



REGIONAL DISTRICT of Fraser-Fort George

MIWORTH COMMUNITY FACILITIES SERVICE

FEASIBILITY STUDY

APRIL 2022



Regional District of Fraser-Fort George
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INTRODUCTION

At the August 2016 meeting, the Regional District Board approved a request from the Miworth Community Association to determine the impact to the tax base of a community facilities service for Miworth and the surrounding area. A Steering Committee made up of local residents worked with staff to explore the current and future needs of the community facilities in Miworth consisting of the hall property and the skating rink property.

The Miworth Community Facilities Service will encompass two properties:

Miworth Community Hall

The Miworth Community Hall sits on land owned in fee simple by the Regional District and is designated as park property (Wilkins Park). The legal description of this property is Part of the Remainder of Block A of District Lot 2165, Cariboo District. In 1985 the Miworth Community Association approached the Regional District and requested to use a portion of the regional park to locate a community hall on. In 1987 a property use agreement between the Regional District and the Community Association was entered into and it has been continuously renewed since that time. The property use agreement allows for the Community Association to operate and manage the community hall on the understanding that all funds for doing so are provided by the Community Association.

Miworth Skating Rink Property

The Miworth Skating Rink Property, legal description Lot B of District Lot 2165, Cariboo District Plan 19425, is owned in fee simple by the Regional District and located at the corner of Keppel and Lindsay Roads. The property was acquired by the Regional District through the subdivision process, being a requirement for the developer to provide park land. The Regional District received title to this parcel in 1979. In 1980 a property use agreement between the Regional District and the Miworth Community Association was entered into and it has been continuously renewed since that time for the operation of the property. Over the years the skating rink, gazebo and other related improvements were added to the property.

It is the Community Association's responsibility to maintain both properties and improvements and to pay for anything related to buildings and grounds as well as for any programs or events that it hosts.

FACILITIES BENEFITS TO COMMUNITY

The Community Hall and Skating Rink properties are integral to the services that the Miworth Community Association provides to the community. The Community Association hosts meetings, programs, and

community events at the Hall. The Community Association also rents the Hall for birthday parties, weddings, celebrations of life, etc. The Skating Rink is widely used in the wintertime and provides a much needed outdoor recreation destination.

CHALLENGES WITH CURRENT SITUATION

The operation and maintenance of these two properties is a significant undertaking for the Miworth Community Association's members, requiring many hours of volunteers' time every year to organize and fundraise to cover all the costs associated with operating and maintaining the community hall and skating rink properties. The establishment of a local taxable service would provide a dedicated source of funding to take much of the burden of fundraising off of the Community Association's shoulders. The taxable service would fund the bulk of the building maintenance and long-term planning costs related to the two properties. If the community supports (by way of a vote) the establishment of a local taxable service, the Community Association would continue to have property use agreements in place with the Regional District to operate both properties and would still be responsible for the costs of the programs and events it hosts, but it would not have the pressure of funding all costs related to both properties as it does currently.

PROPOSED BENEFITING AREA BOUNDARY

The establishment of a taxable service allows a local government to recover the costs of the service by levying local service taxes against the properties located within the boundaries of the local service area. The proposed taxable service boundary for the proposed community facilities service is illustrated in Schedule "A."

SOURCES OF FUNDING

User Fees

Under the *Local Government Act*, it is possible to partially or completely fund a facilities service through the implementation of user fees. This would see only those residents who actually use the facilities contributing the funds necessary for the annual operating budget. The Committee has reviewed this option and believes this is not a viable solution. The Community Association already collects membership and program fees which they use to support the social and recreational expenses of their organization, however, funding the ongoing maintenance, utilities, and putting money aside for future infrastructure repairs and maintenance continues to be a struggle and one which user fees would not resolve.

Taxation

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

- a) taxation of land and improvements;
- b) taxation of land;
- c) taxation of improvements; and
- d) parcel taxes.

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. This is the most common method of property taxation and used with almost all of the community facilities owned by the Regional District.

ASSET MANAGEMENT AND FACILITIES CONDITION STRATEGIES RELATED TO SERVICE

The Regional District Board adopted the Asset Management Strategy in December 2017 and the Equipment, Facility, Utility and Land Asset Acquisition Policy in July 2018. The Asset Management Strategy recognizes that any Regional District asset valued greater than \$25,000 needs to adhere to asset management practices that ensure the sustainability of the service. Prior to the consideration of taking on the responsibility of the Miworth Community Facilities, the Regional District had assessments of the facilities' current conditions conducted. Repairs and improvements of over \$48,000 were identified as needing to be addressed within the next few years. The Community Association rose to this challenge and with a combination of grants and volunteer labour, have addressed almost all of the identified issues. By performing the necessary upgrades and maintenance the Community Association ensured that no capital borrowing cost would be necessary to be added to the proposed operating budget amount when considering the establishment of a taxable service. Healthy transfers to operating reserves to accommodate the long-term planning and asset management necessary to keep the facilities in good condition will be incorporated into the annual operating budgets.

