatives: the weather derivatives market at the CME now includes various weather conditions in Calgary, Edmonton, Montreal, Toronto, Vancouver, and Winnipeg (CME 2010). Public servants have suggested that as long as weather derivatives are structured as insurance, not as speculative investments, provincial governments would likely permit their purchase.

One early municipal use of weather derivatives was by the Sacramento Municipal Utility Department, which can generate hydroelectricity during

relatively wet years, but must rely on more expensive sources of electricity in dry years. To keep energy rates at predictable levels, in 2000 Sacramento began negotiating agreements by which it receives payments in dry years and pays out in wet years. This system has successfully stabilized energy prices for consumers (Mathews 2009).

Weather derivatives, however, are not appropriate for all cities. In particular, they may not be suitable for large cities with diverse weather risks and a high capacity to self-insure. Tellingly, weather derivatives are typically purchased by corporations with very specific, weather-dependent product lines, but Toronto, in particular, has no major revenue source that depends on certain weather conditions.

There are also considerable practical problems with the use of weather derivatives. First, weather derivatives are complicated financial products that can strain the institutional competency of smaller cities. While buying exchange-traded derivatives is easier than negotiating private agreements, derivatives are publicly traded only on the weather in larger Canadian cities. Second, when negotiating private agreements, both municipalities and their partners must be confident that the weather condition underlying the derivative can be accurately measured. If a certain condition is not measured by Weather Canada or by a trusted private institution (as is more likely for smaller municipalities), potential partners might not trust municipalities to measure it themselves. Therefore, while smaller municipalities might gain the most benefit from weather derivatives, perversely, they are the least prepared to use them. Third, since weather derivatives are derived from weather conditions and not actual municipal losses, their payout may not be enough to cover a given loss, or damage may be incurred without the specific weather condition's having occurred at all.

For these reasons, weather derivatives are not yet popular among Canadian municipalities; in fact, none of the municipalities surveyed used them. However, Toronto City staff suggest that when the weather derivative market matures, the products may improve and Toronto may re-examine their use. In any case, research into the municipal use of weather derivatives continues. Brock University Professors Don Cyr, Joseph Kushner, Martin Kusy, and Tomson Ogwang (2010) have suggested that Canadian municipalities could effectively manage the risk of heavy snowfall through weather derivatives.

3.4 Budget Provision

Extreme weather risks could be handled by making regular budget allocations towards extreme weather costs. Halifax has considered such regular budgeting (Halifax Regional Municipality 2007, 86). However, in Toronto, regular budget provision has been found to be impractical because of the difficulty of predicting both the weather and its associated costs. Snowfall, in particular, is both erratic and expensive, and even with a budget provision, municipalities are still likely to spend more or less than the budgeted amount (City of Toronto 2008). Therefore, Toronto has rejected the idea of a budgeted contingency fund for extreme weather.

3.5 Improved Governance

There are numerous opportunities, of varying political feasibility, to lessen the financial impact of extreme weather on municipalities through improved intergovernmental coordination and new governance structures.

Municipal governments may want to ensure that their accounting procedures for emergency management are sufficiently robust for their provincial government. Provinces typically request detailed accounting of the costs of extreme weather events. The Ontario Disaster Relief Assistance Program, for example, requires that municipalities provide claim forms with receipts, authorized by senior officials (MMAH 2009, 7). Halifax city staff have called for new accounting procedures “to be better able to track and allocate costs related to extreme events to support requests for post-event relief funding from the provincial and federal government” (Halifax Regional Municipality 2007, 92).

Provincial legislative and regulatory changes could help. Current disaster relief legislation generally focuses on vulnerable individuals, not local governments, and loosening the criteria by which aid is provided to municipalities could help them recover. Alternatively, the existing assistance process could be streamlined. As mentioned above, Halifax received no immediate financial aid after Hurricane Juan, since the province insisted that accounting be completed before funds were delivered. Moreover, Nova Scotia does not provide interest on disaster assistance payments. Assuming 5 percent annual interest, a loss in 2003 that is not compensated until 2010 will be worth only 71 percent of the value of a prompt compensation payment. Interest rates have been low in recent years; in more turbulent times, the difference between prompt and delayed payments would be far greater. By contrast, insurance companies have strict legal deadlines by which they must pay out.

Amalgamation also helps. Although amalgamation is a contentious issue in Canadian political debates, the advantages of size in preparation for extreme weather are worth noting. The larger the municipality, the more effective self-insurance will be, since risks are spread over a larger citizen base and geographic area. Larger municipal governments can thus maintain higher deductibles, saving on the cost of private insurance. While the former City of Toronto had a mere \$250,000 deductible on insurance claims, the amalgamated Toronto was able to save on insurance premiums by raising that 20 times, to \$5 million. Halifax city staff are particularly enthusiastic about the effects of amalgamation on financial preparation for extreme weather: they report that the wider pooling of resources made possible by amalgamation allowed Halifax to dramatically raise its deductibles.

Larger municipalities also benefit from the fact that insurance policies with higher deductibles have proportionally lower premiums, since the work needed to administer a few large claims is much less than the work needed to administer many small claims. Finally, significant economies of scale exist for municipal risk management and insurance departments: larger cities can hire fewer people to do the same work and those people will develop more expertise. This is especially

important as climate change continues to alter the traditional rules of risk management, requiring municipal managers to stay abreast of new research in the field.²

4. Barriers to Adaptation

As outlined above, the financial impact of climate change on municipal governments can be addressed partly through mechanisms such as insurance policies, self-insurance, weather reserves, and more exotic options such as weather derivatives. However, the most effective way to reduce this impact and the impact on provincial and federal governments that provide disaster assistance is to focus on preventive efforts, such as stronger building codes, stricter land-use controls (for example, prohibiting the building of infrastructure in flood zones), and regular testing of extreme-weather procedures (Henstra and McBean 2003, 7). Such preventive efforts are largely considered more cost-effective than reconstruction after the fact (Henstra and McBean 2009, 3).

Preventive measures, however, often have low take-up by municipalities. As climate change threatens to increase the costs of disasters, this lack of attention to prevention is not sustainable. The novel challenges presented to Canadian municipal infrastructure by climate change will thus require not only more funding but also new intergovernmental arrangements.

4.1 The Information Challenge

A first principle of effective federalism is “subsidiarity”—the idea that “the efficient provision of services requires that decision-making be carried out by the level of government that is closest to the individual citizen” (Slack 2009, 17). Not only can local governments respond to people’s needs with customized levels of services and taxation (in contrast to the federal government, which typically provides uniform levels across the country), but local governments often understand better how to work in local conditions. From this point of view, while macroeconomic stabilization and income redistribution are the proper tasks of the provincial and federal governments, intrusion by these governments in other areas, such as preparations for extreme weather (through infrastructure programs or building codes), is undesirable. As long as municipalities have the fiscal capacity to prepare, the logic goes, they will do the best job.

In the case of adaptation to climate change, however, the subsidiarity principle is less relevant for four reasons.

First, despite intense interest in the subject, the potential effects of climate change on municipal infrastructure are still not well understood. Public servants in both Toronto and Edmonton have suggested that their municipalities do not

2. Many smaller municipalities are members of reciprocal insurance organizations like the Ontario Municipal Insurance Exchange and the Municipal Insurance Association of British Columbia. This type of risk-pooling lowers insurance costs and offers more stability. Such organizations can provide benefits similar to amalgamation, although their effectiveness depends on political cooperation, similarity of risks, and elimination of moral hazards.

know enough about the dangers posed by climate change to plan effectively. Canadian municipalities' previous experiences with extreme weather will not help them prepare for climate change, since, by definition, climate change will bring entirely novel weather challenges. The experiential advantage of local governments is therefore reduced.

Second, more research is needed on climate change-related extreme weather threats, but the relatively small policy research capacity of municipal governments in Canada—even the largest ones—makes them unsuited to prepare independently for extreme weather. As Daniel Farber (2009, 13) observes of the United States, even “some states may be lacking in the technical capacity to do their own adaptation planning effectively.”

Third, an implication of rational choice theory is that the efficiency advantage of local governments in being able to provide unique levels of goods hinges on citizens' having good information about the marginal utilities³ of those goods. If citizens have this information, they can maximize the overall well-being of the community by voting for politicians who promise to fund goods so that the marginal utilities of each good are equal.⁴ Climate change-driven extreme weather threats, however, are not just unfamiliar to governments; they are unfamiliar to citizens too. Therefore, while the marginal utility of a flood-prevention strategy might be enormous, for example, if citizens do not know this, they will not vote for its provision. Thus, this advantage of local governance is lost.⁵ (While the same logic could apply to the provision of adaptive infrastructure by higher orders of government, the point is that the subsidiarity principle is, in this case, less relevant than for other government-provided goods.)

Finally, the subsidiarity principle is often endorsed for allowing experimentation, innovation, and inter-jurisdictional learning (Rosen et al. 2008, 158). For example, if one municipality introduces a new influenza vaccination program, other municipalities can wait until the program has run for one influenza season, examine the morbidity and mortality reports, and decide if they should copy the program. Unfortunately, experimentation in the case of extreme weather may yield little helpful information: while many extreme weather events will

3. Marginal utility is the additional benefit, expressed in dollars, from the consumption of another unit of a good.

4. For a further discussion of rational choice theory, see Rosen et al. (2008), chapter two. Also note that while citizens *can* maximize their utility this way, whether they *will* is another question. There are many reasons that voting may not result in the optimal provision of public goods; see Rosen et al. (2008), chapter 8.

5. Similarly, local citizens may be unable to accurately monitor a government's efforts to adapt to low-probability, high-risk weather events until the events actually happen. If an event is unlikely to happen within a given administration's term, it may be less likely to provide the necessary infrastructure. By comparison, it is easy to monitor the provision of well-used infrastructure such as bridges or roads and vote out governments that do not provide them effectively. Dan Henstra and Andrew Sancton point out that “at the municipal level, hazard mitigation is a low priority issue which is often shelved in favour of more visible community concerns” (2002, 1).

become more common because of climate change, they still may not happen very often. For example, storm surges that might traditionally occur once every 1,000 years might, after climate change, occur every 25 years. This dramatic increase in probability is alarming and requires action, but Halifax can hardly wait for decades to determine the effectiveness of preventive infrastructure in Vancouver, Victoria, and Saint John before building its own. Here again, the subsidiarity principle provides little advantage.

4.2 The Fiscal Challenge

Canadian fiscal arrangements hinder the ability of cities to prepare for extreme weather for two major reasons. First, the current taxation powers of municipalities are limited and inelastic: unlike income and consumption taxes, property taxes do not expand automatically with economic growth, and their highly visible nature (unlike income taxes, which for most people are deducted automatically from their paycheques) makes tax hikes politically difficult (Bird and Slack 2008, 72). Furthermore, the budgets of municipalities have been recently strained by the repeated downloading of services from provincial governments and the imposition of unfunded service standards (Bird and Slack 2008, 72). Thus, despite the urgency of doing so, Canadian municipalities are least able to prepare for and respond to extreme weather events. Moreover, this limited capacity has already resulted in an accumulated “infrastructure deficit” of \$60 to \$125 billion, which makes cities even more vulnerable to the damage and costs caused by extreme weather events (Bird and Slack 2008, 73).

Second, Canadian cities typically have strict limits on capital borrowing set by provincial governments. In Ontario, for example, municipalities (Toronto excepted) may not allow debt-servicing payments to exceed 25 percent of their own-source revenues without obtaining permission from the Ontario Municipal Board (MMAH 2007). These limits on capital borrowing were created for a good reason, but they mean that municipalities cannot necessarily build the adaptive infrastructure they need, even if a project is clearly cost-effective. For example, sewer systems in major cities are hugely expensive: Ottawa’s combined sewer and sanitary systems are valued at \$5.1 billion (City of Ottawa 2011), which is far more than its annual budget, let alone its borrowing limits. Sewer systems can be built, however, through long-term planning and gradual construction.

Unfortunately, cities may not have the luxury of time for building adaptive infrastructure, since the threat of climate change-related extreme weather is both unexpected and immediate. Provincial and federal governments, by comparison, can go into debt to pay for necessary upgrades with legal if not political ease. Even so, at least in Ontario, this is still only a hypothetical problem, as most Ontario cities are not approaching their borrowing limits (Slack 2003, 10). As the threat of extreme weather becomes clearer, however, this issue may become more pressing.

4.3 The Externality Challenge

Extreme weather may also cost Canada more than it should because of unresolved externality problems. In economic theory, an externality occurs when a market

transaction between two parties causes a change in welfare for a third party in a way that is not accommodated through the price system, thus distorting the market. Externalities in the provision of extreme-weather infrastructure are common. For example, flood control infrastructure in one municipality may affect another, since such infrastructure might either prevent the flood from reaching the second municipality (a positive externality) or channel the flood right to it (a negative externality). As Hurricane Katrina demonstrated, extreme weather disasters may also impose service costs on surrounding municipalities from displaced populations, or damage to roads or power lines in a city may adversely affect the populations of surrounding cities who also use them (Farber 2009, 11).

