

# Scotch Creek Governance Review – Phase 1 Background Research



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Project No: 1220-011

ENGINEERING ■ PLANNING ■ URBAN DESIGN

# Table of Contents

## Executive Summary

<b>1.0</b>	<b>Introduction .....</b>	<b>1</b>
1.1	Context .....	1
1.2	Study Group.....	4
1.3	Project Process.....	4
<b>2.0</b>	<b>Scotch Creek Profile .....</b>	<b>5</b>
2.1	Overview.....	5
2.2	Population and Housing.....	5
2.2.1	Population.....	5
2.2.2	Housing .....	7
2.2.3	Population and Housing Growth.....	8
2.3	Assessment Base .....	9
2.4	Economy and Labour Force.....	10
2.5	Agriculture .....	11
2.6	Environmental Protection and Green Space .....	11
2.7	Publicly-Owned Assets .....	12
2.7.1	Columbia Shuswap Regional District .....	12
2.7.2	Provincial Government.....	13
2.7.3	Other .....	14
2.8	Sense of Community and Relationship to Other Settlement Areas.....	14
2.9	Existing Planning Policy.....	14
2.10	Community Organization and Associations.....	16
<b>3.0</b>	<b>Overview of the Current Rural Governance System .....</b>	<b>17</b>
3.1	Federal Government.....	17
3.2	Province of British Columbia .....	17
3.3	Columbia Shuswap Regional District .....	17
3.3.1	Area-wide Services.....	18
3.3.2	Electoral Area and Local Services .....	18
3.4	Improvement Districts .....	18

3.5	Private Utility Operators .....	18
<b>4.0</b>	<b>Overview of Municipal Governance Structure Why a municipality?.....</b>	<b>20</b>
4.1	Municipal Incorporation.....	20
4.2	Local Interest in Incorporation.....	22
	Local control and decision making .....	22
	A strong local economy.....	22
	Land use planning.....	22
	Advancement of Servicing Infrastructure.....	22
4.3	Voting Eligibility.....	23
<b>5.0</b>	<b>Water and Sewer Service Delivery .....</b>	<b>25</b>
5.1	Introduction.....	25
5.2	Sanitary Sewer Services.....	25
5.2.1	Current Situation.....	25
5.2.2	Previous Studies.....	25
5.2.3	Current Status.....	26
5.2.4	Potential Considerations for a New Municipality.....	27
5.3	Water Service .....	30
5.3.1	Current Situation.....	30
5.3.2	Previous Studies.....	30
5.3.3	Community Water System Implementation Status .....	31
5.3.4	Potential Considerations for a New Municipality.....	32
<b>6.0</b>	<b>Municipal Comparisons .....</b>	<b>34</b>
6.1	Timing of Incorporation .....	35
6.2	Assessment .....	36
6.3	Size .....	36
6.4	Utilities .....	37
6.5	Property Taxation .....	38
<b>7.0</b>	<b>Incorporation Topic Areas .....</b>	<b>44</b>
7.1	Elected Representation.....	44
7.2	Service Establishment .....	44
7.3	Coordination of Services.....	45
7.4	Strategic, Financial and Capital Planning.....	45

7.5	Land Use Planning.....	45
7.6	Environmental Protection.....	46
7.7	Economic Development.....	46
7.8	Affordable Housing.....	47
7.9	Volunteering.....	47
7.10	Grant Eligibility.....	47
7.11	Liability Risk.....	48
<b>8.0</b>	<b>Summary and Next Steps.....</b>	<b>49</b>
8.1	Summary.....	49
8.2	Next Steps.....	51

**Appendix A**

**Operational Guidelines for the North Shuwsap Incorporation Feasibility Study Group**

## List of Tables

Table 1.1 - Typical Incorporation Study Process .....	3
Table 2.1 - Scotch Creek Assessment Values for Primary Property Classifications .....	9
Table 2.2 - CSRD Financial Reserves.....	13
Table 3.1 - Summary of Current Service Delivery and Decision-Making.....	19
Table 4.1 - The Restructure Process.....	21
Table 4.2 - Postal Code Location of Registered Owners .....	24
Table 6.1 - Incorporation Date for BC Municipalities with <1000 Persons .....	35
Table 6.2 - Utility Systems Operated by Municipalities with <1000 Persons .....	38
Table 6.3 - Municipal Revenue Sources for Municipalities with Populations <1000 Persons .....	40
Table 6.4 - Existing Property Tax Revenues Potentially Available for a Scotch Creek Municipal Budget .....	42

