

# General Regulation, BC Reg 183/59

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## Enabled Regulations

Local Services Act, RSBC 1996, c 276 4 Regulations

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B.C. Reg. 183/59

O.C. 1171/59

## Local Services Act

### General Regulation

**Note:** Check the Cumulative Regulation Bulletin 2012 and 2013  
for any non-consolidated amendments to this regulation that may be in effect.

[includes amendments up to B.C. Reg. 4/2010, January 14, 2010]

Whereas it is considered desirable and expedient that community planning be available throughout the  
Province of British Columbia to ensure orderly development;

And whereas, pursuant to the provisions of the *Local Services Act*, the Lieutenant Governor in Council may, upon the recommendation of the minister, establish any area of the Province not incorporated as a city, town, village or district municipality as a local area for the preparation of community plans by the application of Divisions (1) and (6) of Part XXI of the *Municipal Act*<sup>1</sup> and the regulation of land use, zoning, subdivision control and the construction of buildings or structures of any kind by the application of Divisions (2), (3), (4) and (5) of Part XXI of the *Municipal Act*<sup>1</sup>;

And whereas pursuant to the provisions of the *Town Planning Act*<sup>2</sup>, certain areas of the Province were established as regulated areas for the purpose of community planning;

And whereas under the provisions of the *Local Services Act*, certain areas of the Province were established as local areas for the purpose of community planning;

And whereas the said regulated areas and local areas should be included within the local area established by this order;

**1** Pursuant to sections 2 (a) and (k) and 3 of the *Local Services Act*, all those lands lying within the territorial limits of the Province of British Columbia, save and except those portions thereof which lie within the corporate limits of a city, town, village or district municipality are established as a local area under the name of "Provincial Community Planning Local Area" for the following purposes:

- (a) the preparation of community plans by the application of Divisions (1) and (6) of Part XXI of the *Municipal Act*<sup>1</sup>;
- (b) the regulation of land use, zoning, subdivision control and construction of buildings or structures of any kind by the application of Divisions (2), (3), (4) and (5) of Part XXI of the *Municipal Act*<sup>1</sup>.

**2** The minister may designate any area of the said Provincial Community Planning Local Area as a community planning area wherein regulations for community planning may be imposed and may extend, alter or dissolve such community planning areas and may merge two or more such community planning areas.

[am. B.C. Reg. 4/2010, s. 2.]

**3** The regulations authorized to be imposed by the said minister in any such community planning area shall be deemed to be those authorized under Divisions (1) to (6), inclusive, of Part XXI of the *Municipal Act*<sup>1</sup>, and the minister may make specific regulations for each community planning area.

**4–5** Spent.

6 The Zoning Board of Appeal of each of the said regulated areas or local areas is hereby dissolved and reconstituted the Zoning Board of Appeal of the corresponding community planning area established under this order, and the members of the said Zoning Board of Appeal shall continue in office until the expiry of the term of their respective appointments.

7 The Zoning Boards of Appeal of the said re-established community planning areas shall have the duties and powers of Zoning Boards of Appeal constituted pursuant to the provisions of Division (3) of Part XXI of the *Municipal Act*<sup>3</sup>.

1. References are to Divisions (1) to (6) of Part XXI of S.B.C. 1957, c. 42.
2. Reference is to *Town Planning Act*, R.S.B.C. 1948, c.339
3. Reference is to Division (3) of Part XXI of S.B.C. 1957, c. 42.

[Provisions of the *Local Services Act*, R.S.B.C. 1996, c. 276, relevant to the enactment of this regulation: sections 2 and 3]

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## Ministry of Community, Sport and Cultural Development

**BRIEFING NOTE FOR MINISTER**

Ref #: 157563

**FOR DECISION****Date:** March 16, 2015**Title:** Funding fire protection services for market-housing properties at the University of BC (UBC).

**Issue:** The Ministry of Community, Sport and Cultural Development (CSCD) is in the unique position of funding fire services for the University Endowment Lands (UEL) and UBC. This note provides information on the provision of fire services for UEL / UBC and provides options for recovering costs from UBC's market-housing properties.

**Background:**

On August 5, 2014, the Cabinet Working Group for Core Review (CWGCR) directed the CSCD Minister to proceed with cost recovery from UBC neighbourhoods for fire services.