Without negotiations or a single government unit that controls the provision of infrastructure in all affected municipalities, these externality effects will not be considered in the municipal policy-making process. Furthermore, the more mundane difficulty of coordinating infrastructure policy (and disaster-response policy) between even cooperating municipalities may lead to increased costs from extreme weather events (Wildasin 2008, 2). It is difficult to know whether these theoretical concerns have a real-world influence on policy making, although some public servants in Ontario suggest they do. Further empirical research on this topic is needed, but it is likely that externalities will create at least some inefficiencies in the provision of adaptive municipal infrastructure in the Canadian federation.

4.4 The Moral Hazard Challenge

Another possible explanation for the lack of effective extreme-weather adaptation strategies in Canadian municipalities is the presence of moral hazard. If municipalities know that they can rely on provincial aid after extreme weather events, they will be tempted to under-invest in extreme weather adaptation. Similarly, provinces will be reluctant to help municipalities develop infrastructure if they expect federal payments under Canada's Disaster Financial Assistance Arrangements (DFAAs). As Dan Henstra and Gordon McBean (2005, 308) note:

in their current form, Canada's disaster-assistance programs do not encourage mitigation... Paying for disaster losses without addressing root causes sets the stage for repeat losses and can create perverse incentives that reinforce high-risk decisions and behaviour.

More dangerously, assistance criteria in Canada often include the fiscal capacity of municipalities to respond independently to weather events. For example, legislation in Ontario states that in adjudicating disaster-assistance payments to municipalities, ministers may consider "current financial capacity, debt ratio and capital commitments of the affected municipality... [and] future financial pressures resulting from response and recovery costs" (MMAH 2009, 9). Thus, municipalities with larger fiscal capacity and more debt room, who are better able to absorb the costs of an extreme weather event, may not be compensated or not compensated as much as others. This could be a perverse incentive leading to municipal fiscal profligacy.

Finally, the structure of taxation in Canada may exacerbate this moral hazard problem. Some of the most costly climate change–related extreme-weather events are floods and storm surges, which afflict very specific areas. However, if municipalities are funded primarily by property taxes, they will hesitate to deny developers permits to develop high-risk areas (often, as they are, scenic and highly valued) if the municipalities are confident that they will be bailed out by provincial governments (Farber 2009, 12).

The actual effects of moral hazard are hard to demonstrate empirically, especially because of the difficulty in assessing the effectiveness of municipal action on adapting infrastructure. Certainly, in the words of one public servant, some Canadian municipalities “will do nothing and then beg for help from the [disaster] funding that is available.” At the same time, the division between political spheres and non-partisan, professional public services may help; another public servant points out that the seriousness with which public-service engineers and planners undertake their work allows municipalities to avoid some of the moral hazard that might afflict purely political decisions. Moreover, if municipalities know that provinces will compensate them only for extremely serious disasters, they still have to plan well for weather events in which the damage incurred is below the threshold for disaster assistance, because the cities themselves will have to pay.

While moral hazard in Canadian federalism existed long before climate change, climate change raises the stakes, not only in the costs of damage-prevention measures, but also in reconstruction. Canadian policymakers have been able to ignore the issue thus far, but it will become increasingly expensive to do so.

4.5 The Program Challenge

The presence of moral hazard, externality problems, and municipal fiscal and policy capacity challenges all suggest that federal and provincial involvement in providing adaptive municipal infrastructure is necessary. While some provincial programs fund adaptation projects, they are generally inadequate; one public servant lamented the lack of an Ontario program aimed at replacing vulnerable municipal infrastructure. A thorough accounting of all Canadian infrastructure programs and projects is beyond the scope of this paper, but particularly relevant federal programs include the following:

- a. *Joint Emergency Preparedness Program (JEPP)*. This program provides matching grants of up to 75 percent of project costs to municipalities for disaster preparation. However, much municipal infrastructure would be ineligible under the program rules: ineligible costs include those “relating to events and equipment which are considered to be the routine responsibility of provincial ministries; [...] ongoing operating and maintenance costs; [...] and major capital construction costs” (Public Safety Canada 2010, 14). The JEPP also has limited funding—a mere \$7.9 million in 2010 (Treasury Board Secretariat 2010).
- b. *Green Infrastructure Fund (GIF)*. While the GIF is better financed than the JEPP, providing \$1 billion over five years to provinces and cities from the federal

government on a cost-shared basis, funding is directed mostly at emission-reduction projects, not adaptation (Infrastructure Canada 2009).

- c. *Canada Strategic Infrastructure Fund (CSIF)*. With a total funding of \$4.3 billion, the CSIF supports major infrastructure projects with national and regional benefits to Canadians (Infrastructure Canada 2010a). However, most funding has already been committed.
- d. *Gas Tax Fund (GTF)*. The GTF will distribute \$13 billion from 2005 to 2014 “to support environmentally sustainable municipal infrastructure projects” (Infrastructure Canada 2011). However, the GTF is not a matching fund, but is distributed on a per-capita basis. Therefore, not only do the funds not necessarily go where they are most needed—Halifax and Vancouver, potentially—but municipalities will not necessarily use them for the nominal purpose of the grant. Rather, municipalities will spend them on sustainable infrastructure only where they anticipate increased demand for the infrastructure.
- e. *Green Municipal Funds (GMF)*. This program is administered by the Federation of Canadian Municipalities and funds up to 80 percent of approved sustainability projects to a maximum of \$1 million. GMFs are not currently available for energy, waste, water, and transportation capital projects (currently, only brownfields reclamation capital projects are eligible), indicating, perhaps, an administrative capacity problem (FCM 2010). Moreover, they focus on mitigation, not adaptation, requiring projects to “improve environmental performance” (FCM 2010). This would seem to preclude many adaptation projects.
- f. *Building Canada Fund (BCF)*. Canada’s “flagship” infrastructure program, the BCF will distribute \$8.8 billion over seven years towards cost-sharing for infrastructure projects. Like the GTF, it is allocated by population instead of by merit (Infrastructure Canada 2010b). Disaster-mitigation projects are eligible, but are explicitly not a priority funding area (Infrastructure Canada 2010b).

Current federal and provincial funding programs, therefore, have some serious shortcomings for adapting municipal infrastructure to climate change-related extreme weather.⁶

5. Solutions

5.1 Federal Adaptation Programs

Canadian municipalities are not opposed to working with other governments to adapt better than they do now to climate change.⁷ The Federation of Canadian

6. Even to apply for funding, municipalities must know what projects they really need to prepare for extreme weather. Without sufficient policy capacity, this may be unclear.

7. Provinces in Canada, however, have historically resisted federal attempts at centralization, even if it is merely through federal spending power, not legislation. Therefore, since municipalities are the responsibility of provinces, even if some problems are resolved by federal help for municipalities, new ones may be created.

Municipalities (2011) points out that “the complexity of [climate change] requires a renewed governance approach, with strengthened intergovernmental coordination, and clear, committed federal leadership.” While provincial infrastructure programs could certainly help, there are several reasons why a federal role may be particularly important. Many of the previously discussed challenges, such as policy capacity and externalities, can apply to provinces as well. Most important, however, is that only a federal program can truly correct for moral hazard, since the federal government is the Canadian insurer of last resort.

A critical review of the empirical literature on moral hazard at this level of government is beyond the scope of this paper, but David Wildasin (2006) concludes that moral hazard is present in provincial-federal relations in the United States. Furthermore, he suggests that this finding should encourage new federal programs aimed at promoting adaptation. Other American studies suggest that federal funding for adaptive infrastructure reduces future reliance on federal funds by a factor of four (FEMA 2010, 1). Theoretically, a federal infrastructure program could also address the differential threat that climate change poses to municipal infrastructure in different provinces. Moreover, whenever a national carbon-management scheme is implemented—either a carbon tax or an emissions trading scheme—a federal infrastructure program could be an appropriate tool to distribute revenue from those who produce greenhouse-gas emissions to those who are hurt by climate change (Wildasin 2006, 17). Provincial schemes, by contrast, could not redistribute income from, for example, the Alberta energy industry to the municipality of Halifax.

What would a well-designed federal adaptive infrastructure program look like? The FCM has recommended two programs. The first would address the limited research capacity of municipalities, and to the extent that the study of climate-change adaption experiences economies of scale, this would be a more efficient solution than current practice. In the aftermath of Hurricane Katrina, Canadian policymakers reflexively avoid looking to Federal Emergency Management Agency in the United States as a model, but Dan Henstra and Andrew Sancton note its effectiveness as a central resource for information, advice, and leadership (2002,11).

The FCM’s second recommendation is an “adaptation fund to assist municipal governments in understanding and responding to the effects of climate change” (FCM 2011). Unfortunately, adaptation funds can be difficult to design. Besides the specific problems with Canada’s federal infrastructure programs noted above, the efficiency of such a fund would depend on the transparency of municipal efforts to reduce disasters (Goodspeed and Haughwout 2009, 29). For example, if the federal government was going to effectively support the construction of a breakwater in Halifax, it would have to accomplish the following:

- a. Confirm independently that the project is actually needed for climate change-related extreme weather.

- b. Consider the worth of the project in terms of both adaptation and intergovernmental politics. While an economically efficient distribution of funds would require that the marginal utility of funds given to every municipality be equal, such blindness to regions is politically untenable. If, for example, an efficient allocation were to result in more funds being given to Vancouver and Halifax than to Edmonton and Calgary, an efficient matching fund could create intergovernmental tensions.
- c. Confirm that the breakwater would not be built were it not for the federal matching funds. In economic terms, this is known as avoiding “free-riders.” If one-third of the projects a federal program funds are free-riders, then the fund is only two-thirds effective at creating new adaptive infrastructure.
- d. Distinguish between the adaptive function and other functions of a project. A breakwater could also be used as a beachfront promenade, for example. While there is nothing wrong with dual-use infrastructure *per se*, municipalities should be responsible for funding projects to the extent that they have other uses.

Potentially, however, an adaptation fund could be modeled after FEMA’s Pre-Disaster Mitigation program, which

is designed to assist States, Territories, Indian Tribal governments, and local communities implement a sustained pre-disaster natural hazard mitigation program to reduce overall risk to the population and structures from future hazard events, while also reducing reliance on Federal funding from future disasters (FEMA 2010, 2).

Notwithstanding a per-state \$575,000 funding minimum, it is run on a competitive process, awarding 75 percent matching funds to the most deserving projects (Congress 2009). Moreover, the range of eligible projects is extensive, from retrofitting existing buildings to vegetation management to controlling forest fires (FEMA 2010, 12). While some might argue that its \$200 million annual funding is inadequate for a nation the size of the United States, the bill enjoyed wide bipartisan support in its 2009 House of Representatives reauthorization vote (Office of the Clerk 2009). The final bill declared that Pre-Disaster Mitigation “saved Federal taxpayers from spending significant sums on disaster recovery and relief that would have been otherwise incurred had communities not successfully applied mitigation⁸ techniques... [and] increasing funds appropriated for the program would be a wise investment” (Congress 2009). No strictly comparable program exists in Canada.

5.2 *Uploading and Regulations*

There are, of course, other solutions. Provinces could upload services so that cities would have more budget room to prepare for extreme weather; some Toronto public servants suggest that this is an appropriate response to the need for adaptive

8. Note that here “mitigation” refers to adaptation and preparation for disasters, not to the reduction of greenhouse gas emissions.

municipal infrastructure. Ontario, for example, is planning to upload certain services from 2010 until 2018, thus freeing up an estimated \$1.5 billion for municipal budgets (MMAH 2008). In other jurisdictions, however, this approach may be less likely, given the deficit positions of all Canadian provinces (including Alberta). Furthermore, as in the case of non-matching grants like the Gas Tax Fund, uploading services will increase infrastructure adaptation only according to the level of demand for adaptation by municipalities.

A more likely solution is stricter regulations. For example, Québec and Ontario have legislation requiring municipalities to fulfil certain requirements for risk assessments and emergency planning (Henstra and McBean 2003, 8). Certainly, the increased threat of extreme weather from climate change is an excellent reason for other provinces to follow suit, and doing so could go a long way to solving certain moral hazard and policy capacity problems.

Deborah Harford, Nancy Olewiler, and John Richards (2010, 16) see this lack of legislation as a serious gap in Canada's disaster management. While some Toronto public servants suggests that if Ontario improved building standards, there might be some short-term political angst from municipal governments, they opine that it would die down quickly.

There are several disadvantages to regulations, however. First, regulations may not always come with the provincial funding required for municipalities to comply with them. Thus, the fiscal challenge of municipalities remains.

Second, regulations are only as good as the capacity of provinces to monitor the actions of municipalities and to penalize nonperformance. As provinces may try to reduce program spending to eliminate their deficits, this capacity may diminish.

