




ALBERNI-CLAYOQUOT  
REGIONAL DISTRICT

# Alberni Valley Aquatics Centre

Discussion regarding potential service establishing bylaw  
September 25, 2024



1



## Goal

To conduct a referendum in the Alberni Valley to determine if the public supports the construction of a new Aquatic Centre.



2

## Decisions to Date

### Service participants:

- City of Port Alberni
- Uchucklesaht Tribe Government
- Electoral Area B – Beaufort
- Electoral Area D – Sproat Lake
- Electoral Area E – Beaver Creek
- Electoral Area F – Cherry Creek

**Participating area approval** – referendum with approval being required separately in each participating area.

**Service definition** – development and operation of an Aquatics Centre only.

**Voting** – voting on administration and operation of service will use an alternative voting model of one vote per participating area Director.

**Cost recovery** – user fees and other revenue sources will be mechanisms for funding the service however will not be set until the service is established.



3

## Today's Discussion



Continues the discussion on:

- Grant reliance
- Cost recovery methods of taxation and apportionment



4

## Facility Construction Costs

- 2024 estimated construction cost = \$68 million
- Preliminary Class D level estimate +/- 25%
- Excludes purchase of land (if necessary)
- Estimated \$100 million construction cost, based on 2027 construction start date



	Cost Estimate
<b>Preferred facility cost estimate 2024</b>	\$68,119,555
<b>Inflation estimate to construction start date (5-6% until early 2027 potential start date)</b>	\$11,488,363
<b>Contingency estimate of 25%</b>	\$19,901,979
<b>Total facility cost estimate</b>	\$99,509,897



5

## Reliance on Grant Funding

- Municipal Finance Authority Loan Authorization Bylaw requires a maximum borrowing amount be included in the referendum.
- Borrowing bylaw expires five years from date of adoption if construction has not commenced.
- Do the Directors want to rely on receiving a certain percentage of grant funding? If so, how much?
- Grant funding will lower the cost per household and maximum outlined in the establishing bylaw.
- If reliance on grant funding for construction and grant funding not achieved, then new referendum required.



6

## Reliance on Grant Funding

- Borrowing through Municipal Finance Authority
- Estimates based on 30-year term and 3.73% interest rate

	No Grant Funding	25% Grant Funding	50% Grant Funding
Total Borrowing Amount	\$100,000,000	\$75,000,000	\$50,000,000
Annual Debt Servicing Costs	\$5,600,000	\$4,200,000	\$2,800,000



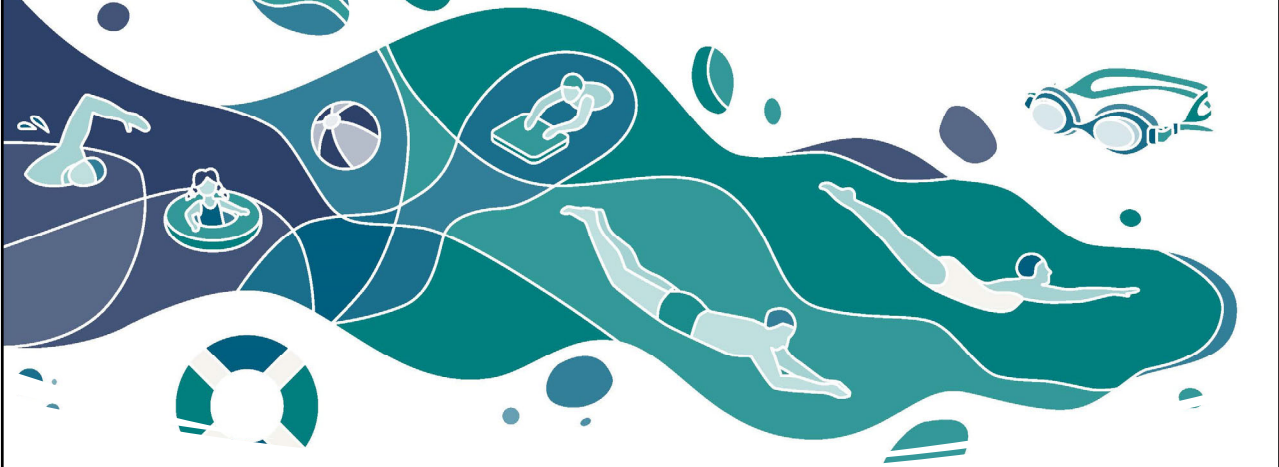
7

## Facility Operating Costs

- Feasibility study estimates operating costs between \$1.8 million and \$2.2 million
- Estimated offsetting revenues at \$200,000
- Report based on operating costs of \$2 million per year