There are two main aspects to UBC lands: the academic/institutional campus; and the five intensively-developed residential neighbourhood areas. The University Neighbourhood Association (UNA) represents residential areas on campus (see map in Appendix 1).

When the 1995 fire services contract was signed between the Province and the City of Vancouver, there were few market-housing properties on UBC lands and the contract did not contemplate cost recovery from the small non-academic population. Since the contract was established, UBC has proceeded with a land development program that has now created market-housing for 9,000 residents. These residents are required to pay property taxes, but the Province has not yet established a mechanism to recover fire service costs from this growing population.

<b>Mandate Considerations:</b> Part of Core Review direction.	<b>LNG:</b> N/A
<b>Fiscal Considerations:</b> Cost recovery would increase provincial revenues by ~\$900k /year.	<b>FN:</b> N/A

**Discussion:**

- Fire services for UBC and UEL are funded by CSCD and provided through a ~\$6 million/year contract with the City of Vancouver (expires 2094). On a per capita basis, fire service contract costs break down as follows:

	UEL	UNA Residents*	UBC Institution**	Total
2014 Population	4,000	9,000	51,000	64,000
% of Costs	6%	14%	80%	100%
\$ Share of Costs	~\$400k	~\$900k	~\$4.7 million	~\$6 million

\* "UNA Residents" refers to residents living in market housing within UNA's neighbourhood areas

\*\* "UBC Institution" represents full-time equivalent students, faculty and staff

- On a per capita basis, the Province recovers the full costs of providing fire protection for the UEL.

Hi Michael,

Thank you for meeting with us to discuss fire protection funding for UBC's campus residential neighbourhoods and for your follow up email that outlined the UBC Services Levy and other issues.

As you are aware, in terms of local governance the UEL and UBC are anomalies in British Columbia. These urban areas remain unincorporated and have operated without the benefits and authorities provided by municipal incorporation. In order to deliver municipal-type service levels, these areas have established unique governance structures, property taxation and service systems that are unparalleled in BC. While the general consensus is that the overall system has been adequate, there are certain challenges and issues that the Province would like to resolve. The current priority is funding for fire protection service. The Province would like to work with UBC to establish a funding mechanism for fire protection that would put UBC's market-housing residents on parallel footing with the rest of British Columbia.

UBC's residents are in the unique position of receiving high quality fire protection provided by the City of Vancouver, but unlike the UEL or BC's other unincorporated areas, there is no additional levy to fund this service. Fire protection costs for UBC's residents are currently being subsidized through other provincial revenue sources. The Province would like to resolve this inequity and begin to recover costs for providing this service to UBC's market-housing residents.

The following should address the questions you asked in your email and help explain why the Province is pursuing this change. Under the authority of the *University Endowment Lands Act*, UEL residents pay a higher general rural tax levy to fund municipal-type services provided by the UEL administration or other service provider. UEL's higher rate generates revenue which is used to fund their fire protection costs. While UBC residents receive the same fire service, they are not currently levied a higher rate necessary to fund their service. Instead UBC campus residents pay BC's standard rate for the general rural levy. For 2015, the Class 1 general residential rural rate for UEL is set 52% higher than UBC's (UEL 0.8682 vs UBC 0.5700).

UBC residents are levied the same general rural rate as residents in BC's other unincorporated areas; however, residents in unincorporated areas that receive community fire protection also pay an additional separate fire levy to fund this service. This levy is usually established through their regional district and collected on behalf of the regional district by the Province's Surveyor of Taxes. The fire levy is typically set at a rate that fully funds operating costs for community fire protection. Therefore, UBC's residents are charged neither a higher general rural levy, as in the case of the UEL, nor a separate fire levy, as is standard practice for BC's unincorporated areas that receive community fire protection.

In terms of how the general rural levy is used by the Province, this tax is collected from BC's unincorporated areas and deposited into the Province's consolidated revenue fund. This revenue is generally considered to help fund rural services that are the responsibility of the Province such as maintenance for public secondary roads (does not include highways or private roads). This tax only offsets a portion of these service costs; the remainder is funding through other provincial sources. With the exception of the UEL, the general rural tax is not specially allocated for each service cost in a taxation jurisdiction.