Third, as with all command-and-control regulations, infrastructure legislation can give rise to inefficiencies when they hold municipalities to identical standards. For example, the Ontario *Emergency Readiness Act* requires municipalities to conduct "public education on risks to public safety," which might be an excellent use of funds in one city, while another city might have a greater need for money to be spent on additional infrastructure improvement (Government of Ontario 2006).

Finally, the science behind infrastructure adaptation—not to mention the climate itself—is quickly changing. Therefore, legislation may quickly become out of date. By comparison, as long as federal or provincial infrastructure fund managers have some discretion over how they distribute money, they would be able to adjust their decisions as soon as new research emerges, instead of waiting for new regulations to emerge from the glacial political process.

6. Final Thoughts

The impact of climate change on Canadian municipal infrastructure will be large. While there are numerous financial tools, with various advantages, that can help Canadian municipalities handle the financial impacts of extreme weather, for the most part, these tools are not being used: municipalities are relying on a combination of general reserves and luck. Moreover, the current structure of

Canadian federalism makes it difficult for municipalities to adapt their infrastructure to extreme weather. Therefore, this paper suggests that increased uptake of financial planning tools for extreme weather, combined with a well-crafted, well-funded, dedicated federal infrastructure program using matching grants and evidence-based distribution, would be an appropriate starting place to prepare Canada's cities for climate change.

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Empty Homes Tax Annual Report

January 1, 2017 to December 31, 2017 Tax Year

Activity to November 1, 2018



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INTRODUCTION

The City of Vancouver created the Empty Homes Tax (EHT), also known as the Vacancy Tax, to help return empty and under-utilized properties to the market as long-term rental homes for people who live and work in Vancouver. The EHT, the first of its kind in North America, is intended to help relieve pressure on Vancouver's rental housing market, which at less than 1% rental vacancy, has among the lowest rental vacancy rates and the highest rental costs of any Canadian city. With 53% of Vancouver households renting rather than owning (as of the 2016 Statistics Canada Census), low vacancy and high rents have real impacts on whether low- and moderate-income earners can afford to live and work in the city. The net revenue received from the tax is required to be used to fund affordable housing initiatives.

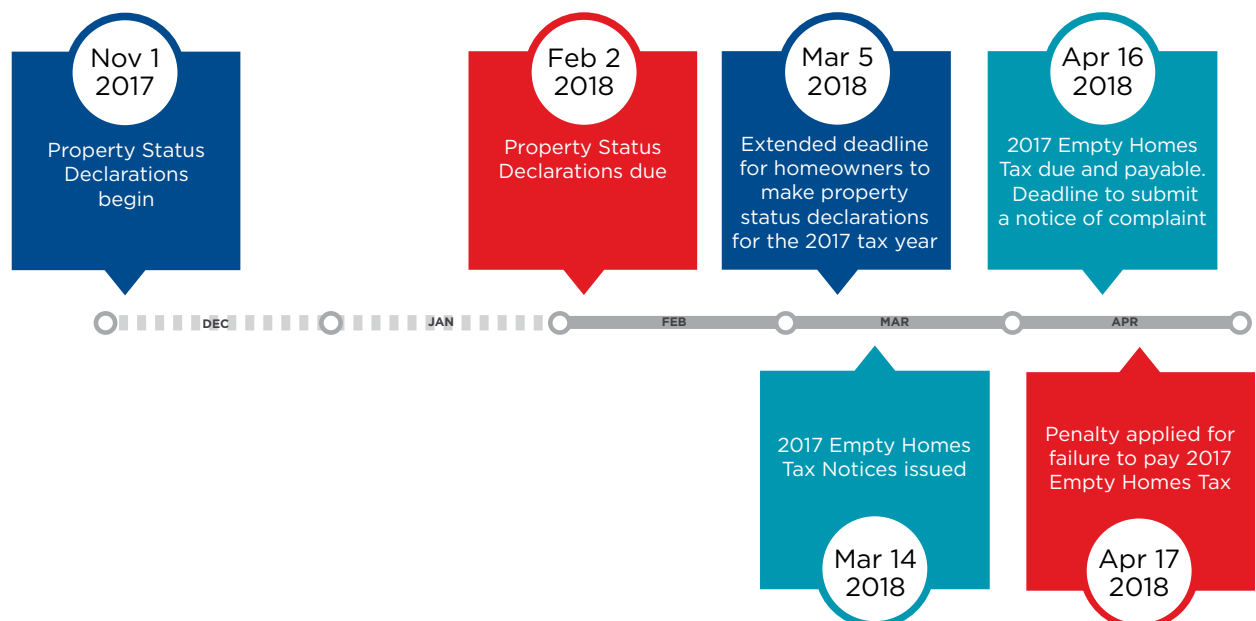
The EHT, the first of its kind in North America, is intended to help relieve pressure on Vancouver's rental housing market

BACKGROUND

On November 16, 2016, Vancouver City Council approved the EHT program and enacted the Vacancy Tax By-law No. 11674 (EHT by-law) to levy a tax on empty and under-utilized class 1 residential properties within the City of Vancouver. As required in the Vancouver Charter, the EHT by-law requires the Collector of Taxes to prepare an annual report regarding the EHT which must include the amount of money raised by the EHT and how such monies were or are intended to be used.

Homes that are determined or deemed to be empty are subject to a tax of 1% of the property's assessed taxable value. The EHT is applied annually, with the first tax reference year having begun on January 1, 2017. Most residential properties are not subject to the tax, including homes that are principal residences for at least six months of the year; homes that are rented out for at least six months of the year; or homes that are eligible for one of eight exemptions as set out in the EHT by-law.

In order to determine which properties were subject to EHT, all homeowners were required to make an EHT declaration by February 2, 2018, confirming the status of their property as occupied, exempt or vacant during the 2017 reference period. The EHT timeline during the first year of implementation was as follows:



This report is for EHT reference period January 1, 2017 to December 31, 2017 (2017 reference year). As all revenue and compliance activity related to the reference period occurs in the following year, the report includes revenue from compliance activities up to November 1, 2018.

WHY AN EMPTY HOMES TAX?

After hearing from more than 15,000 people and consulting with many experts, the City saw both support and need for a tax on empty homes in Vancouver. A 2016 City of Vancouver survey found that more than 90% of Vancouver residents surveyed agreed that empty homes were a problem; a separate poll by Angus Reid in 2015 found that 80% of Metro Vancouver residents were in support of a vacancy tax.

The EHT is the first tax of its kind in North America, and is intended to bring underutilized properties back into use as rental housing, limit speculative investment and ensure housing is used as homes first.

The EHT works in conjunction with a suite of actions that the City is taking to increase housing supply and to ensure that renters have access to safe, secure, and affordable rental housing in Vancouver. The City has committed to monitoring the effectiveness of the EHT as well as other actions to address housing affordability in the City's Housing Vancouver Annual Progress Report and Data Book. The 2018 report can be accessed at: vancouver.ca/files/cov/2018-housing-vancouver-annual-progress-report-and-data-book.pdf

How Does the Empty Homes Tax Work?

The EHT applies to properties that are not being used as principal residences or rented for at least six months of the year, and do not qualify for one of the exemptions outlined in the EHT by-law. A residential property that is rented or serves as a principal residence for an owner or permitted occupier (such as a family member) is not intended to be subject to EHT.

All owners of class 1 residential properties within the City of Vancouver are required to submit a property status declaration each year to determine if their property is subject to the tax. Most residential properties in Vancouver are not subject to the EHT. The tax rate is 1% of the property's assessed taxable value for the reference year.

Net revenues from the EHT will be reinvested into affordable housing initiatives within the City of Vancouver.

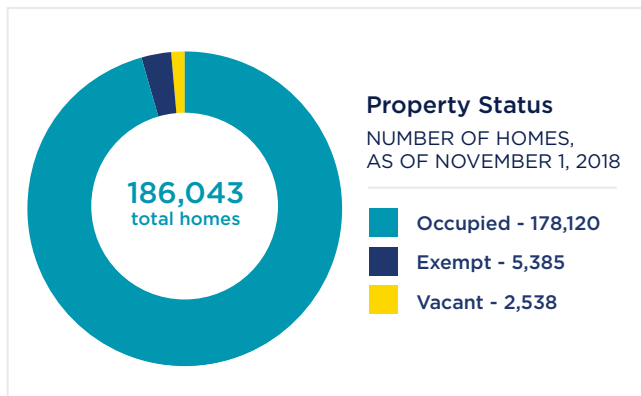
Is the Empty Homes Tax Working?

Isolating the effect of a single policy like the EHT in a rental market as dynamic as the City of Vancouver is challenging. With the first year of declarations complete, staff will begin monitoring the changes in the number of vacant properties on an annual basis. Vacancy rates, which is a key metric for the EHT is tracked annually at the end of each year and will give an indication of the impact of the broad set of actions in the City's 10-year Housing Vancouver strategy. Staff are also continuously monitoring provincial actions, including the new Speculation and Vacancy Tax and changes to the Residential Tenancy Act, for potential impact to the Vancouver rental market.

Annual reporting on the Housing Vancouver strategy can be found at vancouver.ca/housing.

VANCOUVER DECLARATIONS: VACANCY AND GEOGRAPHIC DATA

In April 2018, City staff released an early estimate of the number of vacant properties based on EHT declarations received to date. The initial property status as determined by the declarations has since been impacted by audit, complaint and review panel activities and is updated below.



The majority of the exempt and vacant properties are condominiums, which account for 60% of combined exempt and vacant properties. Single-family homes account for 34% and multi-family homes for 2%.

Aligning with the high density of condos in the downtown core, the largest number of vacant and exempt properties was recorded in Downtown Vancouver. The West End recorded the highest percentage of unoccupied properties, relative to the number of residential properties in the neighbourhood that were required to declare. This is illustrated on the following page.



**CONDOMINIUMS ACCOUNT FOR 60%
OF COMBINED EXEMPT
AND VACANT PROPERTIES**



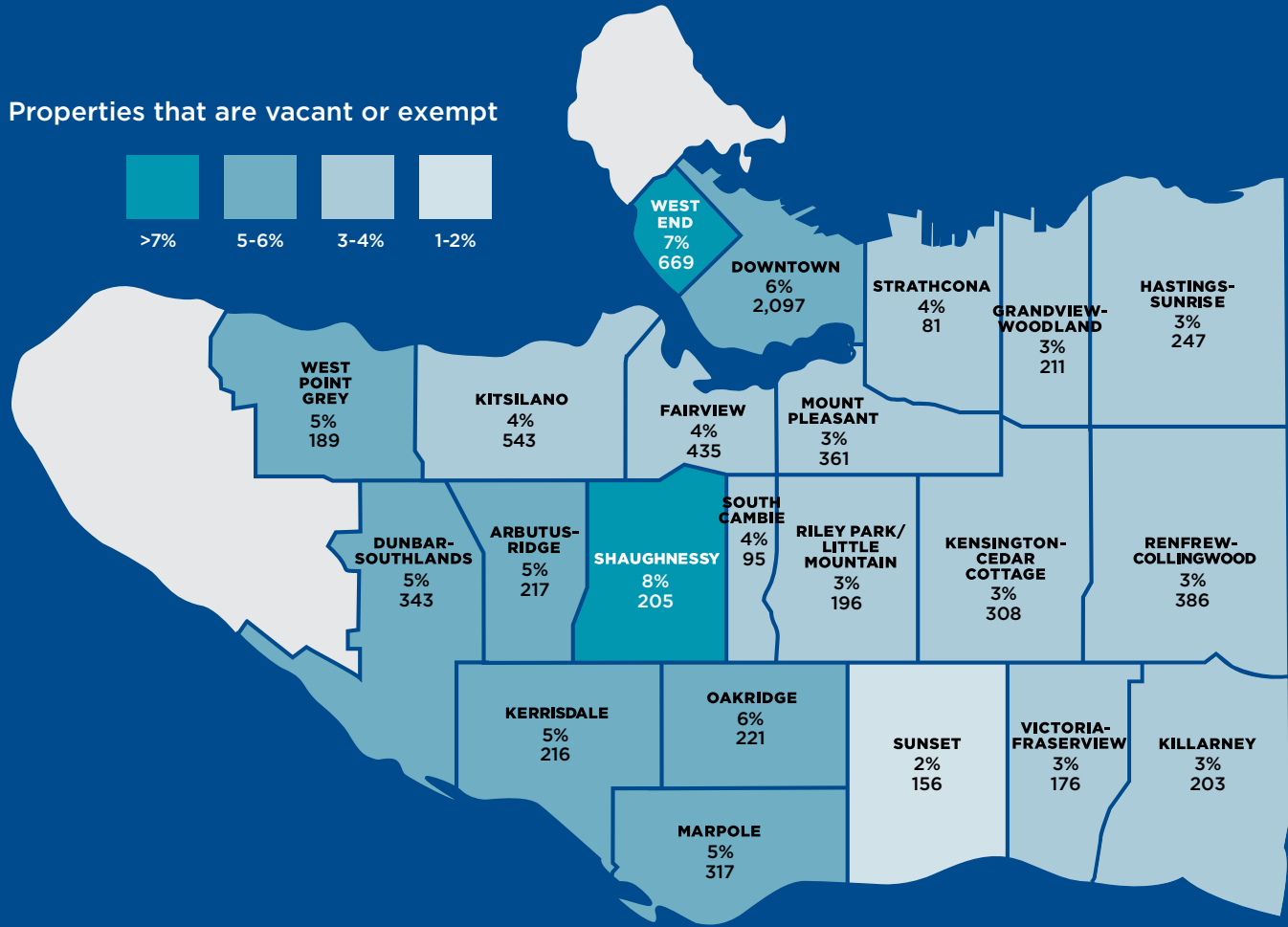
**SINGLE-FAMILY HOMES ACCOUNT FOR 34%
OF COMBINED EXEMPT
AND VACANT PROPERTIES**



**MULTI-FAMILY HOMES ACCOUNT FOR 2%
OF COMBINED EXEMPT
AND VACANT PROPERTIES**

2017 EHT Vacant and Exempt Properties

(7,923 total - shown as percentage of total/number of properties)



Vancouver Goes Online

EHT declarations were collected from Vancouver property owners through three channels: online, over the telephone and in person. More than 92% of those required to declare chose to take advantage of the online channel as the fastest and easiest method of making the declaration.

