



ALBERNI-CLAYOQUOT  
REGIONAL DISTRICT

# Alberni Valley Aquatics Centre

Discussion regarding potential service establishing bylaw  
June 19, 2024



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## Goal

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



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## Today's Discussion



- Each component of a Regional District Service Establishing Bylaw will be discussed separately
- Builds off the 2018 & 2019 discussions led by Allan Neilson
- Please try to keep discussion to slide topic only and will have time at end for anything not addressed
- Determine where further discussion required
- Do not expect all to be decided today, lots of challenging discussions ahead



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## Alberni Valley Aquatic Outreach Phases



✓ Phase 1 – Needs & Benefits Assessment

✓ Phase 2 – Outreach on Options

Phase 3 – Advancing a Preferred Vision

- Possible development of a service establishing model leading to referendum



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## Current Situation

Existing Echo Pool is near end of useful life

New facility, based on feasibility study, is expensive

Change is hard!

Referendum considers moving from Municipal to Regional District model



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## Service Establishing Bylaw Requirements

The following components are required in developing a Service Establishing Bylaw:

- Determination of service participants
- Method of participating area approval
- Service definition
- Service governance in terms of voting structure
- Cost recovery methods including apportionment between participants
- Maximum amount of requisition including operating and cost of borrowing



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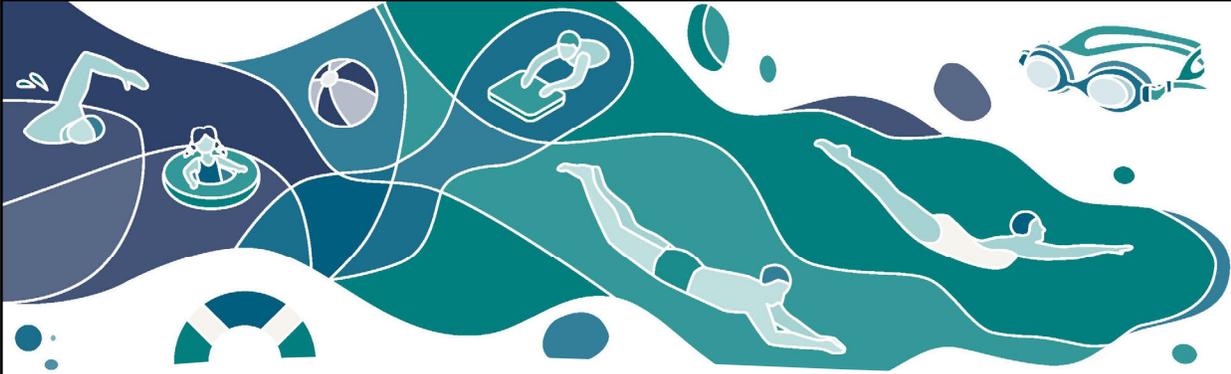
## Loan Authorization Bylaw Requirements

The following components are required in developing a Loan Authorization Bylaw:

- Construction costs
- Maximum amount to be borrowed
- Maximum term for which debentures may be issued



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## Service Participants

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



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## Referendum

- One referendum that requires participating area approval to be obtained separately for each participating jurisdiction in the proposed service area.
- If the referendum fails in any one participating area jurisdiction, then entire referendum fails.



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## Service Definition

- Aquatics only
- Not included in the service definition:
  - Alberni Valley Multiplex
  - Other parks and recreation services



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# Service Governance - Voting

Decisions related to the administration and operation of a regional district service are voted on using the 'weighted stakeholder vote'

- ✓ This voting structure would be applicable to:
  - Administration and operation of the service
- ✗ This voting structure would not be applicable to:
  - Entering contracts
  - Adopting the financial plan
  - Loan Authorization Bylaw
  - Establishing Bylaw

| Participant          | Number of Directors | Default Voting | Optional Voting |
|----------------------|---------------------|----------------|-----------------|
| City of Port Alberni | 2                   | 10             | 2               |
| B – Beaufort         | 1                   | 1              | 1               |
| D – Sproat Lake      | 1                   | 2              | 1               |
| E – Beaver Creek     | 1                   | 2              | 1               |
| F – Cherry Creek     | 1                   | 1              | 1               |
| <b>Total</b>         | <b>6</b>            | <b>16</b>      | <b>6</b>        |



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# Cost Recovery – User Rates & Other Revenue



- User fees and charges consisting of admissions and registrations.
- Capital and/or operational grants from senior levels of government or other sources.
- Contributions from non-participants in form of service agreements.
- Lease, concession, and sponsorship revenues.
- To be discussed after successful referendum.