In the preliminary analysis, fire protection costs between the UEL, UBC's academic areas, and UBC's campus residential neighbourhoods have been apportioned based per capita costs using the service area's daytime population. The Province's fire protection costs for the UEL and UBC are approximately \$6,000,000 annually. On a per capita basis, fire costs break down as follows:

	UEL	UNA Residents*	UBC Institution**	Total
2014 Population	4,000	9,000	51,000	64,000
% of Costs	6%	14%	80%	100%
\$ Share of Costs	~\$400k	~\$900k	~\$4.7 million	~\$6 million

\* "UNA Residents" refers to residents living in market housing within UNA's neighbourhood areas

\*\* "UBC Institution" represents full-time equivalent students, faculty and staff

A parcel formula is another approach that could be used to allocate costs (i.e. a single amount for each parcel). The 2014 assessment roll shows almost 3,000 residential folios for UBC and approximately 1,200 residential folios for UEL. Both areas also contain a small percentage of other property classes. Allocating costs using a parcel formula could result in higher fire service costs for UBC's residents.

For BC's other universities, fire protection service is provided and funded by municipal governments. Since universities are property tax exempt, municipalities must supplement the foregone property tax through other sources (e.g. distribute the university's fire protection costs across the remaining taxable properties). If this conventional approach was used to fund fire service for the UEL and UBC, it could mean more than a \$6,000,000 tax burden for the area's taxable properties. Distributing fire costs over the area's relatively small taxation base could represent approximately \$420-\$500 per person annually, which is more than \$1,000 in additional annual property taxes for the average UBC market-housing property. Given the magnitude of such a levy, the Province does not believe it is in the best interest of local tax payers to use local property taxes to fully fund the area's fire protection costs. An alternative funding model is required.

The Province proposes to work with UBC to establish a mechanism whereby UBC's taxable properties fund their share of local fire protection costs. The goal of this change is to bring UBC's neighbourhood residents in line with the rest of BC's unincorporated areas (i.e. residents' fire protection is funded through local sources, not provincial). Under this proposal, the

Province will continue to use other provincial revenue sources to fund fire costs for UBC's academic areas. If a mechanism is established for UBC's residents to fund their share of fire costs, then this will ensure that fire protection levels can continue unchanged. The Province is interested in exploring the opportunity to enter into a General Service Agreement with UBC to recognize and fund the fire protection service for UBC's campus neighbourhood residents.

The Province generally believes the City of Vancouver has been providing high quality fire protection service to the UEL and UBC. Since there are no significant issues with the City's provision of fire service, the Province is not planning to amend the 1995 contract.

Given how the UNA Service Levy is calculated, funding fire protection should not increase residents' overall property tax rate as it should still be equivalent to the City of Vancouver rate. However, UNA's annual budget may be impacted. Using a per capita formula, UBC's neighbourhood residents' share of costs is approximately \$900,000 annually. This expense would represent approximately 9% of the total residential tax rate, which is in line with the average percentage of municipal budgets allocated for operating fire protection service.

The Province recognizes that the move to put UBC's residents on parallel footing as BC's other residents will require considerable work and cooperation. At this initial stage I propose that our efforts focus on building a foundation of shared understanding on this issue. My staff can assist with any further information or questions that you may require. Please contact Chris Jensen, Senior Policy Analyst, directly for any supporting information. He can be reached at 250-356-8737 or [Chris.Jensen@gov.bc.ca](mailto:Chris.Jensen@gov.bc.ca).

As I indicated in our first meeting, I plan to reach out to colleagues in other ministries, such as the Ministry of Transportation and Infrastructure, to discuss other service issues of particular interest to UBC. Prior to doing so, I would like to get a better understanding of these issues. Are you available over the next two weeks to connect on the phone? If you are I'll have my staff work with your staff to find a suitable time for us. In the meantime, please feel free to contact Chris discuss any project elements.

Thank you for your participation on this initiative. I look forward to working together over the coming months.

## **UBC FIRE SERVICES - OVERVIEW**

### **Background:**

- UBC is located in Metro Vancouver Electoral Area 'A', an unincorporated area. It is the only university in BC not within municipal boundaries.
- The absence of a municipal government in an urban environment has led to a unique municipal-service delivery system including the Province funding community fire protection services.
- The UBC campus has two main aspects:
  - the academic/institutional campus; and
  - five intensively-developed residential neighbourhoods that are represented by the University Neighbourhoods Association (UNA), a UBC-initiated society.
- UBC's daytime population totals approximately 60,000. This represents students, faculty, staff and residents.
- The UNA is home to approximately 10,000 residents who live in market-housing (i.e. not campus student beds).
- UBC lands are provided to UNA's market-housing residents through long-term leases (e.g. 99-year term).
- Leases provide for a Service Levy which is used by the UNA to provide for municipal-type services such as landscaping and the community centre.