The online success rate was assisted through technical and informational support provided by Vancouver Public Library staff across the city. In addition, instructional materials to help walk owners through the declaration process were available online and print in four languages and translation services were offered through 3-1-1.

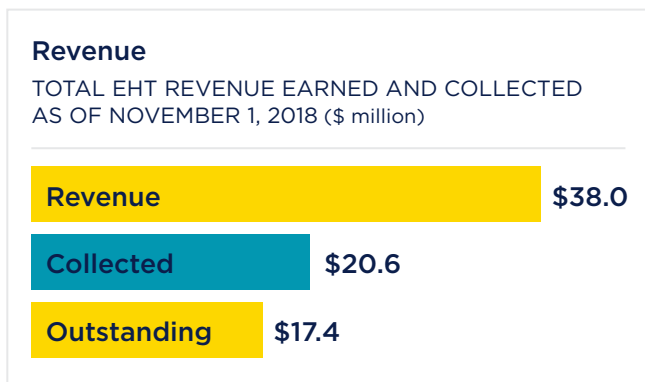
As the online declaration route proved the fastest and easiest method for property owners in Vancouver, the City was able to use this case to support the successful change for home owner grant submissions to move online just a few months later.

MONIES RAISED

In order to determine which class 1 residential properties were taxable properties in accordance with the EHT by-law, property owners were asked to file a property status declaration. As of the deadline for filing the property status declaration, the City received more than 98% of the total required declarations. The total monies raised were ultimately impacted by audit, complaint and review panel activities following the declarations, which are discussed in further detail below. These activities are expected to continue into 2019 and will continue to impact the monies raised by the tax.

Revenue

Total revenue of \$38.0 million from the EHT must be used for the purposes of initiatives respecting affordable housing.

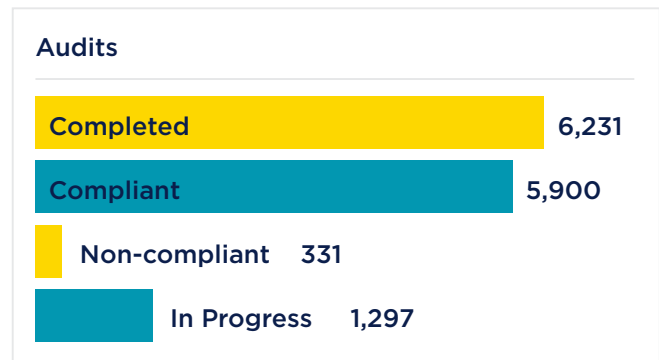


If a payment is not made by December 31, 2018, outstanding amounts may be added to the owner's property tax account and start accruing interest of approximately 7% starting January 2019. At the end of three years and if the taxes are still outstanding, the property would be publicly auctioned at a tax sale to recover the taxes owing.

Audit activities

Using a risk-based approach, as well as random audits, the EHT program has a goal of verifying property status declarations and encouraging compliance with the new tax.

The EHT by-law equally applies to all property owners; therefore, all property status declarations are subject to the audit process, in line with best practices for provincial and federal tax programs.



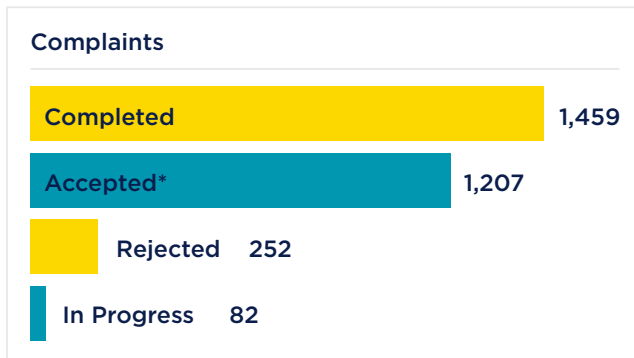
Property owners who were found to be non-compliant were invoiced for the EHT. Revenue generated from audit activities during the year was \$6.2 million. Owners found non-compliant in their audits have the opportunity to submit a complaint. If they are unsuccessful, owners may request a review by an external review panel. Many audits are still in progress and additional audits may be initiated related to the 2017 reference year in the future. As a result, revenue generated from audit activities may be adjusted in future years.

Complaints

For the 2017 reference year, there were 2,132 property owners who failed to make a property status declaration and were initially deemed vacant. These owners were required to submit a notice of complaint, along with supporting evidence, for consideration and potentially to have the tax rescinded.

Complaints were also triggered in the instance that a property owner was selected for audit and disagreed with the determination or declined to provide supporting documents and other information at the audit stage of the process.

Total complaints received by the vacancy tax review officer, including those related to property owners who were deemed vacant because they did not make a declaration, to November 1, 2018 are as follows:



* Most of the accepted complaints related to property owners who were originally deemed vacant because they failed to make a declaration.

Property owners whose complaints were rejected were required to pay the tax or request a review of their case from the external review panel.



Review panel

The review panel activities commenced in fall 2018 and are ongoing. As of the date of this report, the panel had completed 47 reviews and has accepted eight reviews (primarily as a result of new information on the case being submitted by the property owner at the time of the review request). For reviews that were accepted, the tax was rescinded.

INTENDED USE OF FUNDS

THE PUBLIC'S IDEAS FOR SPENDING EHT REVENUE

In April 2018, the City of Vancouver announced that the EHT was anticipated to generate an estimated \$30 million in revenue for the City, with the net revenue after costs to be invested into affordable housing initiatives.

Following the announcement of the anticipated revenue, the City launched an online platform where Vancouver residents could share their own ideas about how they would like to see the revenue from the EHT used to support affordable housing in the city. The three-week, online campaign garnered more than 130 ideas from the public, 5,160 likes and dislikes, and 442 comments. In total, there were 9,189 visitors and 626 registered users on the platform.

The City also hosted a one-day 'IdeaJam' workshop, which brought Vancouver housing stakeholders and members of the public together to develop and refine additional ideas. Thirty-one participants worked to generate a broad set of ideas, then refine those ideas to six key options to present to City Staff.

The top ideas generated through the online and in-person public consultation were key to informing the final set of recommended funding opportunities. The results are outlined in the EHT 2018 Engagement Summary, available online at vancouver.ca/files/cov/empty-homes-tax-summary-of-engagement-and-recommendations.pdf.

FUNDING RECOMMENDATIONS FOR INITIAL EHT REVENUE

The EHT revenue collected to date is sufficient to cover the one-time implementation costs (\$7.5 million) and first-year (2018) operating costs (\$2.5 million) of the program. In accordance with Section 616(4) of the Vancouver Charter the remaining revenue can only be used for the purposes of initiatives respecting affordable housing.

On June 20, 2018, Council approved allocation of \$8 million (representing collected revenue less costs at the time of the decision) to affordable housing initiatives. The breakdown of the funding was presented to Council with the City staff's recommendations and is outlined below.

Recommendation	Idea from Public Consultation	Allocation
More affordable co-op and non-profit housing	Provide land and resources for affordable non-profit and co-op housing	\$3,175,000
	More co-op housing - grants to update and improve existing co-ops and build new co-ops	\$1,000,000
Improvements to low income housing	Improve living conditions in private SRO housing	\$3,500,000
Support for vulnerable renters	Support for renters facing eviction; renter protections	\$100,000
	Funding for Vancouver Rent Bank	\$75,000
Funding for skills training in peer support, affordable housing management, and asset management for residents of supportive housing	Temporary Modular College: peer-based mentoring for residents of TMH	\$100,000
Matching empty/underutilized homes and rooms with renters looking for housing	Shared housing models like senior/student housing arrangements	\$50,000
TOTAL:		\$8,000,000



CONCLUSION

With the first year of Empty Homes Tax declarations complete, staff will continue to monitor the impact of the tax on housing supply and affordability, as part of the City's broader set of actions in its 10-year Housing Vancouver strategy. And, while it is challenging to isolate the effect of any single policy like the EHT in a rental market as dynamic as Vancouver's, the City will be looking to several key indicators to understand how City actions are registering in the market. An important source of data is the actual EHT property status declarations, which will indicate changes in the number of properties determined to be vacant on an annual basis. In 2017, the Canada Mortgage and Housing Corporation (CMHC) reported a slight increase in the primary rental market vacancy rate for the City and region from October 2016 to October 2017, from 0.8% to 0.9% for the City of Vancouver and from 0.7% to 0.9% for the region. CMHC Rental vacancy data for 2018 was unavailable as of the publishing date of this report. Staff will also report on trends in the primary rental vacancy rate, published annually by the CMHC each fall.

For additional information on the EHT program, please visit vancouver.ca/ehf.



For More Information:

Visit: vancouver.ca

Phone: 3-1-1 TTY: 7-1-1

Outside Vancouver: 604-873-7000

Hỏi chi tiết **Obtenga Información**

資料查詢 **ਜਾਣਕਾਰੀ ਲਵੋ** **3-1-1**

SPECIAL COUNCIL MEETING

2019 JAN 14

9. REPORTS:

(a) 2019 Association of Vancouver Island Coastal Communities Resolutions

It was moved and seconded that Council direct Staff to forward the following resolutions regarding Development Cost Charges and Property Taxation to the Association of Vancouver Island Coastal Communities for consideration at their 2019 Annual General Meeting and Convention:

(a) Development Cost Charges:

WHEREAS the *Local Government Act* currently restricts the imposition of Development Cost Charges to areas of sewage, water, drainage, highway facilities and park land;

AND WHEREAS new development creates capital cost burdens on municipalities in other areas, such as emergency services, solid waste management, and recreational and cultural facilities;

THEREFORE BE IT RESOLVED that Association of Vancouver Island and Coastal Communities and Union of BC Municipalities request the provincial government amend the *Local Government Act* to allow for the imposition of Development Cost Charges in areas other than sewage, water, drainage, highway facilities and park land.

(b) Property Taxation:

WHEREAS Section 193 of the *Community Charter* restricts a municipality from imposing fees or taxes except as expressly authorized under the *Community Charter* or another Act;

AND WHEREAS urban sprawl creates higher infrastructure costs, transportation costs, and other expenses borne by society;

AND WHEREAS municipalities attempt to control urban sprawl whilst encouraging healthier lifestyles and alternative modes of transportation;

THEREFORE BE IT RESOLVED that the provincial government amend the *Community Charter* to allow municipalities to adjust their property tax rates by setting density brackets in their jurisdiction, to use at their discretion, as an incentive to reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

The motion carried unanimously.

CERTIFIED CORRECT:

A handwritten signature in cursive script, appearing to read "S. Gurrie", is written over a horizontal line.

S. GURRIE
CORPORATE OFFICER

DATE OF MEETING January 14, 2018
AUTHORED BY SHEILA GURRIE, CITY CLERK AND CORPORATE OFFICER
SUBJECT **2019 ASSOCIATION OF VANCOUVER ISLAND AND COASTAL COMMUNITIES RESOLUTIONS**

OVERVIEW

Purpose of Report

To present for Council's consideration, resolutions for submission to the Association of Vancouver Island and Coastal Communities for consideration at the 2019 Annual General Meeting and Convention.