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## Cost Recovery – Taxation & Apportionment

- The converted assessments of land and improvements is the default model of the Local Government Act when establishing services and is a widely used local government mechanism.
- Discussions to date indicate that the Directors would like to explore alternative apportionment methods.
- The coming slides outline multiple apportionment options using \$1 million dollars as an annual cost. This \$1 million is purely for illustrative purposes to show the impact of apportionment options and is not reflective of any cost estimates.

| Jurisdiction          | Average Total Residential Assessed Value 2024 |
|-----------------------|-----------------------------------------------|
| Port Alberni          | \$518,890                                     |
| Area B - Beaufort     | \$645,621                                     |
| Area D - Sproat Lake  | \$902,025                                     |
| Area E - Beaver Creek | \$645,836                                     |
| Area F - Cherry Creek | \$576,261                                     |



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## 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 | Estimated Household Cost based on Average Assessed Value |
|-----------------------|-------------------------------|------------------------------------|---------------------------------------------------|----------------------|----------------------------------------------------------|
| Port Alberni          | \$524,384,082                 | 58%                                | \$575,215                                         | \$0.110              | \$57                                                     |
| Area B - Beaufort     | \$23,773,765                  | 3%                                 | \$26,078                                          | \$0.110              | \$71                                                     |
| Area D - Sproat Lake  | \$194,991,474                 | 21%                                | \$213,893                                         | \$0.110              | \$99                                                     |
| Area E - Beaver Creek | \$88,260,289                  | 10%                                | \$96,816                                          | \$0.110              | \$71                                                     |
| Area F - Cherry Creek | \$80,221,148                  | 9%                                 | \$87,997                                          | \$0.110              | \$63                                                     |
| Totals                | \$911,630,758                 | 100%                               | \$1,000,000                                       |                      |                                                          |

\* Does not represent new aquatic centre cost estimate but used for impacts of apportionment options only



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## Cost Recovery – Taxation & Apportionment

### Option 2: Apportionment Method: Population

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

| Jurisdiction           | Population (2021 Census) | Population as % | Population Apportionment Requisition by Area | Residential Tax Rate | Estimated Household Cost based on Average Assessed Value |
|------------------------|--------------------------|-----------------|----------------------------------------------|----------------------|----------------------------------------------------------|
| Port Alberni           | 18,259                   | 71%             | \$714,470                                    | \$0.136              | \$71                                                     |
| Area B - Beaufort      | 531                      | 2%              | \$20,778                                     | \$0.087              | \$56                                                     |
| Area D - Sproat Lake*  | 1,843                    | 7%              | \$72,116                                     | \$0.037              | \$33                                                     |
| Area E - Beaver Creek* | 2,946                    | 12%             | \$115,276                                    | \$0.131              | \$84                                                     |
| Area F - Cherry Creek  | 1,977                    | 8%              | \$77,360                                     | \$0.096              | \$56                                                     |
| <b>Totals</b>          | <b>25,556</b>            | <b>100%</b>     | <b>\$1,000,000</b>                           |                      |                                                          |

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

\* Does not represent new aquatic centre cost estimate but used for impacts of apportionment options only



## Cost Recovery – Taxation & Apportionment

### Option 3: Apportionment Method: Hybrid of 50% Population and 50% Land & Improvements

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

| Jurisdiction          | Population Apportionment Requisition by Area | Converted Land & Improvements Requisition by Area | Hybrid of 50% Population and 50% Land and Improvements | Residential Tax Rate | Estimated Household Cost based on Average Assessed Value |
|-----------------------|----------------------------------------------|---------------------------------------------------|--------------------------------------------------------|----------------------|----------------------------------------------------------|
| Port Alberni          | \$714,470                                    | \$575,215                                         | \$644,843                                              | \$0.123              | \$64                                                     |
| Area B - Beaufort     | \$20,778                                     | \$26,078                                          | \$23,428                                               | \$0.099              | \$64                                                     |
| Area D - Sproat Lake  | \$72,116                                     | \$213,893                                         | \$143,005                                              | \$0.073              | \$66                                                     |
| Area E - Beaver Creek | \$115,276                                    | \$96,816                                          | \$106,046                                              | \$0.120              | \$78                                                     |
| Area F - Cherry Creek | \$77,360                                     | \$87,997                                          | \$82,678                                               | \$0.103              | \$59                                                     |
| <b>Totals</b>         | <b>\$1,000,000</b>                           | <b>\$1,000,000</b>                                | <b>\$1,000,000</b>                                     |                      |                                                          |

\* Does not represent new aquatic centre cost estimate but used for impacts of apportionment options only



