



**REGIONAL DISTRICT  
of Fraser-Fort George**

**East Line Community Facilities Service**

**FEASIBILITY STUDY**

**March 2014**

Regional District of Fraser-Fort George  
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## **PURPOSE OF STUDY**

This feasibility study comes as a result of a request from the Willow River Recreation Association that a feasibility study for a community facility service for the Willow River area be undertaken. This request was approved by the Regional District of Fraser-Fort George (Regional District) Board. The study, produced in co-operation with the East Line Activity Centre Building Committee and Willow River Recreation Association members, examines the need and benefits of establishing a community facilities service through taxation, the requirements of the community and involved organizations, and the cost to the ratepayers in the proposed service area.

## **COMMUNITY FACILITIES SERVICE DETAILS**

The premise of a community facilities service for the Willow River area has arisen because of concern around the lack of meeting facilities in the area. The construction of the new Giscome Elementary School has presented an opportunity for the addition of a community facility that will act as a gymnasium for the students, as well as a function as meeting place for community events, a rental facility for conferences and seminars, and an emergency reception centre. The construction costs of the community facility, referred to as the East Line Activity Centre (Activity Centre), is being funded by the Province of BC's Community Recreation Grant Program, Regional District Electoral Area F Community Grants-In-Aid, and funds raised by the Willow River Recreation Association.

With the establishment of a community facilities service will provide:

- funds for the Activity Centre for expenses considered outside the school's mandate such as repairs, janitorial, additional equipment, etc.,
- long-term assurance that funding is available for general operating expenditures, as well as unexpected expenditures,
- operating funds to support future community facilities within the proposed service area,
- ability to access grant funding that may only be available to local governments, and
- ability to enter into a long-term agreement with the School District No. 57 (School District) for use of the facility.

## **JOINT USE AGREEMENT**

The School District is requesting a joint use agreement be executed with the Regional District for the use of the Activity Centre. The agreement would identify the expectations of both parties with regard to the coordination of community events, including timelines, budgetary responsibilities (i.e. janitorial, insurance, and utilities expenses), and rules of conduct. The agreement is expected to address a long-term commitment for usage of the activity centre, ensuring community access to the Activity Centre in the future.

## **GRANT FUNDING**

The Regional District applied for a grant to help fund the costs of the East Line Activity Centre. The grant has been conditionally approved in the amount of \$250,000 dependent on a joint use agreement being in place between the School District and the Regional District for the Activity Centre (also required by the School District as noted above) that demonstrates a long-term commitment for use of the school that ensures community access to the Activity Centre.

## **PROPOSED SERVICE AREA BENEFITS AND BOUNDARY**

The establishment of a taxable service allows a local government to recover all or part of the costs of the service by levying local service taxes against the properties located within the boundaries of the local service area.

The proposed service area is illustrated in Schedule "A" and was established to ensure properties within the Cariboo-Ferndale Recreational Boundaries and the Sinclair Mills Community Hall Service Area Boundaries were not included.

## **FUNDING BY TAXATION**

The purpose of this study is to evaluate the impact of a tax-supported community facilities service that can provide operational costs for recreation facilities within the service area including the Activity Centre which is connected to Giscome Elementary School.

Under the *Local Government Act*, there are several options available for funding a community facilities service through property taxation. The Committee investigated the following methods:

- a) taxation of land and improvements
- b) taxation of land
- c) taxation of improvements
- d) parcel tax

The Committee has concluded that the fairest method of sharing the cost of the community facilities service would be to tax land and improvements within the boundaries of the service area.

## **TAXATION CALCULATION**

In order to calculate property tax rates and the tax impact of the proposed community facilities service, it was necessary to determine taxable land and improvement assessments for the area to be served. Schedule 'B' identifies the total net taxable assessment of land and improvements within the service area for each property class, as well as identifies the applicable tax rate for each of the classes.

The total assessed value of land and improvements in the proposed service area for 2014 is \$28,762,071. Based on an estimated annual budget of up to \$15,000, the proposed tax levy for residential properties is \$0.3118 per \$1,000 of net taxable land and improvements assessment. Based on an average value single-family residence of \$80,000, a property owner would pay \$24.94 per year for the community facilities service. These calculations do not take into account the fact that property owners may receive the Home Owner Grant to cover some or all of the additional tax required for this service.

The impact of the proposed annual tax levy is reflected on Schedule 'C'.

## **ANNUAL OPERATING BUDGET**

The annual operating budget will be dependent on the annual request submitted by the Willow River Recreation Association to the Regional District Board for the upcoming year.

The East Line Community Facilities Service Establishment Bylaw will set a maximum requisition limit amount of \$15,000 (or the maximum tax rate of \$.52 per \$1,000 of the net taxable value of land and improvements). This amount is proposed to be recovered annually through the requisition of taxes in the service area. In the first year, the costs associated with holding a referendum would need to be recouped from those property owners within the service area and be considered in the \$15,000 that would be available.