Recommendation

That Council provide direction regarding the following resolutions:

a. Development Cost Charges

WHEREAS the Local Government Act currently restricts the imposition of Development Cost Charges to areas of sewage, water, drainage, highway facilities and park land;

AND WHEREAS new development creates capital cost burdens on municipalities in other areas, such as emergency services, solid waste management, and recreational and cultural facilities;

THEREFORE BE IT RESOLVED that Association of Vancouver Island and Coastal Communities and Union of BC Municipalities request the provincial government amend the Local Government Act to allow for the imposition of Development Cost Charges in areas other than sewage, water, drainage, highway facilities and park land.

b. Property Taxation:

WHEREAS Section 193 of the Community Charter restricts a municipality from imposing fees or taxes except as expressly authorized under the Community Charter or another Act;

AND WHEREAS urban sprawl creates higher infrastructure costs, transportation costs, and other expenses borne by society;

AND WHEREAS municipalities attempt to control urban sprawl whilst encouraging healthier lifestyles and alternative modes of transportation;

THEREFORE BE IT RESOLVED that the provincial government amend the Community Charter to allow municipalities to adjust their property tax rates by setting density brackets in their jurisdiction, to use at their discretion, as an incentive to

reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

BACKGROUND

The Association of Vancouver Island and Coastal Communities (AVICC) 2019 Annual General Meeting and Convention is held from 2019-APR-12 to 14 in Powell River. As part of the Annual General Meeting, AVICC invites its members to submit resolutions on subjects of provincial or AVICC-wide interest that fall within local government jurisdiction. Resolutions endorsed at the AVICC Annual General Meeting are automatically forwarded to the Union of British Columbia Municipalities (UBCM) for discussion and consideration at the UBCM Annual General Meeting. The deadline for receipt of resolutions is 2019-FEB-07.

At the Special Council Meeting held 2018-DEC-10, Council directed Staff to prepare draft resolutions for Council consideration on these topics:

1. Development Cost Charges

It was moved and seconded that Council direct Staff to prepare a motion for submission to the Association of Vancouver Island and Coastal Communities regarding Development Cost Charges for additional items such as fire halls, recreation centres, expanded facilities, expanded park considerations and cultural facilities to be considered by the provincial government and the appropriate legislation.

Staff have prepared the following resolution for submission:

WHEREAS the Local Government Act currently restricts the imposition of Development Cost Charges to areas of sewage, water, drainage, highway facilities and park land;

AND WHEREAS new development creates capital cost burdens on municipalities in other areas, such as emergency services, solid waste management, and recreational and cultural facilities;

THEREFORE BE IT RESOLVED that Association of Vancouver Island and Coastal Communities and Union of BC Municipalities request the provincial government amend the Local Government Act to allow for the imposition of Development Cost Charges in areas other than sewage, water, drainage, highway facilities and park land.

2. Property Taxation

It was moved and seconded that Council direct Staff to prepare a motion for submission to the Association of Vancouver Island and Coastal Communities regarding property taxation being reviewed to permit taxation based on population density, in addition to other taxation methods, as an additional tool for municipalities to enforce at their discretion.

Staff have prepared the following resolution for submission:

WHEREAS Section 193 of the Community Charter restricts a municipality from imposing fees or taxes except as expressly authorized under the Community Charter or another Act;

AND WHEREAS urban sprawl creates higher infrastructure costs, transportation costs, and other expenses borne by society;

AND WHEREAS municipalities attempt to control urban sprawl whilst encouraging healthier lifestyles and alternative modes of transportation;

THEREFORE BE IT RESOLVED that the provincial government amend the Community Charter to allow municipalities to adjust their property tax rates by setting density brackets in their jurisdiction, to use at their discretion, as an incentive to reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

DISCUSSION

1. Development Cost Charges

The *Local Government Act* allows local governments to impose Development Cost Charges (DCCs) for the purposes of providing funds to assist in the capital cost of projects required to support new growth, including:

- a) providing, constructing, altering or expanding sewage, water, drainage and highway facilities; and,
- b) providing and improving park land.

While the legislation places no restrictions on the standards or elements associated with the majority of the categories, parks DCCs are specifically restricted and limited to the capital cost associated with:

- i) Acquiring park; or,
- ii) Providing fencing, landscaping, drainage and irrigation, restrooms, changing rooms and playground and playing field equipment on park land.

The Province provides further guidance through the DCC Best Practices Guide which includes the following interpretation of what is deemed to be an eligible park DCC project:

- “Landscaping includes the construction of playing fields (levelling ground, planting grass and other plant material) but does not include the construction of parking lots or access roads.
- Irrigation includes sprinkler systems.
- Playground and playing field equipment includes items normally classified as equipment such as swings and slides, but does not include buildings or structures such as dugouts, bleachers, or field houses. The term also does not

include the construction of tennis or basketball courts, baseball diamonds, tracks or the installation of lighting systems.”

- *DCC Best Practices Guide*

As part of the most recent City of Nanaimo DCC bylaw review artificial turf playfields were included in the original list of proposed park DCC projects. Upon review of the draft bylaw the Province (Ministry of Municipal Affairs and Housing) deemed the artificial fields as ineligible projects and required them to be removed from the DCC project list.

The City complied with the requirement and removed the proposed artificial turf fields from the project list prior to the adoption of the associated revised DCC bylaw. In response to this issue Council did pass the following motion:

"WHEREAS The Province, through the Local Government Act, (Section-566(2)(b)) allows communities to collect Development Cost Charges for investments in limited park improvements;

AND WHEREAS The Province through the Ministry of Municipal Affairs and Housing has interpreted the legislation so as to allow some forms of park and playfield improvements and not others;

THEREFORE BE IT RESOLVED that the Association of Vancouver Island Coastal Communities request the Province amend the Local Government Act in order to allow local government's greater flexibility in determining and funding park and playfield improvements that are required by community growth."

The motion was a late item for Association of Vancouver Island Coastal Communities (AVICC) and as a result was forwarded directly to Union of BC Municipalities (UBCM). Although the City of Nanaimo motion was ultimately not considered at the 2018 UBCM convention there was an almost identical motion from West Kelowna which was considered and endorsed. The West Kelowna motion, along with other recent UBCM resolutions regarding DCCs and the financing of growth are included as Attachment A.

2. Property Taxation

The *Community Charter* allows municipalities to impose property value taxes on properties within their defined jurisdictions.

Property value tax is the principal source of revenue for most local governments. It is a tax levied on the value of land and improvements (i.e. building and fixtures). Municipalities may levy property value taxes for their own needs, and can levy taxes on behalf of other public authorities (for example, boards and hospitals).

Municipalities generally have broad authority to set tax rates. While tax rates may not vary within a property class (all Residential (Class 1) properties are taxed at the same rate), tax rates may vary between different property classes (the Residential (Class 1) tax rate may vary from the Business (Class 6) tax rate). Setting different tax rates for different property classes is referred to as a variable rate taxation system.

Municipalities levy property value taxes based on the tax revenue needs set out in their annual budget (financial plan). Property value taxes are calculated by applying a set tax rate against the assessed value of a property.

Municipal tax rates are annually set by the municipal council, and the assessed values are set independently by BC Assessment.

Once a municipality has determined the total amount of proper value tax to raise, it must then determine how to apportion that tax burden over the nine property classes. A guiding principle for determining the apportionment would be the Statement of Objectives and Policies for Taxation required as part of the annual municipal budgeting process.

Once the tax apportionment to each property class is determined, the municipality will then set a tax rate for each class sufficient to raise the necessary tax revenue to meet its annual budgetary needs.

The current language in the *Community Charter* does not allow for variations in the classes to allow municipalities to adjust their property tax rates as an incentive to reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

Other municipalities have submitted UBCM resolutions in the past but none have been acted upon as of yet (see Attachment B). The most recent resolution relating to taxes (2018) had the following comment from the UBCM Resolutions Committee:

The Resolutions Committee advises that the UBCM membership has consistently defeated resolutions seeking to split the residential assessment class in order to apply different tax rates to different types of residential property. Members considered, but did not endorse resolutions 2016-B105, 2008-B126 (Executive endorsed), 2003-B79, 2002-B41 and 1995-B37 on this topic.

The Committee notes that past resolutions have requested all manner of special treatment by creating new classes and sub-classes of property.

However, the Committee notes that in 2016 members endorsed B104, which asked the provincial government to create a new tax class for brownfield sites so that local governments can tax these sites accordingly.

OPTIONS

1. That Council provide direction regarding the following resolutions:
 - a. Development Cost Charges

WHEREAS the Local Government Act currently restricts the imposition of Development Cost Charges to areas of sewage, water, drainage, highway facilities and park land;

AND WHEREAS new development creates capital cost burdens on municipalities in other areas, such as emergency services, solid waste management, and recreational and cultural facilities;

THEREFORE BE IT RESOLVED that Association of Vancouver Island and Coastal Communities and Union of BC Municipalities request the provincial government amend the Local Government Act to allow for the imposition of Development Cost Charges in areas other than sewage, water, drainage, highway facilities and park land.

b. Property Taxation

WHEREAS Section 193 of the *Community Charter* restricts a municipality from imposing fees or taxes except as expressly authorized under the *Community Charter* or another Act;

AND WHEREAS urban sprawl creates higher infrastructure costs, transportation costs, and other expenses borne by society;

AND WHEREAS municipalities attempt to control urban sprawl whilst encouraging healthier lifestyles and alternative modes of transportation;

THEREFORE BE IT RESOLVED that the provincial government amend the Community Charter to allow municipalities to adjust their property tax rates by setting density brackets in their jurisdiction, to use at their discretion, as an incentive to reduce urban sprawl and as a method of assigning infrastructure and maintenance costs more accurately amongst end users.

SUMMARY POINTS

- The AVICC 2019 Annual General Meeting and Convention is held from 2019-APR-12 to 2019-APR-14 in Powell River, British Columbia.
- AVICC invites its members to submit resolutions on subjects of provincial or AVICC-wide interest that fall within local government jurisdiction.
- Staff have provided draft resolutions for Council's consideration.

ATTACHMENTS

Attachment A: Recent UBCM resolutions related to Development Cost Charges and financing of growth.

Attachment B: Recent UBCM resolutions related to property taxation. |

Submitted by:

Sheila Gurrie
City Clerk and Corporate Officer

Concurrence by:

Laura Mercer
A/Director, Financial
Services

Dale Lindsay
Director of Community
Development

Attachment A

Recent UBCM resolutions related to Development Cost Charges and financing of growth.

Year -2003

Number - B19

Resolution Title

Development Cost Charges for Park Development

Sponsor

Maple Ridge

Resolution Text

WHEREAS local government should be able to pay the capital costs for the development of parks required as a result of residential growth and development through the use of the Development Cost Charges (DCC) Reserve Fund;

AND WHEREAS section 935.3(b) of the *Local Government Act* provides only for payment of capital costs for:

- (i) acquiring park land or reclaiming land as park land, or
- (ii) providing fencing, landscaping, drainage and irrigation, trails, restrooms, changing rooms and playground and playing field equipment on park land, subject to the restriction that the capital cost must relate directly or indirectly to the development in respect of which the charge was collected:

THEREFORE BE IT RESOLVED that the provincial government be requested to expand Section 935.3(b)(ii) of the *Local Government Act* to include sports courts, tennis courts, lacrosse boxes, skate board facilities, field lighting and on-site parking facilities as allowable DCC park land improvement purposes.

Provincial Response

MINISTRY OF COMMUNITY, ABORIGINAL AND WOMEN'S SERVICES. In 1995 a legislative change was made to give local governments increased flexibility to use development cost charge receipts for defined aspects of parkland development. More extensive changes to development finance legislation will require further work with local governments and the development industry. Extending DCC's to these types of services increases the possibility of future increases to charge levels which may in turn increase housing prices and reduce housing affordability. At this time there is no consensus among local governments and the development community on the advisability of extending DCC's to a wider range of services as part of parkland development. As a result no legislative changes in this regard are currently planned. Consultation with stakeholders through the Development Finance Review Committee will continue.

Year -2007

Number - B37

Resolution Title

Development Cost Charges

Sponsor

View Royal

Resolution Text

WHEREAS the *Local Government Act* currently restricts the imposition of Development Cost Charges to areas of sewage, water, drainage, highway facilities and park land;

AND WHEREAS new development creates capital cost burdens on municipalities in other areas, such as emergency services and transportation (other than highways):

THEREFORE BE IT RESOLVED that the Union of BC Municipalities lobby the provincial government to amend the *Local Government Act* to allow for the imposition of Development Cost Charges in areas other than sewage, water, drainage, highway facilities and park land.

Provincial Response

MINISTRY OF COMMUNITY SERVICES. The suggestion that Development Cost Charges (DCC) be used to fund more services has been reviewed by the Development Finance Review Committee (DFRC), which provides technical advice to the Ministry of Community Services (Ministry). The DFRC is chaired by the Ministry and includes representatives from local government, the Province, the development community, building and real estate industries and the planning profession. There is a reasonable degree of consensus among DFRC members that DCCs are appropriate where new development requires key infrastructure (sewer, water, drainage, roads and parks) for the development to proceed. DCCs are based on the principle of "user pay" – that infrastructure should be paid by those who use and benefit from it. In contrast, protective services are more appropriately paid for by the greater community, since the benefits of these services are shared by all property owners.