8



## Total Estimated Annual Costs

Today's financial discussion has been built on a model of no grant funding and is based on annual costs of **\$7.6 million**






9

## Cost Recovery – Taxation & Apportionment

The options presented for discussion today are as follows:

1. Apportionment method of converted land and improvements using a tax base of net taxable value of land and improvements in the participating area.
2. Apportionment method of 50% converted land and improvements and 50% of Statistics Canada population using a tax base of net taxable value of land and improvements in the participating area.
3. Apportionment method of 30% converted land and improvements and 70% of Statistics Canada population using a tax base of net taxable value of land and improvements in the participating area.
4. Apportionment method of parcel tax using a tax base of parcel tax
5. Method of annual borrowing costs being apportioned by parcel tax using a tax base of parcel tax and annual operating costs being apportioned converted land and improvements.

10

## Cost Recovery – Taxation & Apportionment

For each of the 5 options the following calculations were provided:

1. Apportionment by participating area
2. Estimated household cost based on average assessed value
3. Allocation of costs based on BC Assessment class or number of parcels for each of the participating areas
4. Summary of cost allocation by BC Assessment class



11

## Cost Recovery – Taxation & Apportionment

Option 1: Apportionment Method: Converted Land and Improvements

Tax Base: Net taxable value of land and improvements in the participating area

Jurisdiction	Converted Land & Improvements	Converted Land & Improvements as %	Converted Land & Improvements Requisition by Area	Residential Tax Rate	Average Total Residential Assessed Value 2024	Estimated Household Cost based on Average Assessed Value
Port Alberni	529,718,747	58%	4,390,222	0.829	518,890	430
Uchucklesaht	41,234	0%	342	N/A*	N/A*	N/A*
Area B - Beaufort	23,773,765	3%	197,033	0.829	645,621	535
Area D - Sproat Lake	194,991,474	21%	1,616,057	0.829	902,025	748
Area E - Beaver Creek	88,260,289	10%	731,487	0.829	645,836	535
Area F - Cherry Creek	80,221,148	9%	664,860	0.829	576,261	478
Totals	917,006,657	100%	7,600,000			



12

## Cost Recovery – Taxation & Apportionment

Option 1: Apportionment Method: Converted Land and Improvements

Tax Base: Net taxable value of land and improvements in the participating area

- Default model in the *Local Government Act*
- 76.3% of the taxation paid by the residential property class
- Previous discussions with Directors indicate this option not supported as it does not recognize the range of property values in the participating areas

Class	Converted Total	Requisition by Class
01 - Residential	699,856,285	5,800,294
02 - Utilities	14,182,894	117,545
04 - Major Industry	35,967,206	298,090
05 - Light Industry	15,641,632	129,635
06 - Business & Other	112,618,099	933,360
07 - Managed Forest Land	37,662,180	312,138
08 - Rec/Non-Profit	925,950	7,674
09 - Farm	152,411	1,263
<b>Total</b>	<b>917,006,657</b>	<b>7,600,000</b>



13

## Cost Recovery – Taxation & Apportionment

Option 2: Apportionment Method: Hybrid of 50% Population & 50% Land and Improvements

Tax Base: Net taxable value of land and improvements in the participating area

Jurisdiction	Population (2021 Census)	Population as %	Population Apportionment for 50% of Requisition by Area	Converted Land & Improvements	Converted Land & Improvements as %	Converted Land & Improvements for 50% of Requisition by Area	Total Requisition by Area
Port Alberni	18,259	71%	2,713,925	529,718,747	58%	2,195,111	4,909,036
Uchucklesaht	10	0%	1,486	41,234	0%	171	1,657
Area B - Beaufort	531	2%	78,925	23,773,765	3%	98,517	177,442
Area D - Sproat Lake*	1,843	7%	273,934	194,991,474	21%	808,029	1,081,963
Area E - Beaver Creek*	2,946	12%	437,878	88,260,289	10%	365,743	803,622
Area F - Cherry Creek	1,977	8%	293,851	80,221,148	9%	332,430	626,281
<b>Totals</b>	<b>25,566</b>	<b>100%</b>	<b>3,800,000</b>	<b>917,006,657</b>	<b>100%</b>	<b>3,800,000</b>	<b>7,600,000</b>