## Cost Recovery – Taxation & Apportionment

Option 4: Apportionment Method: Improvements Only

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

| Jurisdiction          | Converted Improvements Only | Converted Land & Improvements as % | Converted Improvements Only Requisition by Area | Residential Tax Rate | Estimated Household Cost based on Average Assessed Value |
|-----------------------|-----------------------------|------------------------------------|-------------------------------------------------|----------------------|----------------------------------------------------------|
| Port Alberni          | \$330,936,208               | 67%                                | \$672,867                                       | \$0.128              | \$67                                                     |
| Area B - Beaufort     | \$10,988,217                | 2%                                 | \$22,341                                        | \$0.094              | \$61                                                     |
| Area D - Sproat Lake  | \$60,244,631                | 12%                                | \$122,491                                       | \$0.063              | \$57                                                     |
| Area E - Beaver Creek | \$48,520,314                | 10%                                | \$98,653                                        | \$0.112              | \$72                                                     |
| Area F - Cherry Creek | \$41,140,854                | 8%                                 | \$83,648                                        | \$0.104              | \$60                                                     |
| <b>Totals</b>         | <b>\$491,830,224</b>        | <b>100%</b>                        | <b>\$1,000,000</b>                              |                      |                                                          |



\* Does not represent new aquatic centre cost estimate but used for impacts of apportionment options only

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## Cost Recovery – Taxation & Apportionment

Option 5: Apportionment Method: Taxable Parcels (Folios)

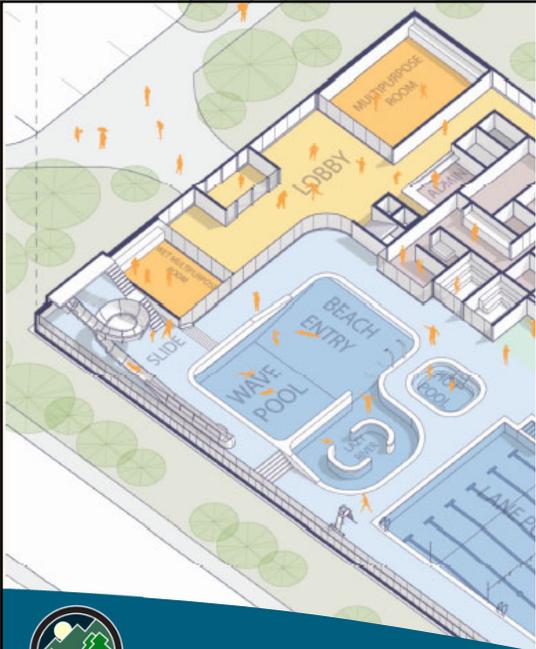
Tax Base: Parcel Tax

| Jurisdiction          | Parcel by Area | Parcel as % | Parcel Tax Apportionment by Area | Annual Parcel Tax Amount |
|-----------------------|----------------|-------------|----------------------------------|--------------------------|
| Port Alberni          | 8,034          | 63%         | \$626,189                        | \$78                     |
| Area B - Beaufort     | 385            | 3%          | \$30,008                         | \$78                     |
| Area D - Sproat Lake  | 1,990          | 16%         | \$155,105                        | \$78                     |
| Area E - Beaver Creek | 1,353          | 11%         | \$105,456                        | \$78                     |
| Area F - Cherry Creek | 1,068          | 8%          | \$83,242                         | \$78                     |
| <b>Totals</b>         | <b>12,830</b>  | <b>100%</b> | <b>\$1,000,000</b>               |                          |



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## Facility Construction Costs

- 2024 estimated construction cost = \$68 million
- Preliminary Class D level estimate +/- 25%
- Excludes purchase of land (if necessary)
- Consultants recommend adding \$10 million if construction estimated to start in 2026 due to estimated inflation



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## 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.



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# Facility Location and Operations

- No location has been chosen
  - Does not need to be decided for Establishing Bylaw however important factor in costing
- Future operations of the Aquatic Centre needs further discussion as ACRD will have ownership over new facility
- Recommend further ACRD and City of Port Alberni staff discussions prior to Director discussion on this topic



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A large, abstract graphic of a whale or dolphin, rendered in various shades of blue and green. The graphic is stylized with white outlines and is positioned horizontally across the top half of the slide. Below the graphic, there is text and a question.

Any Topics Missed?

Are there any topics related to the establishment of the Aquatics Service that have been missed that the Directors would like to discuss today?



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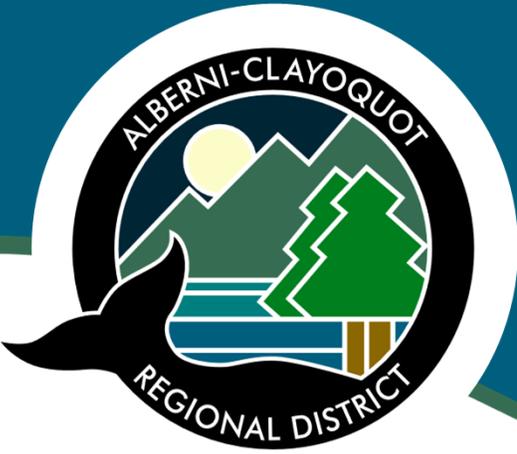
## Next Steps

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

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# Thank you

Questions?



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