## List of Figures

Figure 1.1 - Scotch Creek Neighbourhood Planning Area and Study Area.....	2
Figure 1.2 – Project Process .....	4
Figure 2.1 - Scotch Creek Designated Place, Census, 2011 .....	6
Figure 2.2 - Population of Comparison Communities (<1000 persons).....	6
Figure 2.3 - Scotch Creek Population by Age Group Census 2011 .....	7
Figure 2.4 - Seasonal vs Year-round Occupation of Dwellings, Census, 2011 .....	8
Figure 2.5 - Dwelling Type - Permanent Residents, Census, 2011.....	8
Figure 2.6 - Residential Assessment as % of Total Assessment for BC Municipalities under 1000 Population, 2016 .....	10
Figure 2.7 - Parkland as a % of Total Area for BC Municipalities under 1000 Population, 2016	11
Figure 5.1 – Plan of Community Treatment Site Options and Serviced and Proposed Developments .....	29
Figure 5.2 – Existing Water Systems and Community System Primary Supply Components .....	33
Figure 6.1 - BC Municipalities with <1000 Persons .....	34
Figure 6.2 - Total Assessment for BC Municipalities with <1000 Persons .....	36
Figure 6.3 - Taxable Land Area for Municipalities with <1000 Persons .....	37
Figure 6.4 - Total Property Taxes and Charges Collected for Municipalities with <1000 Persons .....	39
Figure 6.5 - Total Own Purpose Budget Comparison for Municipalities with <1000 Persons .....	43

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# Executive Summary

The information contained in this report includes a detailed overview of the Scotch Creek neighbourhood planning area (planning area identified in the Area F OCP). The profile is of a vibrant community with significant capital assets in a lakefront destination resort area. The Official Community Plan vision and policies for the Scotch Creek Neighbourhood Planning Area direct continued growth and development in Scotch Creek, however, the community overview shows that recently there has been limited new development in the area.

OCP policies, while supportive of future development, require connections to community servicing infrastructure (specifically community water and sewer systems). The CSRD has studied options and costs for constructing new community systems and has concluded that the community is not supportive of financing expensive projects through property taxation. Alternatively, the CSRD has supported planning initiatives that would provide limited access to new privately constructed and operated servicing systems. The private projects, while supported by the CSRD, have not advanced and new development continues to be constrained by a number of factors, including limited access to servicing infrastructure.

In addition to the resolution of servicing issues, the discussion on incorporation has also evolved because of interest in the following topics:

- Elected representation
- Coordination of services
- Strategic, financial and capital planning
- Land use planning
- Environmental protection
- Economic development
- Affordable housing
- Volunteering
- Grant eligibility
- Liability risk

This report provides comment on the above topics and compares data for Scotch Creek to the municipal data for similar sized municipalities (populations <1000 persons). This comparison is provided to better understand the potential viability of a future Scotch Creek municipality. Observational highlights include:

- While a substantial number of the comparable municipalities have been incorporated for many years, there are also examples of newly incorporated small municipalities.
- The average total assessment value for comparable communities is less than \$80 M. The average total assessment value in Scotch Creek is almost 4 times this amount at over \$300M.

- Scotch Creek has a high percentage of residential assessments and a limited number of properties in other classifications. While a diverse land base may be a preferred structure, there are existing small municipalities operating with less diversity and higher rates of residential assessment.
- A Scotch Creek municipality would cover a comparatively small geographic area, thereby offering potential operational efficiencies for servicing infrastructure (roads, sewer, water).
- Comparable municipalities have access to a variety of revenue sources in addition to property taxation. On average less than 32% of revenue is from property taxation.
- An estimated potential budget available to Scotch Creek from property taxation only, using existing 2016 tax rates, is \$662,046. This amount is higher than the average amount of revenue from own purpose property taxation (\$520,000) in comparably sized municipalities.
- The Scotch Creek area has a strong economic, social and cultural fabric, with citizens who are engaged and interested in the future of their community.
- There are many comparably sized municipalities that are successfully operating community water and sewer systems. A Scotch Creek municipality could consolidate several private water systems, thereby simplifying administration by IHA.
- Consistent with the Liquid Waste Management Plan, a Scotch Creek municipality could develop a phased sanitary sewer servicing plan and would qualify for capital cost assistance grants from senior governments.

The analysis presented in this report has indicated that Scotch Creek has assets and revenue generating opportunities that are comparable (or better) than other similar sized, existing municipalities. During the process of conducting this research it was evident that:

- the community is interested in further dialogue on the subject of incorporation;
- there were no “red flags” or obstacles to incorporation (e.g. limited tax base, high road maintenance costs);
- there is evidence of incorporated municipalities creatively and successfully addressing some of the issues that have historically been challenging for Scotch Creek (for example, water and sewer servicing, planning).

Given these findings, it is recommended that Scotch Creek pursue further steps in studying incorporation options.