## **ALTERNATIVE SOLUTIONS TO NO SERVICE ESTABLISHMENT**

If the community is not in favour of the establishment of a taxable service to ensure the long-term operational costs of the East Line Activity Centre and future recreational facilities are met, they would need to assess how the funds would be raised. Community fundraising would become critical to guarantee that operating funds for the Activity Centre and other facilities are available on an ongoing basis. A fundraising commitment of this nature would require a large contingent of volunteers in order to avoid volunteer burnout and donor fatigue may also be a consideration over the long-term.

The grant for \$250,000 would not be approved if there was no taxable service in place. The remaining construction costs (estimated at \$106,000) for the Activity Centre, not already covered by funding from the Community Recreation Program grant and already approved Electoral Area F Community Grants-in-Aid, would need to be raised.

Without a taxable service in place, a joint use agreement between the School District and the Regional District, that is specific to the East Line Activity Centre, could not be executed. This would result in no documented long-term commitment for use of the school and, therefore, no guarantee of community access to the Activity Centre in the future. It would be necessary for a local community group to enter into discussions with the School District to see if a joint use agreement between the community group and the School District could be an option.

## **IMPLEMENTATION TIMETABLE**

The timetable to implement the service is shown on Schedule 'D' and is dependent on the direction given by the Building Committee and the Willow River Recreation Association members and the outcome of the public information meeting to be held.