\*Excludes those residents living on Tseshaht & Hupacasath Reserve Lands



14

## Cost Recovery – Taxation & Apportionment

Option 2: Apportionment Method: Hybrid of 50% Population & 50% Land and Improvements

Tax Base: Net taxable value of land and improvements in the participating area



Jurisdiction	Residential Tax Rate	Average Total Residential Assessed Value 2024	Estimated Household Cost based on Average Assessed Value
Port Alberni	0.927	518,890	481
Area B - Beaufort	0.746	645,621	482
Area D - Sproat Lake*	0.555	902,025	501
Area E - Beaver Creek*	0.911	645,836	588
Area F - Cherry Creek	0.781	576,261	450
Totals			



15

## Cost Recovery – Taxation & Apportionment

Option 2: Apportionment Method: Hybrid of 50% Population & 50% Land and Improvements

Tax Base: Net taxable value of land and improvements in the participating area

- Population based on Statistics Canada census data updated once every 5 years
- 75.9% of the taxation paid by the residential property class
- Local governments have no ability to tax people and therefore once apportioned between participating areas the taxes are paid by property owners based on taxable value of land and improvements

Class	Converted Total	Requisition by Class
01 - Residential	699,856,285	5,771,535
02 - Utilities	14,182,894	112,721
04 - Major Industry	35,967,206	322,411
05 - Light Industry	15,641,632	125,397
06 - Business & Other	112,618,099	1,016,277
07 - Managed Forest Land	37,662,180	242,980
08 - Rec/Non-Profit	925,950	7,528
09 - Farm	152,411	1,150
Total	917,006,657	7,600,000



16



## Cost Recovery – Taxation & Apportionment

Option 3: Apportionment Method: Hybrid of 30% Population & 70% Land and Improvements

Tax Base: Net taxable value of land and improvements in the participating area

Jurisdiction	Population (2021 Census)	Population as %	Population Apportionment for 30% of Requisition by Area	Converted Land & Improvements	Converted Land & Improvements as %	Converted Land & Improvements for 70% of Requisition by Area	Total Requisition by Area
Port Alberni	18,259	71%	1,628,355	529,718,747	58%	3,073,155	4,701,510
Uchucklesaht	10	0%	892	41,234	0%	239	1,131
Area B - Beaufort	531	2%	47,355	23,773,765	3%	137,923	185,278
Area D - Sproat Lake*	1,843	7%	164,360	194,991,474	21%	1,131,240	1,295,601
Area E - Beaver Creek*	2,946	12%	262,727	88,260,289	10%	512,041	774,768
Area F - Cherry Creek	1,977	8%	176,311	80,221,148	9%	465,402	641,712
<b>Totals</b>	<b>25,566</b>	<b>100%</b>	<b>2,280,000</b>	<b>917,006,657</b>	<b>100%</b>	<b>5,320,000</b>	<b>7,600,000</b>

\*Excludes those residents living on Tseshaht & Hupacasath Reserve Lands



## Cost Recovery – Taxation & Apportionment

Option 3: Apportionment Method: Hybrid of 30% Population & 70% Land and Improvements

Tax Base: Net taxable value of land and improvements in the participating area



Jurisdiction	Residential Tax Rate	Average Total Residential Assessed Value 2024	Estimated Household Cost based on Average Assessed Value
Port Alberni	0.888	518,890	461
Area B - Beaufort	0.779	645,621	503
Area D - Sproat Lake*	0.664	902,025	599
Area E - Beaver Creek*	0.878	645,836	567
Area F - Cherry Creek	0.800	576,261	461
<b>Totals</b>			



## Cost Recovery – Taxation & Apportionment

Option 3: Apportionment Method: Hybrid of 30% Population & 70% Land and Improvements

Tax Base: Net taxable value of land and improvements in the participating area

- Population based on Statistics Canada census data updated once every 5 years
- 76.1% of the taxation paid by the residential property class
- Local governments have no ability to tax people and therefore once apportioned between participating areas the taxes are paid by property owners based on taxable value of land and improvements