ANNUAL OPERATING BUDGET

The proposed annual operating budget for the Community Facilities Service is shown on Schedule 'B'. The proposed budget reflects all costs associated with the service including annual contributions to operating reserves and is estimated to stay under \$30,000 under normal circumstances. However, in the first year of taxation, the estimated total operating budget is \$30,650 due to the fact that the costs of the feasibility study (referendum and engineering assessment) need to be recouped in the first year of taxation. To leave sufficient room for future requisition increases, the maximum requisition in the service establishment bylaw will be \$35,000.

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 improvements assessments for the proposed service area. Schedule 'C' identifies the total net taxable assessments of land and improvements within the service area for each property class and identifies the applicable tax rate for each of the classes.

The total assessed value of land and improvements in the proposed service area for 2022 is \$120,869,476. Based on the first year's estimated annual budget of \$30,650, the proposed tax levy for residential properties is \$25.72 per \$1,000 of net taxable land and improvement assessment. Based on a single-family residence assessed at \$400,000, a property owner would pay \$102.88 in the first year of taxation.

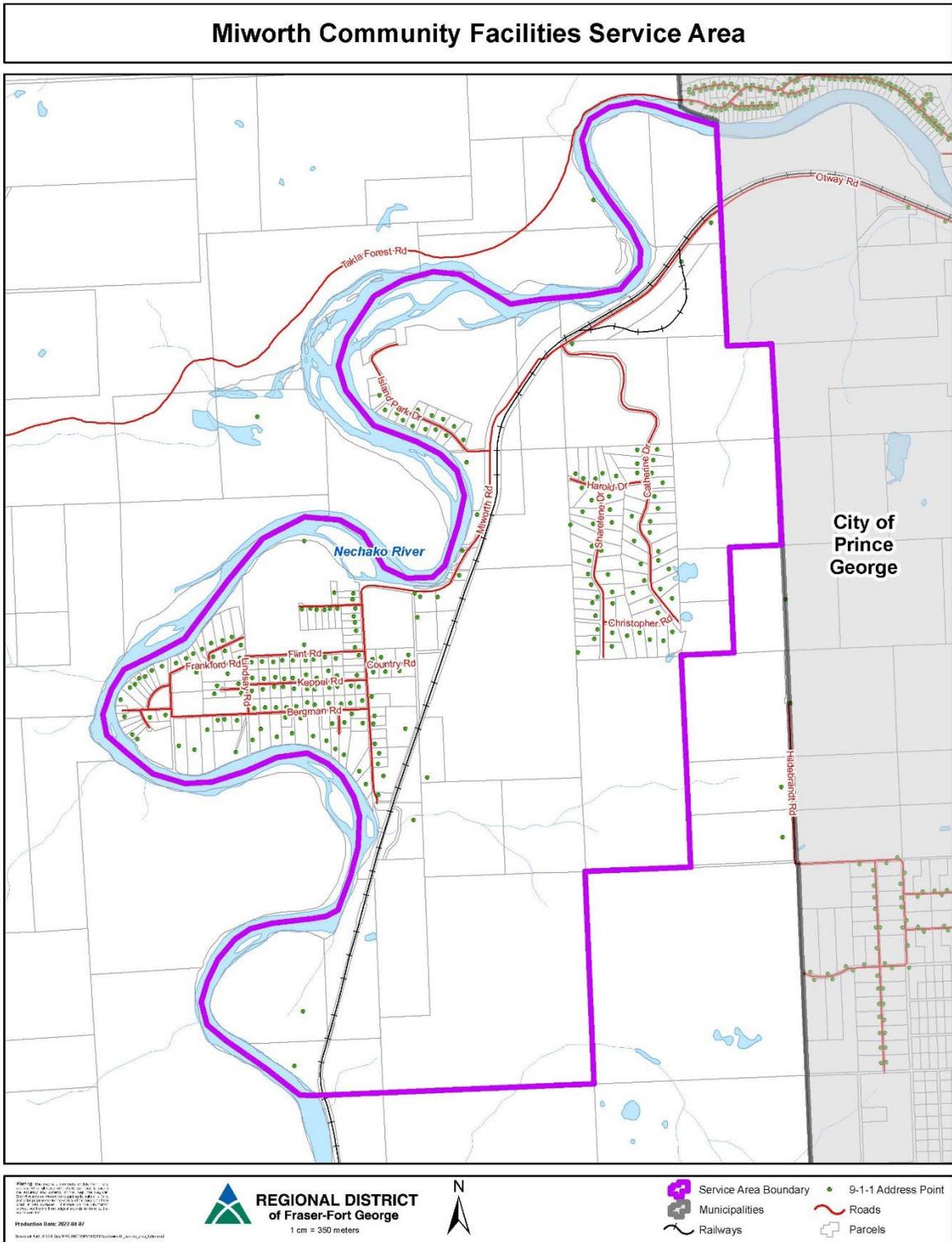
The Miworth Community Facilities Establishment Bylaw has a maximum requisition amount of \$35,000 which results in a residential tax rate of \$.2937 per \$1,000 of net taxable land and improvement assessments.

