

To: Chief Administrative Officer **Date:** June 20, 2022
From: Barclay Pitkethly, Deputy Chief Administrative Officer
Subject: **Silverdale Comprehensive Planning Area – Central Neighbourhood Plan Section 477 Report**

Recommendation(s)

No recommendation accompanies this report. This report is provided for information purposes only to allow Council to make informed decisions when considering the upcoming Official Community Plan amending bylaw.

Purpose

The purpose of this report is to inform Council on the potential cost implications associated with approval of the Central Neighbourhood Plan and to provide recommendations to mitigate these costs.

Discussion and Analysis

In accordance with Section 477 of the *Local Government Act*, all Official Community Plan amendments must consider the financial impact on its i) financial plan and ii) waste management plan.

In this regard, the terms of reference for conducting neighbourhood planning within the Silverdale Comprehensive Planning Area stipulates that the Cost Recovery Analysis for each planned area provide a Taxation Analysis to ensure the City can provide services without being a taxation burden over the long term. The Analysis looks at anticipated tax revenue from new construction and compares it to expenses related to the new development, including emergency services, City operations, and long-term replacement funding.

GP Rollo and Associates have been commissioned to undertake the analysis to show what the impact of future development would be on the City of Mission. As part of the Master Infrastructure Plan, this analysis showed that, if developed as expected, Silverdale would account for approximately 34% of the City's property value, provide approximately 32% of the City's taxation revenue, and about 30% of the City's expenses.

For the Central Neighbourhood Plan specifically, if developed as proposed, the CNP is projected to make up 24% of Mission's property value, to provide 22% of Mission's property tax revenue, and to generate about 19% of the City's municipal expenses.

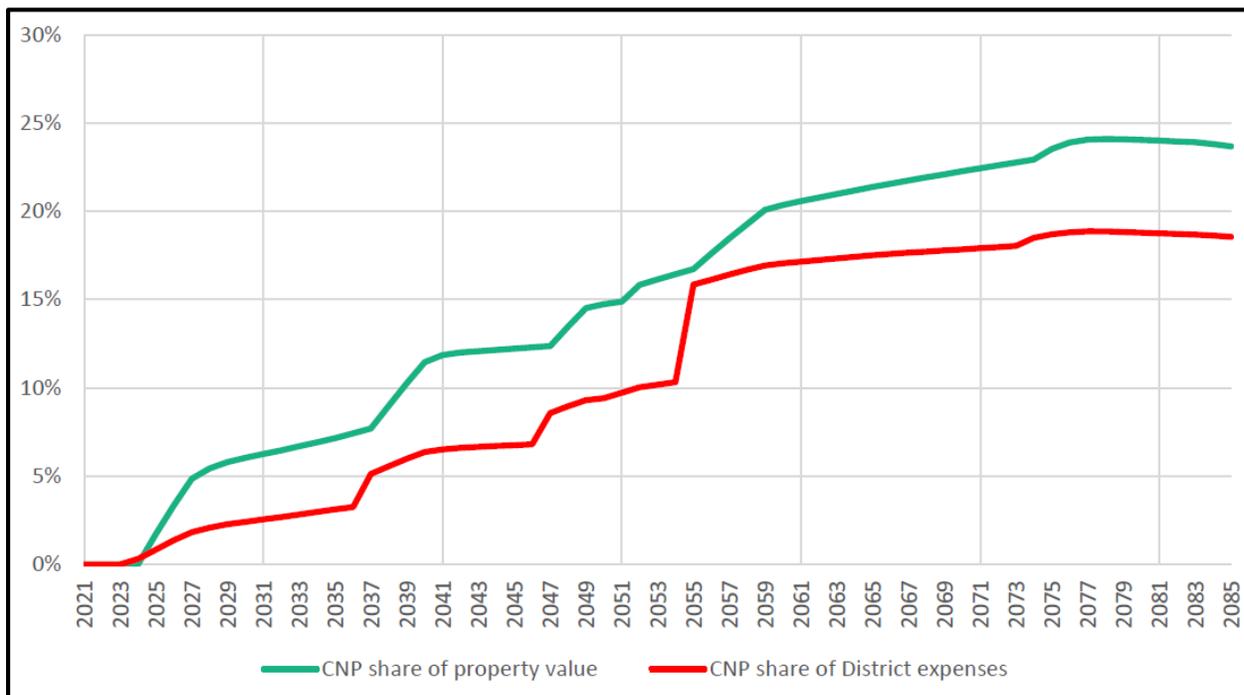
A copy of the full report for the Central Neighbourhood is included as an Appendix to the Central Neighbourhood Planning document and available on engage.mission.bc.

This analysis is stating that, over the long-term and at final build out, there is no negative impact on the City's finances. In terms of the City's waste management plan, this program is partially funded through user fees and costs to expand the urban waste collection area will incur during the early phases of development. As growth occurs, development taxation and user fees will be able to cover the costs of the expanded service.

Generally, the analysis shows that other than the first few years where development is being planned and constructed, the revenue (taxation) exceeds the costs. This is due to:

- a) costs to bring development to a point where new residents pay taxes,
- b) the City's need to ramp up its capacity to ensure development can occur, and
- c) early expansion of the urban waste collection boundaries for the new residents.

The chart below showcases the analysis in a graphic form:



Over the short term, it is recommended the City invest in staffing to process the anticipated planning, subdivision, and building applications. These costs may be offset within a relatively short period of time as product comes online and new residents start adding to the property tax revenues.

Council Goals/Objectives

Neighbourhood planning in Southwest Mission meets Council's 2018 – 2022 Strategic Plan and addresses Strategic Focus Areas 2 and 4 and, specifically, Priority Action item 4.7:

2. Secure Finances, Assets, and Infrastructure

Central to Council's vision and mission is the responsible planning and management of public resources and infrastructure. Council is committed to working with the community to ensure resources are available to fund services and to plan, manage and maintain public infrastructure assets.

Goals:

- To ensure sound financial management of the District
- To ensure resources are available when needed
- To ensure well planned, maintained and financed public infrastructure

4. Livable Complete Community

Council supports the evolution of Mission as a livable, attractive, and complete community that meets the everyday needs of its residents.

Goals:

To develop distinct neighbourhoods and a livable community

To be an attractive community for living, working, and playing

To the greatest extent possible, meet the social, cultural, and physical needs of the community

Priority Action 4.7 Undertake neighbourhood planning

Short Term:

- Southwest Mission

Financial Implications

There are no financial implications with this report as it is provided for information only.

Should Council adopt the Central Neighbourhood Plan there will be a requirement to hire three additional staff, one in planning, one in engineering, and one in building, as a condition of approval.

The expected costs for these positions will be approximately \$385,000 or equivalent to just under a 1% increase in 2022 dollars.

Communication

No communications are necessary at this point in the proceedings.

A Public Hearing is scheduled for June 27, 2022.

Summary and Conclusion

Section 477 of the Local Government Act required that all Official Community Plan amendments consider the financial impact on its i) financial plan and ii) waste management plan. The Section 477 Report outlines the financial implications for the Silverdale Comprehensive Planning Area – Central Neighbourhood Plan.

The conclusion of the analysis completed by GP Rollo and Associates states that growth, if developed according to the plan, will not be a taxation burden to the City. In other words, because the plan achieves certain densities and provides for limited commercial opportunities, the additional expenses resulting from this increased development will be off-set by increased property tax revenue.

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Reviewed by: Doug Stewart, Director of Finance

Approved for Inclusion: Barclay Pitkethly, Deputy Chief Administrative Officer