Year -2010

Number -B23

Resolution Title

Development Cost Charges & Synthetic Turf Fields

Sponsor

Delta

Resolution Text

WHEREAS under Section 935.3(b)(ii) of the *Local Government Act* it states that Parks Development Cost Charges (DCCs) can be used to pay the capital costs of providing fencing, landscaping, drainage and irrigation, trails, rest-rooms, changing rooms and playground and playing field equipment on park land;

AND WHEREAS this section does not include the ability for municipalities to use parks DCCs to pay the capital costs of synthetic turf fields, but BC municipalities are using synthetic turf for recreational soccer pitches and baseball fields because it is more durable, less affected by wet and cold weather, and unlike natural turf, can be used year-round:

THEREFORE BE IT RESOLVED that the provincial government amend Section 935.3(b)(ii) of the *Local Government Act* to include synthetic turf fields.

Provincial Response

Ministry of Community, Sport & Cultural Development Cost Charges (DCCs) are based on the principle of 'user pay'; the cost of infrastructure should be paid by those who utilize and benefit from it. Along with assisting with the provision of core infrastructure, DCCs are also used for parkland acquisition and basic improvements, as urban green space is an important piece of building livable and healthy communities. The parkland provisions are designed to ensure that this green space is available for public use. Upgrading these facilities beyond basic improvements provides a benefit to the wider community, and thus the cost of such improvements should be shared by all property owners. Widening the scope of Section 935.3(b)(ii) has been reviewed in the past by the Development Finance Review Committee (DFRC), which is chaired by the Ministry and includes representatives from local government, the Province, and the development community. There was consensus that expanding the parkland dedication provisions to a wider range of services would not be pursued.

Year -2011

Number - B35

Resolution Title

Development Cost Charges for Solid Waste Infrastructure

Sponsor

North Okanagan RD

Resolution Text

WHEREAS the *Local Government Act* (Sections 932–937) allows local governments to collect development cost charges from developers, for local government parks, water, sewage, drainage and highways but not for solid waste infrastructure;

AND WHEREAS the costs to expand local government solid waste infrastructure capacity or upgrade facilities to accommodate population growth are substantial and can be assessed;

AND WHEREAS there is precedence for this type of funding, specifically, there are several jurisdictions in the United States of America that allow local governments to use a form of development cost charges to help fund solid waste management infrastructure:

THEREFORE BE IT RESOLVED that the provincial government amend the *Local Government Act* to authorize collection of development cost charges by local governments for solid waste infrastructure.

Provincial Response

Ministry of Community, Sport & Cultural Development Policy proposals regarding development cost charges are usually vetted through the Development Finance Review Committee (DFRC). The DFRC is a committee made up of representatives from the ministry, local government and the development community. Historically, development cost charges have been limited to specific types of capital (i.e. water, sewer, storm water, roads and parks). Expanding this definition to include solid waste management would be a significant change in policy scope. As such, it would be incumbent on local government to present a logical and well-supported proposal for such a change. DFRC would be willing to examine such a proposal taking into account the complexity of determining the following: • eligibility of capital costs, • suitability of levying development cost charge to recover such costs, • methodology for apportioning such costs between existing and new development, and • materiality of potential cost impacts on development. Based on a thorough examination of this proposal, the DFRC would make a recommendation to the Province based on the merits of this proposal. The Province would take into account the recommendations of the DFRC plus an examination of broader provincial interests before making a final decision on the merits of the proposal. Ministry staff are available for advice and to discuss the information necessary to bring forward this proposal to the DFRC for consideration.

Year - 2012

Number - B9

Resolution Title

Capital Costs of Fire Suppression

Sponsor

Sunshine Coast RD

Resolution Text

WHEREAS development can result in capital funding burdens for local governments for purposes other than sewage, water, drainage, highway facilities and parkland;

AND WHEREAS a number of resolutions have been previously endorsed by UBCM members requesting that the use of development cost charges be expanded to include costs related to increased demand on protective, cultural and recreation services:

THEREFORE BE IT RESOLVED that the Ministry of Community, Sport and Cultural Development be urged to reconsider their position and amend section 933 of the *Local Government Act* to allow development cost charges to be imposed to assist local governments in funding the capital costs of fire halls and fire suppression equipment and other purposes deemed appropriate by the local government that are required as a result of increased development.

Provincial Response

Ministry of Community, Sport and Cultural Development The suggestion that Development Cost Charges (DCC) be used to fund more services beyond key infrastructure (sewer, water, drainage, roads and parks) must be reviewed by the Development Finance Review Committee (DFRC), which provides technical advice to the Ministry of Community, Sport, and Cultural Development (Ministry). The DFRC is chaired by the Ministry and includes representatives from local governments, the Province, the development community, building and real estate industries and the planning profession. More information is necessary in order for the Ministry to take forward a proposal to expand the definition of allowable DCC expenditures to DFRC. Things to consider include, but are not limited to, demonstrating the direct costs of fire suppression and how the augmented capacity can be tied directly to new development. Ministry staff are available for advice and to discuss the information necessary to bring forward to DFRC for consideration/discussion.

Year -2015

Number - B21

Resolution Title

Broaden the Allowable Uses of Parkland Development Cost Charges

Sponsor

Delta

Resolution Text

WHEREAS the BC government has determined that Parkland Development Cost Charges (“DCCs”) cannot be used to fund sport-related park infrastructure such as synthetic turf fields, swimming pools and arenas;

AND WHEREAS municipalities can use Parkland DCCs to provide fencing, landscaping, drainage and irrigation, trails, rest-rooms, changing rooms and playground and playing field equipment;

AND WHEREAS there is tangible evidence that new development directly impacts the demand for sport-related park infrastructure through increased attendance at municipal recreation facilities and increased demand for playing time on municipal sports fields:

THEREFORE BE IT RESOLVED that the BC government be requested to approve an amendment to Section 935(3)(b)(ii) of the *Local Government Act* to include sport-related park infrastructure as an applicable Parkland DCC capital cost.

Provincial Response

Ministry of Community, Sport & Cultural Development As the Province has mentioned in previous responses to similar UBCM resolutions, widening the scope of Parkland development Cost Charges (DCCs) to include major sport infrastructure (like pools, all-season fields, arenas, and gyms) has been reviewed by the Development Finance Review Committee (DFRC). After this detailed review, all parties on the DFRC (Province, local government and developers) unanimously agreed not to expand the scope of the parkland acquisition DCC. The DFRC came to this conclusion based on the principle of 'user pay'. The cost of a core service should be paid by those who benefit from it. New community parks primarily service new development. Thus, the purpose of the Parkland DCC is to acquire land for community parks and provide basic improvements (like fencing, trails and playground equipment). Whereas, major athletic infrastructure (like an arena) benefits the entire community and therefore should be paid by the entire community through the existing tax base. Determining a reasonably accurate “benefit factor” (i.e. cost allocation between new and existing development) for such athletic infrastructure would be very difficult and highly subjective. This may result in prohibitively high DCCs, which could discourage new development. Thus, the Province supports the decision of the DFRC and is not prepared to revisit at this time.

Year - 2016**Number - SR1****Resolution Title**

Local Government Development Finance System

Sponsor

UBCM Executive

Resolution Text

WHEREAS the development finance system has not changed significantly since the introduction of development cost charges by the Province in the late 1970s, despite the fact that BC communities are challenged to meet unprecedented demands for hard infrastructure and soft infrastructure amenities essential to support development as part of a sustainable, livable and complete community;

AND WHEREAS local governments support the concept that development should pay for its share of the infrastructure and amenities, it is imperative that the principles of transparency, consistency, fairness and certainty provide the foundation of the development finance system so that all parties (local governments, development industry, the Province, general public) benefit by clearly understanding how growth and development are financed:

THEREFORE BE IT RESOLVED that UBCM:

- reiterate support for the principle that growth should pay for its share of the infrastructure and amenities to support it, not property taxpayers;
- continue to dispel the myth that development cost charges and other local government processes are driving the high cost of housing;
- advocate for a local government development finance system that addresses transparency, consistency, fairness and certainty to the benefit of the development industry, local governments and the public;
- advocate for a local government development finance system that provides flexible tools and reflects real and current challenges in building sustainable livable and complete communities, in keeping with previously endorsed UBCM resolutions; and,
- continue to work collaboratively through the Province's Development Finance Review Committee to seek changes to the existing development finance system that will address the present challenges facing local governments.

Provincial Response

MINISTRY OF COMMUNITY, SPORT AND CULTURAL DEVELOPMENT. The Province fully supports the principle that new development pay a portion of growth related infrastructure costs, and that the method for determining these costs be transparent, consistent, equitable, and reasonably flexible for all parties. Thus, the Province provides local governments with a wide range of statutory development financing tools such as Development Cost Charges, Parkland Acquisition Fees, Latecomer Agreements, Development Works Agreements, and others. Through the Development Finance Review Committee, the Province will continue to work collaboratively on issues of development finance with local governments and the broader development community.

Year-2018

Number – B21

Resolution Title

Parkland DCC Reserve Expenditure Expansion

Sponsor

West Kelowna

Resolution Text

WHEREAS the *Local Government Act* legislates the manner in which local governments may collect, hold and use development cost charges (DCCs) for the capital costs of parkland;

AND WHEREAS the *Local Government Act* permits the use of DCC money for landscaping on parkland, allowing for the construction of playing fields including such items as levelling ground, planting grass and other plant material, the legislation does not contemplate different forms of playing field surfaces such as manufactured surfaces and artificial turf which promotes water conservation, is environmentally friendly, and requires less maintenance:

THEREFORE BE IT RESOLVED that UBCM request the Ministry of Municipal Affairs and Housing to broaden the allowable uses of development cost charge reserve funds to include alternate recreation and field surfaces.

UBCM Resolutions Committee comments:

The Resolutions Committee notes that the UBCM membership has endorsed resolution 2010-B23 which called on the provincial government to amend Section 935.3(b)(ii) of the *Local Government Act* (now Part 14-Division 19) to include synthetic turf fields. The UBCM membership also endorsed 2016-SR1 whereby it was resolved that UBCM continue to work collaboratively through the Province's Development Finance Review Committee to seek changes to the existing development finance system that will address the present challenges facing local governments.

In response to 2010-B23, the provincial government identified that development cost charges (DCCs) are based on the principle of 'user pay' – the cost of the infrastructure should be paid by those who utilize and benefit from it. The Province stated that upgrading these facilities beyond basic improvements provides a benefit to the wider community, and should be shared by all property owners. In response to 2016-SR1, it was stated that the Province will continue to work collaboratively on issues of development finance with local governments and the broader development community.

The UBCM Resolutions Committee notes that there are new and emerging challenges in providing services needed to accommodate development and growth. Alternative and/or innovative ways to address the development-related demands on infrastructure and service requirements should and are now being considered. As an example, water conservation infrastructure has recently been considered as a DCC capital expense in lieu of traditional

drinking water DCC infrastructure to increase development related demand. Similarly, improvements like artificial turf (and lights) can have the same outcome as the creation of an additional park by increasing the usability (more hours per day and longer season) while having the further benefits of reduced operation, maintenance and water conservation.

Provincial Response – awaiting Provincial responses to 2018 resolutions.



SUNSHINE COAST REGIONAL DISTRICT

AVICC BACKGROUNDER FOR INTERGOVERNMENTAL COLLABORATION ON LAND USE PLANNING

I. BACKGROUND:

At the Sunshine Coast Regional District Regular Board meeting of January 31, 2019, the following resolution was approved for submission to the AVICC:

WHEREAS the inclusion of local governments in joint indigenous - provincial land use planning processes would offer an opportunity for intergovernmental collaboration and open communication that supports relationship-building and government-to-government reconciliation efforts with First Nations;

AND WHEREAS local governments who are responsible for undertaking planning activities and providing services within defined geographic boundaries wish to engage with First Nations partners to address common interests and community needs:

THEREFORE BE IT RESOLVED THAT the provincial government be urged to include local governments in land use planning discussions with First Nations to ensure continuity of government-to-government engagement and support collaborative and complementary approaches to land use planning that recognize community interests.

II. DISCUSSION:

BC's provincial reconciliation goals acknowledge the need to establish government-to-government relationships with First Nations as full partners. Further, there is a high expectation for substantive and transformative change as the provincial government renews its relationship with Indigenous peoples in BC to expand beyond the statutory duty to consult towards the ongoing process of reconciliation.

Local governments not only have an interest, but also have an important role to play with respect to reconciliation and relationship-building with First Nations. At her 2017 UBCM address, The Honourable Selina Robinson, Minister of Municipal Affairs and Housing, spoke to local governments noting the need to collaborate on the work of Reconciliation: "(l)ocal governments have an important role to play in helping British Columbia and Indigenous leadership to create the conditions for stronger, healthier and self-determining Indigenous communities."

Local governments are looking for appropriate ways to fulfill their role with respect to reconciliation and to engage with First Nation partners on matters of mutual interest. The inclusion of local governments in joint indigenous – provincial land use planning processes presents opportunities for early, open and ongoing communication in order to address our common interests and needs. As such, the SCR D is urging the provincial government to include local governments in land use planning discussions with First Nations with an aim to develop and support collaborative and complementary approaches to land use planning that recognize common community interests.