Class	Converted Total	Requisition by Class
01 - Residential	699,856,285	5,783,038
02 - Utilities	14,182,894	114,651
04 - Major Industry	35,967,206	312,682
05 - Light Industry	15,641,632	127,093
06 - Business & Other	112,618,099	983,110
07 - Managed Forest Land	37,662,180	270,643
08 - Rec/Non-Profit	925,950	7,587
09 - Farm	152,411	1,195
<b>Total</b>	<b>917,006,657</b>	<b>7,600,000</b>



19

## Cost Recovery – Taxation & Apportionment

Option 4: Apportionment Method: Taxable Parcels (folios)

Tax Base: Parcel Tax

Jurisdiction	Parcel by Area	Parcel as %	Converted Land & Improvements Requisition by Area	Annual Parcel Tax Amount
Port Alberni	8,033	63%	4,758,070	592
Uchucklesaht	2	0%	1,185	N/A*
Area B - Beaufort	385	3%	228,041	592
Area D - Sproat Lake	1,990	16%	1,178,708	592
Area E - Beaver Creek	1,353	11%	801,403	592
Area F - Cherry Creek	1,068	8%	632,593	592
<b>Totals</b>	<b>12,831</b>	<b>100%</b>	<b>7,600,000</b>	



20

## Cost Recovery – Taxation & Apportionment

Option 4: Apportionment Method: Taxable Parcels (folios)

Tax Base: Parcel Tax

- Every parcel in every property class pays the same amount and therefore parcel tax can be perceived as unfair as no consideration of property value or ability to pay
- 90.9% of the taxation paid by the residential property class
- Increased administrative costs to create and maintain the parcel tax rolls

Class	Converted Total	Requisition by Class
01 - Residential	11,668	6,911,137
02 - Utilities	56	33,170
04 - Major Industry	21	12,439
05 - Light Industry	93	55,085
06 - Business & Other	631	373,751
07 - Managed Forest Land	209	123,794
08 - Rec/Non Profit	27	15,993
09 - Farm	126	74,632
<b>Total</b>	<b>12,831</b>	<b>7,600,000</b>



21

## Cost Recovery – Taxation & Apportionment

Option 5: Apportionment Method: Hybrid of Debt Servicing by Parcel Tax & Operating by Land & Improvements

Tax Base: Both parcel tax & net taxable value of land and improvements in the participating area

Jurisdiction	Parcel by Area	Parcel as %	Parcel Tax for Debt Servicing Costs by Area	Converted Land & Improvements	Converted Land & Improvements as %	Converted Land & Improvements for Operating Costs by Area	Total Requisition by Area
Port Alberni	8,033	63%	3,505,947	529,718,747	58%	1,155,321	4,661,268
Uchucklesaht	2	0%	873	41,234	0%	90	963
Area B - Beaufort	385	3%	168,031	23,773,765	3%	51,851	219,881
Area D - Sproat Lake	1,990	16%	868,522	194,991,474	21%	425,278	1,293,800
Area E - Beaver Creek	1,353	11%	590,507	88,260,289	10%	192,497	783,004
Area F - Cherry Creek	1,068	8%	466,121	80,221,148	9%	174,963	641,084
<b>Totals</b>	<b>12,831</b>	<b>100%</b>	<b>5,600,000</b>	<b>917,006,657</b>	<b>100%</b>	<b>2,000,000</b>	<b>7,600,000</b>



22

## Cost Recovery – Taxation & Apportionment

Option 5: Apportionment Method: Hybrid of Debt Servicing by Parcel Tax & Operating by Land & Improvements  
 Tax Base: Both parcel tax & net taxable value of land and improvements in the participating area



Jurisdiction	Parcel Tax	Residential Tax Rate	Average Total Residential Assessed Value 2024	Estimated Household Cost based on Average Assessed Value
Port Alberni	436	0.218	518,890	550
Area B - Beaufort	436	0.218	645,621	577
Area D - Sproat Lake*	436	0.218	902,025	633
Area E - Beaver Creek*	436	0.218	645,836	577
Area F - Cherry Creek	436	0.218	576,261	562
Totals				



23

## Cost Recovery – Taxation & Apportionment

Option 5: Apportionment Method: Hybrid of Debt Servicing by Parcel Tax & Operating by Land & Improvements  
 Tax Base: Both parcel tax & net taxable value of land and improvements in the participating area