IMPLEMENTATION TIMETABLE

The timetable to implement the service, shown on Schedule 'D', contains some estimated dates which are dependent upon the direction given to staff by the Regional Board and the Steering Committee, as well as the outcome of public consultation.

SCHEDULE 'A'

MIWORTH COMMUNITY FACILITIES SERVICE BOUNDARY AREA



SCHEDULE 'B'**MIWORTH COMMUNITY FACILITIES SERVICE
ANNUAL OPERATING BUDGET**

	<u>2023</u>	<u>2024</u>
<u>REVENUES</u>		
Taxation	<u>\$ 30,650</u>	<u>\$ 26,700</u>
TOTAL REVENUES	\$ 30,650	\$ 26,700
<u>EXPENDITURES</u>		
Property Insurance (RD provides property insurance through MIA but it is up to the community group to pay for their own liability insurance)	\$ 3,000	\$ 3,200
Repairs and Maintenance – Facilities and Grounds (Hall, skating rink, ball fields, playground)	7,150	7,350
Utilities: Gas and Electricity	3,000	3,350
Internet	1,200	1,300
Transfer to Reserves	1,500	11,000
Operating Interest	500	500
Feasibility Study Repayment		
- Referendum	8,000	
- Engineer's Assessment Report	<u>6,300</u>	<u> </u>
TOTAL EXPENDITURES	<u>\$ 30,650</u>	<u>\$ 26,700</u>

SCHEDULE 'C'

SERVICE: Miworth Community Facilities
Taxation based on \$30,650

Tax Rate Calculation

Assessment Class	2022 Net Taxable Assessment	Conversion Factor	Converted Assessments	% Share	Requisition Share	Tax Rate (per \$1,000)
1. Residential	\$118,954,600	.100	\$11,895,460	94.86	\$29,073	.2572
2. Utility	1,203,379	.350	421,183	3.36	1,029	.9003
3. Unmanaged Forest	0	.400	0	0.00	0	.0000
4. Major Industry	0	.340	0	0.00	0	.0000
5. Light Industry	525,000	.340	178,500	1.42	436	.8746
6. Business/Other	185,300	.245	45,399	0.36	111	.6302
7. Managed Forest	0	.300	0	0.00	0	.0000
8. Rec./Non Profit	0	.100	0	0.00	0	.0000
9. Farm	<u>1,197</u>	.100	<u>120</u>	0.00	<u>0</u>	.2572
Total	<u>\$120,869,476</u>		<u>\$12,540,661</u>	100.00	<u>\$30,650</u>	

SCHEDULE 'D'**MIWORTH COMMUNITY FACILITIES SERVICE
IMPLEMENTATION TIMETABLE**

	<u>ACTION</u>
May 2022	- Public information meeting to be held
June 2022	- Report to Board a) Provide proof of community support b) Provide feasibility study c) Request three readings to service establishment bylaw and loan authorization bylaws. If successful, bylaws are submitted to Ministry of Municipal Affairs for approval d) Election officers appointed
August 18, 2022	- Report to Board a) Bylaws approved by Ministry of Municipal Affairs b) Question for ballot and bylaw synopsis to Board for approval c) Request approval of mailout of information summary to notify residents of public meeting
September 2022	- Hold public information meeting
October 5, 2022	- Advance voting day
October 15, 2022	- General Voting Day
November 17, 2022	- Report to Board a) If elector assent obtained, request approval of adoption of service establishment bylaw
March 2023	- Miworth Community Facilities Operating Budget adopted by Regional Board