File: 5040-01

January 23, 2019

Chair and Directors
Comox Valley Regional District Board**Re: AVICC Resolution – Redistribution of Affordable Housing**

Access to safe and suitable housing is acknowledged as a cornerstone for building strong and stable communities. Where and how people live affects not only individual health, but the social and economic well-being of the whole community.

Similar to other community facilities and amenities, affordable housing for low-income citizens is a key component of a community's social infrastructure.

While senior governments have traditionally funded affordable housing initiatives, all levels of government are now working to address this critical issue. With that said, local governments across the Comox Valley and, indeed, across the province lack the revenue sources to appropriately fund affordable housing services and projects.

To address this funding shortfall the Province of British Columbia could provide for a redistribution of 1% of the funds collected through the Property Transfer Tax to all local governments across British Columbia to be directed to services and projects that address local affordable housing needs.

I respectfully request consideration of submitting the following resolution to the Association of Vancouver Island and Coastal Communities (AVICC) convention. The deadline for submitting resolutions to the AVICC is February 7, 2019.

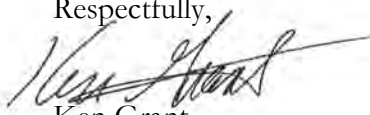
THAT the following resolution be submitted to the 2019 Association of Vancouver Island and Coastal Communities convention:

WHEREAS affordable housing for low-income citizens is in critical need and is currently severely challenged by current supply conditions and lack of adequate funding;

AND WHEREAS the Province of British Columbia collects approximately \$2 billion annually through the Property Transfer Tax:

THEREFORE BE IT RESOLVED THAT the UBCM petition the Province of British Columbia to provide an annual redistribution of 1% of the Property Transfer Tax to local governments across the province for the specific purpose of addressing affordable housing.

Respectfully,

Ken Grant
Director

BACKGROUNDER
Liquor tax and Policing

BACKGROUND:

Policing costs are a significant annual expenditure for most local governments in British Columbia.

Although local governments have some control over the location of liquor outlets; the primary responsibility for the regulation of alcohol rests with the B.C. Liquor & Cannabis Regulation Branch.

KEY CONSIDERATIONS:

The City of Courtenay feels that the wide spread availability of liquor has a resulting impact on the workload of the Comox Valley R.C.M.P. Potential crime related issues that can be attributed to alcohol abuse are well known.

Since the City of Courtenay pays 90% of its policing costs according to the Police Unit Agreement, any issues that impact the resources of the R.C.M.P. have a resulting impact on the financial plan of the City.

The City of Courtenay is requesting that the AVICC and UBCM approach the Provincial Government to provide a portion of the British Columbia Liquor Tax to communities, to be used towards policing costs to ease the burden on the local government taxpayers.

END OF DOCUMENT



District of Port Hardy

7360 Columbia Street ♦ PO Box 68
Port Hardy BC V0N 2P0 Canada
Telephone: (250) 949-6665 ♦ Fax (250) 949-7433
Email: general@porthardy.ca ♦ www.porthardy.ca



R36

February 1, 2019

Our File: Resolutions 0550-05

AVICC
525 Government Street
Victoria, BC
V8V 0A8

ISOLATION ALLOWANCE

WHEREAS it is challenging to attract and retain employees in isolated communities because of a lack of full services and the extra cost to obtain these services elsewhere;

AND WHEREAS the provincial and federal governments recognize this challenge by providing isolation allowance to their employees;

THEREFORE BE IT RESOLVED that the provincial and federal governments provide a tax credit/deduction to all employees living in and around the same communities that those governments recognize with Isolation Allowance.

Sincerely,
The District of Port Hardy

Dennis Dugas
Mayor


Enclosures



Isolation Allowance

Living and working in an isolated area of the province can be both rewarding and challenging. We'd like to help with the increased travel and living expenses that come with living far from a major centre.

An allowance of \$6.50 per point, per month will be paid based on the isolated location point rating of the community in which you work. Remember, the points are based on your permanent job headquarters, not your place of residence. To see whether your community qualifies, see [Isolated Location Point Ratings \(PDF, 169KB\)](#).

Vacation Transportation Subsidy for Severely Isolated Locations

We know that it takes extra time and money to go on vacation if you work in a severely isolated location. That's why we've created a special subsidy to assist you with transportation expenses for you and your family. If your access to major centres is possible only by water or extended travel over roads which are unpaved, we'll subsidize your journey in the amount of \$500 a year.

Remember, you must travel outside the area where the restricted travel conditions exist.

Once approved by your supervisor, the vacation transportation subsidy is processed by submitting an [AskMyHR](#) service request that includes approval from the Expense Authority.

Vacation Adjustment for Remote Locations

We'll give you an extra day off a year in vacation time to help you get where you're going! Read more about [annual vacation entitlements](#).

Transportation of Resigned Personnel

If you resign due to incompatibility with work or camp conditions or for compassionate reasons, we will arrange for transportation to the nearest commercial carrier as soon as possible.

Related Links & Resources

Learn whether your community qualifies and, if so, how many points it rates:

- [Isolated Location Point Ratings \(PDF, 169KB\)](#)

Your biweekly and monthly allowance according to your community's point rating:

- [Isolation Allowance \(PDF, 94KB\)](#)

For more information, see [Schedule 04 - Isolation Provisions \(196KB\)](#) of Terms and Conditions of Employment for Excluded Employees and Appointees.



STAFF REPORT TO COMMITTEE

**R37 &
R41**

DATE OF REPORT January 29, 2019
MEETING TYPE & DATE Electoral Area Services Committee Meeting of February 6, 2019
FROM: Office of the CAO
SUBJECT: 2019 AVICC Resolutions
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to seek Committee's recommendation to the Board to submit the Strong Fiscal Futures and Regulation of Privately Managed Forest Lands resolutions to Association of Vancouver Island and Coastal Communities (AVICC) for consideration at the 2019 conference.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the Strong Fiscal Futures and Regulation of Privately Managed Forest Land resolutions as outlined in the February 6, 2019 Chief Administrative Officer's staff report be forwarded to the Association of Vancouver Island and Coastal Communities for consideration at the 2019 convention.

BACKGROUND

Strong Fiscal Futures

The Cowichan Valley Regional District, like many local governments, continues to struggle with raising sufficient revenues through property taxation, to deliver services and manage infrastructure in a cost-effective and sustainable manner, without placing an undue burden on property owners. The annual Consumer Price Index (CPI) increase is often used by local governments and their residents as a benchmark for tax increases. However, the 'basket of goods' used to establish the CPI is largely different than the 'basket of goods' that would influence increases in typical municipal costs. Increases associated with construction (materials and labour), regulation compliance and downloaded services far exceeds the typical CPI increases, let alone other demands such as climate change adaptation, housing affordability, etc. New sources of revenue and management of expenditures are critical in order for local governments to meet their financial obligations in a way that is fair, diversified and more responsive.

The Strong Fiscal Futures report was considered and endorsed at the 2014 UBCM Convention. The report contained a framework for discussions between the province and UBCM and provided both a focused, flexible agenda for change and principles to govern key components of future fiscal dialogue.

To date, local governments in BC have not observed any changes to the current financial system and property tax regime. It is critical that the current government engage with the UBCM in the spirit of the Strong Fiscal Futures report to assist local governments in their management of expenditures and to enhance the financial system and revenue sources for local government in BC.

Regulation of Privately Managed Forest Lands

In British Columbia, approximately 5%, of the land base, or 4.5 million hectares, is privately owned. Of the 4.5 million hectares of private land in the province, over 823,000 hectares are classified as managed forest land. Approximately 70% of those lands are located on the coast.¹

Many of the upper watersheds on southern Vancouver Island are contained within privately managed forest lands (PMFL). These watersheds are critical in providing sustainable water supplies to many communities and managing water flows in our creeks and rivers, particularly during increasing storm events and periods of drought.

Forest practices on these lands directly affects the watershed's ability to absorb, store and distribute water resources throughout the seasonal cycles. Climate change is increasingly impacting our water balance resulting in increased flooding, torrent flows and sedimentation in the wetter winter seasons and drought conditions during extended hot, dry periods during summer months.

These climatic changes, combined with increasing development demands, requires more deliberate and informed management of use and development on our land base, in all reaches of our watersheds.

Forest management practices on privately managed forests lands falls under the authority of the Private Managed Forest Land Act (PMFLA), which delegates authority to the Private Managed Forest Land Council with the objective '*to **encourage** forest management practices on private managed forest land, taking into account the social, environmental and economic **benefits** of those practices*'.

Local governments have no ability to control or manage activities or land use on PMFL as defined in s. 21 of the PMFLA as follows:

21(1) A local government must not do any of the following in respect of land that is private managed forest land if doing so would have the effect of restricting, directly or indirectly, a forest management activity:

(a) adopt a bylaw under any enactment;

(b) issue a permit under section 8 (3) (l) [authority in relation to buildings and other structures] of the [Community Charter](#) or Division 1 [Building Regulation] of Part 9 [Regional Districts: Specific Service Powers] of the [Local Government Act](#);

(c) issue a permit under Part 14 [Planning and Land Use Management] of the [Local Government Act](#).

The protection and management of water resources in watersheds adjacent to, or serving communities of the AVICC requires a collaborative, cooperative effort by all parties responsible for land use and land use decisions. Additionally, legislation that governs land use and activities within our watersheds must be reviewed and strengthened to ensure appropriate authorities and powers are available to the province and local government to manage land use on private managed forest lands, similar to those that exist on lands outside the PMFLA.

ANALYSIS

It is recommended that the following resolutions be approved by the Board and submitted to AVICC:

Strong Fiscal Futures

Whereas the province's response to the 2014 UBCM Strong Fiscal Futures resolution was limited to a recognition of the need for more regular, structured dialogue between the province and UBCM to better address shared duties to ensure the delivery of effective, responsive services to citizens.

And whereas local governments continue to face significant challenges in providing effective, sustainable services and infrastructure management under an outdated local government financial system and archaic revenue sources;

Therefore be it resolved that the province commit to pursuing the Strong Fiscal Futures report as a flexible blueprint for a diversified local government finance system that is both fairer and more sustainable.

Regulation of Privately Managed Forest Lands

Whereas forest management practices on privately managed forest lands are primarily governed by the Private Managed Forests Lands Council with an objective to encourage forest management practices on private managed forest lands, only taking into account the social, environmental and economic benefits of those practices;

And whereas forest management practices on privately managed forest lands can negatively impact the quality and quantity of water and effect ecosystem resilience to the impacts of climate change;

Therefore be it resolved that the province be requested to undertake a comprehensive review of, and amendments to the Private Managed Forest Act and all relevant legislation to strengthen requirements of private managed forest land owners to prevent negative impacts to the quality, quantity and distribution of water in our watersheds.

FINANCIAL CONSIDERATIONS

N/A

COMMUNICATION CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

GENERAL MANAGER COMMENTS

Not Applicable

Referred to (upon completion):

- Communications & Engagement
- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)

Prepared by:

Reviewed by:



Brian Carruthers
Chief Administrative Officer

Not Applicable
Not Applicable

Not Applicable
Not Applicable

Reviewed for form and content and approved for submission to the Committee:

Resolution:

Financial Considerations:

Manager, Legislative Services

Manager, Finance

ATTACHMENTS:

Attachment A –

Attachment B –



ALBERNI-CLAYOQUOT REGIONAL DISTRICT

3008 Fifth Avenue, Port Alberni BC, CANADA V9Y 2E3

Telephone (250) 720-2700 Fax (250) 723-1327

Agricultural Support Services

Alberni-Clayoquot Regional District

Background

The ACRD adopted the Alberni Valley Agricultural Plan in 2011 which sets out a vision to increase food security and support agriculture within the region. The mission of the plan is to develop the capacity to allow the community to produce 40% of the food consumed locally by 2031.

The Plan sets out a number of goals and provides an action plan to achieve these goals. Through discussions with our ACRD Agricultural Development Committee and other community stakeholders, it was determined early on in the implementation project that additional support was needed if the community was going to see any effective implementation of the Agricultural Plan.

In 2014, the ACRD contracted a team of Agricultural Support Workers to lead the implementation of the Plan. Supervised by Regional District staff, the team has built capacity through coordination with local organizations and leveraged funding from provincial and federal grant programs to spearhead a number of initiatives important to residents and agricultural producers over the past five years. Key initiatives within the ACRD have included investigating the feasibility of a local abattoir and exploring meat-processing regulations, completing an agricultural use of water study, managing a two-year Grow Local educational program to encourage residential food production and hosting the 2016 Islands Agriculture Show in the Alberni Valley.

The Agricultural Support Worker program in the ACRD has been a successful outreach project engaging with various community stakeholders. Agricultural producers across the province are faced with increasing climate variability, financial insecurity, concerns about access to water for agriculture and various levels of government regulation. The Agricultural Support Worker program provides accessible and region-specific local support to encourage farmers and food producers in our communities.