Class	Occurrences	Parcel Tax Portion by Class	Converted Land & Improvements Total	Land & Improvement Requisition Portion by Class	Total Requisition by Class
01 - Residential	11,668	5,092,417	699,856,285	1,526,393	6,618,810
02 - Utilities	56	24,441	14,182,894	30,933	55,374
04 - Major Industry	21	9,165	35,967,206	78,445	87,610
05 - Light Industry	93	40,589	15,641,632	34,115	74,704
06 - Business & Other	631	275,396	112,618,099	245,621	521,017
07 - Managed Forest Land	209	91,217	37,662,180	82,142	173,358
08 - Rec/Non-Profit	27	11,784	925,950	2,020	13,803
09 - Farm	126	54,992	152,411	332	55,324
Total	12,831	5,600,000	917,006,657	2,000,000	7,600,000

- Due to amount of debt, 73.7% of the taxation to be collected by parcel tax
- 87.1% of the taxation paid by the residential property class
- Increased administrative costs to create and maintain the parcel tax rolls



24

## Cost Recovery – Taxation & Apportionment

Summary of Options – Requisitions by Area

Jurisdiction	Option 1: Converted Land & Improvements	Option 2: 50% Population & 50% L&I	Option 3: 30% Population & 70% L&I	Option 4: Parcel Tax	Option 5: Debt by Parcel Tax & Operating by L&I
Port Alberni	4,390,222	4,909,036	4,701,510	4,758,070	4,661,268
Uchucklesaht	342	1,657	1,131	1,185	963
Area B - Beaufort	197,033	177,442	185,278	228,041	219,881
Area D - Sproat Lake	1,616,057	1,081,963	1,295,601	1,178,708	1,293,800
Area E - Beaver Creek	731,487	803,622	774,768	801,403	783,004
Area F - Cherry Creek	664,860	626,281	641,712	632,593	641,084
<b>Total</b>	<b>7,600,000</b>	<b>7,600,000</b>	<b>7,600,000</b>	<b>7,600,000</b>	<b>7,600,000</b>



25

## Cost Recovery – Taxation & Apportionment

Summary of Options – Estimated Household Cost based on Average Residential Assessed Value

Jurisdiction	Average Total Residential Assessed Value 2024	Option 1: Converted Land & Improvements	Option 2: 50% Population & 50% L&I	Option 3: 30% Population & 70% L&I	Option 4: Parcel Tax	Option 5: Debt by Parcel Tax & Operating by L&I
Port Alberni	518,890	430	481	461	592	550
Area B - Beaufort	645,621	535	482	503	592	577
Area D - Sproat Lake	902,025	748	501	599	592	633
Area E - Beaver Creek	645,836	535	588	567	592	577
Area F - Cherry Creek	576,261	478	450	461	592	562

\*no tax rates are provided for Uchucklesaht as Treaty First Nations do not currently collect their requisitions by property tax



26

# Cost Recovery – Taxation & Apportionment

Summary of Options – Allocation by Class

Class	Option 1: Converted Land & Improvements	Option 2: 50% Population & 50% L&I	Option 3: 30% Population & 70% L&I	Option 4: Parcel Tax	Option 5: Debt by Parcel Tax & Operating by L&I
01 - Residential	5,800,294	5,771,535	5,783,038	6,911,137	6,618,810
02 - Utilities	117,545	112,721	114,651	33,170	55,374
04 - Major Industry	298,090	322,411	312,682	12,439	87,610
05 - Light Industry	129,635	125,397	127,093	55,085	74,704
06 - Business & Other	933,360	1,016,277	983,110	373,751	521,017
07 - Managed Forest Land	312,138	242,980	270,643	123,794	173,358
08 - Rec/Non-Profit	7,674	7,528	7,587	15,993	13,803
09 - Farm	1,263	1,150	1,195	74,632	55,324
<b>Total</b>	<b>7,600,000</b>	<b>7,600,000</b>	<b>7,600,000</b>	<b>7,600,000</b>	<b>7,600,000</b>



27

## Facility Location and Operations

- No updates to provide at this time



28



## Next Steps

- Staff to bring back report on location and service operations
- Any other topics that remain undecided today

29

# Thank you

Questions?



30