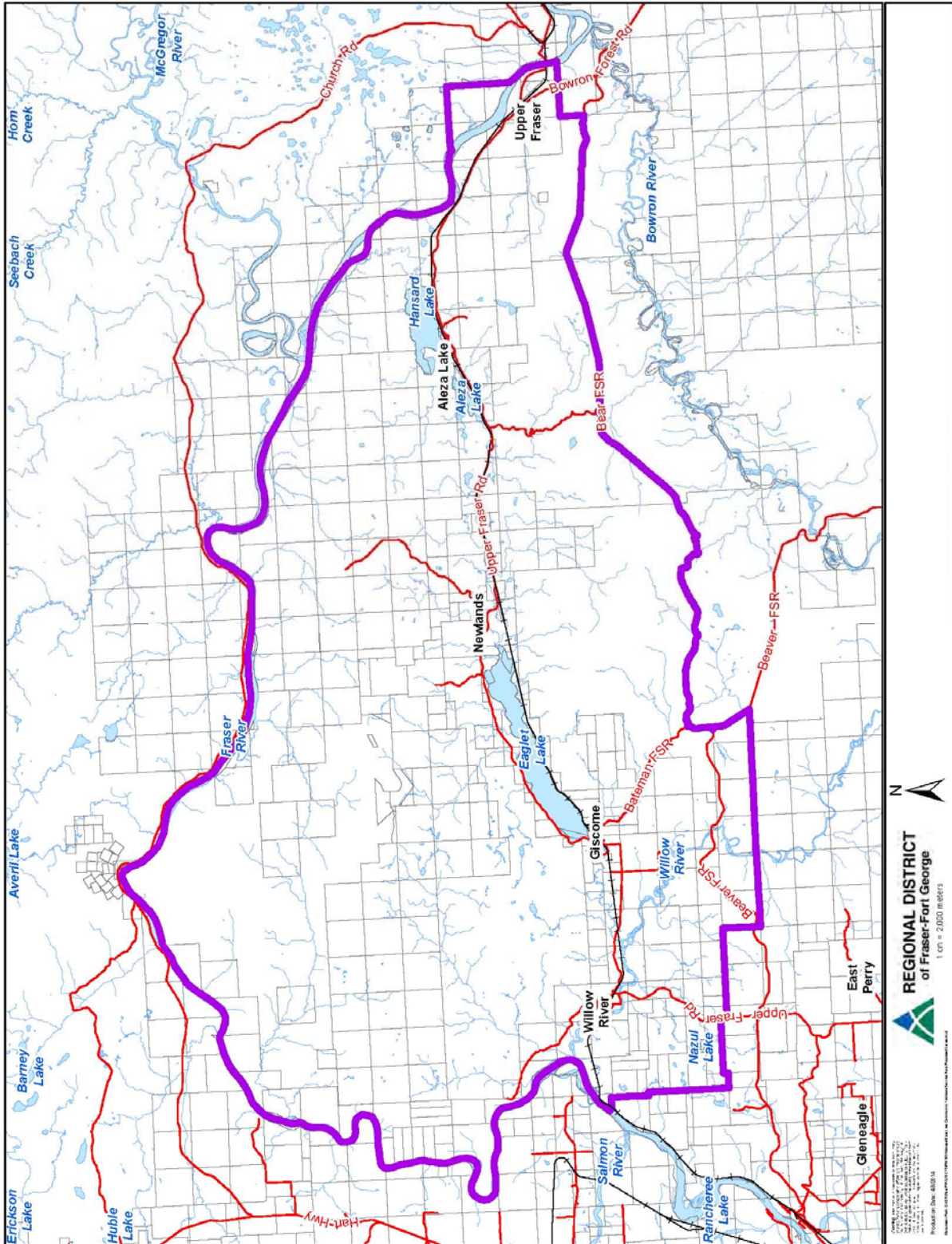
## **SERVICE ADMINISTRATION**

As mentioned previously, an agreement between the Regional District and the School District will be necessary for use of the Activity Centre within Giscome Elementary School. In turn, the Regional District would enter into a property use agreement with the Willow River Recreation Association outlining the terms for use of the facility.

## **CONCLUSION**

The East Line Activity Centre Building Committee and the Willow River Recreation Association have evaluated a number of options for providing a community facilities service in the East Line area and feels that the proposal, outlined in this report, is feasible and has broad public support. The Committee is recommending that the proposal be taken to a public vote tentatively scheduled to be held in June 2014.

### SCHEDULE 'A' EAST LINE COMMUNITY FACILITIES SERVICE BOUNDARY AREA



**SCHEDULE 'B'**

**SERVICE: EAST LINE COMMUNITY FACILITIES SERVICE**

Taxation based on \$15,000

Tax Rate Calculation: Land and Improvements

Assessment Class	2014 Net Taxable Assessment	Conversion Factor	Converted Assessments	% Share	Requisition Share	Tax Rate (per \$1,000)
1. Residential	19,430,000	.100	1,943,000	38.37	5,755	.3118
2. Utility	8,277,364	.350	2,897,077	57.21	8,582	1.0912
3. Unmanaged Forest	0	.400	0	0.00	0	.0000
4. Major Industry	0	.340	0	0.00	0	.0000
5. Light Industry	14,400	.340	4,896	0.10	15	.0000
6. Business/Other	624,100	.245	152,905	3.02	453	.7638
7. Managed Forest	121,800	.300	36,540	0.72	108	.9353
8. Rec./Non Profit	0	.100	0	0.00	0	.0000
9. Farm	294,407	.100	29,441	0.58	87	.3118
<b>Total</b>	<b>28,762,071</b>		<b>5,063,859</b>	<b>100.00</b>	<b>15,000</b>	

**SCHEDULE 'C'**

**EAST LINE COMMUNITY FACILITIES SERVICE  
Tax Estimates (Based On Land & Improvements Only)  
March 2014**

Annual operating and debt cost: \$15,000

BY ASSESSMENT CLASS	ESTIMATED ANNUAL COST BY ASSESSMENT TYPE				
	Class 1	Class 2	Class 6	Class 7	Class 9
Assessed Value (\$)	Residential	Utilities	Business/Other	Managed Forest	Farm
50,000	15.59	54.56	38.19	46.77	15.59
60,000	18.71	65.47	45.83	56.12	18.71
70,000	21.82	76.38	53.47	65.47	21.82
80,000	24.94	87.30	61.11	74.82	24.94
90,000	28.06	98.21	68.74	84.18	28.06
100,000	31.18	109.12	76.38	93.53	31.18
150,000	46.77	163.68	114.57	140.30	46.77
200,000	62.35	218.24	152.77	187.06	62.35
250,000	77.94	272.80	190.96	233.83	77.94
300,000	93.53	327.36	229.15	280.59	93.53
350,000	109.12	381.91	267.34	327.36	109.12

\*Note: Costs estimates are based on 2014 (completed roll) Net Taxable Assessments and include 5.25% tax collection fee charged by the Provincial Government.



**SCHEDULE 'D'**  
**EAST LINE COMMUNITY FACILITIES SERVICE**  
**PROPOSED IMPLEMENTATION TIMETABLE**

	<u><b>ACTION</b></u>
March 2014	Building committee meeting
April 2014	Community public meeting April 3, 2014 a) Gauging community support b) Providing overview of feasibility study details  Report to Board a) Request three readings to service establishment bylaws. If successful, bylaws are submitted to Ministry of Community, Sport and Cultural Development for approval b) Present completed feasibility study c) Election officers appointed
May 2014	Report to Board a) Question for ballot and bylaw synopsis to Board for approval  Report to Board a) Bylaws approved by Ministry of Community, Sport and Cultural Development b) Request approval of mailout of information summary to notify residents of upcoming referendum
June 2014	Advance voting day – June 11, 2014 Voting day – June 21, 2014
July 2014	Report to Board a) If elector assent obtained, request approval of adoption of service establishment bylaw
October 2014	Deadline for assessment coding of service area within Electoral Area F
March 2015	Operating budget adopted by Regional Board