Each Regional District in the province is faced with unique challenges and opportunities requiring local solutions. Extending agricultural support services funding for Regional Districts to establish their own programs would allow communities to focus region-specific support promoting local food security and food production initiatives.



Request for Province of BC to improve the enforceability of development permit area requirements

WHEREAS in 2003 and 2011 UBCM endorsed resolutions calling for legislative changes so local governments can issue municipal ticket information or bylaw violation notices for contraventions of the prohibition on altering land in designated development permit areas, or contrary to issued development permits, but these changes have not yet occurred;

AND WHEREAS in British Columbia, designation of development permit areas is the main legislative mechanism for addressing protection of riparian and environmentally sensitive area and for protecting development from hazardous conditions such as erosion;

THEREFORE BE IT RESOLVED that UBCM request the provincial government to improve the enforceability of development permit area requirements by enabling local governments to enforce violations by way of prosecution, ticket or bylaw notices.

Background

The main legislative mechanism in British Columbia for addressing riparian area protection is the designation of a development permit area in an official community plan under section 488 of the *Local Government Act*, and the corresponding prohibition of altering land without permit under s. 489 of the *Local Government Act*. The same is true for protection of development from hazardous conditions, such as erosion, landslip, and wildfire. While s. 524 of the *Local Government Act* provides for flood protection levels and setbacks, designation of development permit areas are also a key legal mechanism for addressing dangers from flooding and debris torrents. Finally, development permit area designation also provides a mechanism for local government protection of farming, urban revitalization, form and character of development, and the promotion of energy conservation, water conservation and greenhouse gas emission reductions.

There is no authority under the *Local Government Act*, the *Community Charter*, the *Local Government Bylaw Notice Enforcement Act*, or the *Islands Trust Act* for local governments or Islands Trust local trust committees, to enforce violations of the *Local Government Act* relating to development permit requirements by way of municipal ticket information or bylaw notices which are seen as being against the *Local Government Act* and not local government bylaws; violations of development permit area requirements are not currently enforceable directly by local government, except by way of civil proceeding in B.C. Supreme Court. This is a costly, onerous enforcement regime for local governments and local trust committees.



SUNSHINE COAST REGIONAL DISTRICT

R42

AVICC BACKGROUNDER FOR LOGGING IN THE URBAN INTERFACE

I. BACKGROUND:

At the Sunshine Coast Regional District Regular Board meeting of January 31, 2019, the following resolution was approved for submission to the AVICC:

WHEREAS urban-rural fringe areas are transition zones where industrial land uses such as logging or other resource extraction, may conflict with local values or impact private water sources or contribute to property damage related to storm water management and erosion;

AND WHEREAS local government and private property owners have limited ability to influence resource extraction decisions;

THEREFORE BE IT RESOLVED THAT the provincial government establish buffer zones adjacent to residential properties that reduce conflict and ensure that property owners are protected from the adverse effects of resource extraction.

II. DISCUSSION:

In rural communities, urban-rural interface zones present unique challenges where activities such as logging and resource extraction may be carried out directly adjacent to residential properties which may rely on private water sources and/or may be vulnerable to erosion as a result of stormwater problems. In these situations, residential and industrial needs have a strong potential for conflict. This is particularly evident in areas where no provincial land use plan is in place to inform decision-making and minimize conflicts.

Reducing contention over resource extraction activities near populated areas is possible. A broad-based planning approach and a recognition of the impacts that resource extraction decisions have on local communities is needed. The SCRD is advocating that the Province establish adequate buffer zones adjacent to residential properties to reduce conflict and ensure that property owners are protected from the adverse effects of resource extraction.



SUNSHINE COAST REGIONAL DISTRICT

AVICC BACKGROUNDER FOR INTERGOVERNMENTAL COLLABORATION ON LAND USE PLANNING

I. BACKGROUND:

At the Sunshine Coast Regional District Regular Board meeting of January 31, 2019, the following resolution was approved for submission to the AVICC:

WHEREAS the inclusion of local governments in joint indigenous - provincial land use planning processes would offer an opportunity for intergovernmental collaboration and open communication that supports relationship-building and government-to-government reconciliation efforts with First Nations;

AND WHEREAS local governments who are responsible for undertaking planning activities and providing services within defined geographic boundaries wish to engage with First Nations partners to address common interests and community needs:

THEREFORE BE IT RESOLVED THAT the provincial government be urged to include local governments in land use planning discussions with First Nations to ensure continuity of government-to-government engagement and support collaborative and complementary approaches to land use planning that recognize community interests.

II. DISCUSSION:

BC's provincial reconciliation goals acknowledge the need to establish government-to-government relationships with First Nations as full partners. Further, there is a high expectation for substantive and transformative change as the provincial government renews its relationship with Indigenous peoples in BC to expand beyond the statutory duty to consult towards the ongoing process of reconciliation.

Local governments not only have an interest, but also have an important role to play with respect to reconciliation and relationship-building with First Nations. At her 2017 UBCM address, The Honourable Selina Robinson, Minister of Municipal Affairs and Housing, spoke to local governments noting the need to collaborate on the work of Reconciliation: "(l)ocal governments have an important role to play in helping British Columbia and Indigenous leadership to create the conditions for stronger, healthier and self-determining Indigenous communities."

Local governments are looking for appropriate ways to fulfill their role with respect to reconciliation and to engage with First Nation partners on matters of mutual interest. The inclusion of local governments in joint indigenous – provincial land use planning processes presents opportunities for early, open and ongoing communication in order to address our common interests and needs. As such, the SCR D is urging the provincial government to include local governments in land use planning discussions with First Nations with an aim to develop and support collaborative and complementary approaches to land use planning that recognize common community interests.



STAFF REPORT

TO: Regional District of Nanaimo Board **MEETING:** January 22, 2019
FROM: Tom Armet
 Manager, Building & Bylaw Services **FILE:**
SUBJECT: AVICC Resolutions 2019 – Regulate and Enforce Vehicle Parking on Provincial Roads

RECOMMENDATION

That the following resolution be forwarded to the Association of Vancouver Island and Coastal Communities for consideration at their 2019 annual general meeting:

WHEREAS regional districts have not been granted the authority to regulate vehicle parking on roadways in rural areas;

AND WHEREAS the Province and the RCMP have limited resources to regulate and enforce the increased volume of vehicles parked illegally on roads and right-of-ways that cause congestion and unsafe conditions for other vehicles, pedestrians and emergency first responders;

THEREFORE BE IT RESOLVED that the Province of British Columbia extend authority to regional districts to regulate and enforce vehicle parking on provincial roads and right-of-ways.

SUMMARY

A resolution for the Vancouver Island and Coastal Communities (AVICC) 2019 annual general meeting requests that the Province extend authority to regional districts to regulate and enforce vehicle parking on provincial roads.

BACKGROUND

The Regional District of Nanaimo (RDN) receives numerous requests from the public to address vehicles illegally parked on roads and right-of-ways, particularly in proximity to regional parks, trails, beach access and boat launches. Recreational areas are extremely popular and attract high volumes of users from the region and other areas of the Province. There is often insufficient dedicated parking resulting in illegal parking. These factors combine and impact area residents and others by blocking access to private properties, impeding the free flow of traffic, creating unsafe conditions for pedestrian traffic and blocking access for emergency first responders.

In some areas, such as Gabriola Island, vehicle owners are parking or leaving their vehicles for extended periods of time, at boat launching areas, causing congestion and unsafe conditions.

Parking enforcement is outside the jurisdiction of the RDN (and other regional districts) as provincial/rural roads fall under the authority of the Province of BC. Complaints about parking are often made to the RDN and then referred to the RCMP or Ministry of Transportation and Infrastructure (MOTI). The RCMP has jurisdiction to enforce the Motor Vehicle Act relating to parking, however this is not a high priority for the police. MOTI staff have limited ability to deal with illegally parked vehicles or to otherwise regulate parking in or near recreational areas that are managed by the RDN.

Extending authority to regional districts to enforce parking regulations will address gaps in legislation that create unnecessary problems for rural communities.

ALTERNATIVES

1. The Association of Vancouver Island and Coastal Communities be requested to consider the resolution to extend authority to regional districts to regulate and enforce vehicle parking on provincial roads and right-of-ways.
2. That alternate direction be provided.

FINANCIAL IMPLICATIONS

The financial implications of regulating and enforcing parking on provincial roads has not been determined.

STRATEGIC PLAN IMPLICATIONS

The preparation of draft resolutions for consideration of the Board and submission to the AVICC aligns with the Board's key focus area within the Strategic Plan of 'Relationships'. Through the AVICC resolutions process, the Board is provided with opportunities for the RDN to partner with other governments to advance our regions interests, and to advocate for issues outside of our jurisdiction.



Tom Armet
tarmet@rdn.bc.ca
January 14, 2019

Reviewed by:

- G. Garbutt, General Manager, Strategic and Community Development
- P. Carlyle, Chief Administrative Officer



SUNSHINE COAST REGIONAL DISTRICT
AVICC BACKGROUNDER FOR
PARKING ENFORCEMENT IN RURAL AREAS

I. BACKGROUND:

At the Sunshine Coast Regional District Regular Board meeting of January 31, 2019, the following resolution was approved for submission to the AVICC:

WHEREAS the RCMP are responsible for enforcing parking regulations in rural areas which takes policing resources away from other priorities;

AND WHEREAS the provincial response to UBCM Resolution 2014-B102 requesting that regional districts be granted the authority to enforce parking regulations within their boundaries indicated that further research was required prior to undertaking any policy change:

THEREFORE BE IT RESOLVED THAT that the Ministry of Transportation and Infrastructure and the Ministry of Public Safety and Solicitor General jointly review parking enforcement in the rural areas to either provide regional districts with the authority to enforce parking regulations within their boundaries or to adequately resource rural detachments to ensure that community safety issues related to illegal parking are addressed.

II. DISCUSSION:

In 2014, the SCRD submitted the following resolution (B102) that was endorsed by both AVICC and UBCM:

WHEREAS the RCMP are responsible for enforcing parking regulations in rural areas;

AND WHEREAS the process required to ticket and/or tow parking offenders is time consuming and takes policing resources away from other priorities:

THEREFORE BE IT RESOLVED that regional districts be granted the authority to enforce parking regulations within their boundaries.

The Ministry of Transportation and Infrastructure responded that: “Currently the *Motor Vehicle Act* provides municipalities with the authority to enforce parking regulations within their boundaries. The same authority is not provided to regional districts. Research is required to understand the basis for the difference and determine whether there were any specific reasons for excluding the regional districts when the original legislation was enacted. Based upon the research, further consultation and policy analysis may be required before considering the change.”

Since the SCRD is not aware of any further action on this matter, an updated resolution is being brought forward for consideration.

While Regional Districts are not the road authority, as the local government with a direct connection to the community, complaints are commonly received about vehicles parked illegally and impacting the safe movement of pedestrians, traffic and emergency vehicles in areas like accesses to docks and boat launches, roads near waterfront parks, or for busy public or private events where parking is limited. In these cases individual driveways may be blocked, unsafe pedestrian situations are created; access for other vehicles may be impeded or blocked including access for public service or emergency vehicles.

The objective in asking for authority is to protect the public interest and enhance safety on the roadways. The SCR D requests that the Province either provide regional districts with the authority to enforce parking regulations within their boundaries or that RCMP rural detachments be adequately resourced to ensure that community safety issues related to illegal parking are addressed.



ALBERNI-CLAYOQUOT REGIONAL DISTRICT

3008 Fifth Avenue, Port Alberni BC, CANADA V9Y 2E3

Telephone (250) 720-2700 Fax (250) 723-1327

R47

Wireless Connectivity in Rural Areas

Alberni-Clayoquot Regional District

Background

The lack of reliable wireless service coverage in remote areas is affecting rural communities in the province. The primary impact on rural communities is the lack of consistent and dependable cell phone reception in the event of an emergency. Poor connectivity can also have an impact on economic diversity, tourism and resident demographics. Many of the remote areas in the ACRD such as Bamfield and rural communities within the Barkley Sound and Clayoquot Sound areas have no reliable wireless connectivity.

In the ACRD, the lack of cell reception along the highway corridors between the Alberni Valley and the west coast communities presents a significant risk to public safety.

There is a considerable amount of tourist and commuter traffic travelling the Highway 4 route year-round between the Alberni Valley and Tofino/Ucluelet and there is no cell reception for approximately one hour of that drive. The gravel road between the Alberni Valley and Bamfield is a busy industrial route shared with resident and tourist traffic and there is no cell reception for more than one hour of that drive.

The lack of wireless connectivity along highway corridors is a common concern in rural areas of the province as it relates to emergency response. Communication improvements could be encouraged through funding support for new cell tower infrastructure, installation of micro service boosters along remote highways or legislative tools requiring infrastructure investment. Any improvement would be a benefit, as the lack of reliable communication along these corridors continues to place emergency crews and the traveling public at risk.