### **Property Tax and Service Levy**

- UBC academic lands have a statutory exemption from property taxes.
- UNA residents have a special property tax arrangement: they pay the provincial *Taxation (Rural Area) Act* residential tax rate, other property taxes (e.g. School, Translink) and a UBC Service Levy.
- Provincial taxes are levied and collected by the Provincial Surveyor of Taxes.
- The Service Levy is collected by UBC.
- The Service Levy is set to the difference between the City of Vancouver general tax levy and the levies collected by the Provincial Surveyor of Taxes.
- This calculation results in a total UNA property tax rate that is equivalent to City of Vancouver residential rate.
- UBC's commercial tenants pay a General Municipal Services Levy to UBC which is similar, but distinct, from the Service Levy paid by residents.
- The 'Neighbours Levy' is made up of the Service Levy applied to residential leaseholders and the General Municipal Service Levy applied to Commercial or rental tenants.
- After UBC makes deductions for some services (e.g. athletics and utilities), levies are deposited into the Neighbour's Fund and are used by the UNA to provide municipal-like services within the UNA.
- The 2015/16 projected Neighbours Levy revenue is \$3.6 million; remaining revenue comes from user fees and grants.
- The UNA's 2015/16 operating budget totals \$4.7 million.
- For comparison, the 2014/15 gross taxes levied by the Provincial Surveyor of Taxes for UBC's residential and commercial tenants is projected to total \$7.4 million. School tax represents the majority of this revenue. Net revenue after the Home Owners Grant deduction is \$6.4 million.
- Of this total, approximately \$1.6 million is generated by the Province's general residential rural tax.
- This tax was established to help offset provincial costs for providing local services (e.g. police and local roads); however, it is not intended to fund community fire protection.

### **Fire Protection:**

- Fire protection service for UBC, UNA and University Endowment Lands (UEL) is paid by the Ministry of Community, Sport and Cultural Development (CSCD) and provided through a contract with the City of Vancouver (expires 2024). Annual contract costs are approximately \$7 million.

- Based on daytime population, fire protection costs can be allocated as follows:
  - UBC institution (i.e. students, staff and faculty) represents 80% of the population or ~\$5.6 million of contract costs;
  - UNA represents 14.5% or ~\$1 million; and,
  - UEL represents 5.5% or ~\$400k.
- The Province already recovers the full costs of providing fire protection on the UEL (actual amount recovered in 2014/15 was \$420,000).
- This recovery occurs under the authority of the *University Endowment Lands Act* and is collected through the *Taxation (Rural Area) Act*.
- Unlike the UEL, UBC and UNA do not directly pay a specific portion of their annual fire protection costs (unrecovered total ~\$6.6 million).

#### **Fire Services in Unincorporated Areas**

- In general, municipalities service universities and must supplement the forgone property tax through other means.
- Like BC's other universities, fire service is provided to UBC and the university does not directly contribute for this service.
- In other unincorporated areas in BC, residents pay an additional levy for fire services through a regional district or improvement district.
- To bring UNA in line with UEL and BC's unincorporated areas, UNA residents should pay their share of the costs of providing fire services (i.e. ~\$1,000,000 annually).

## Ministry: Community, Sport and Cultural Development

**Initiative Title and Description:** Recover more of the costs incurred by the provincial government for fire services to the University of BC (e.g. at least equivalent to the cost of providing service to the UBC neighbourhoods).

**Projected Savings:** Through a 99 year contract (signed in October 1995), the City of Vancouver provides fire protection services to the University of British Columbia (UBC) and the University Endowment Lands (UEL). MCSCD makes bi-weekly contract payments that are adjusted each year for increases in firefighters' salary and benefits, operations costs and overhead. The net cost of providing fire protection services to UBC for the next three fiscal years is \$5.9, \$6.0 and \$6.2 million, based on historical trends. The cost of fire protection services to the University Endowment Lands (UEL), which is under provincial jurisdiction, is \$420,000 and is recovered from UEL residents through property taxes (*the UEL portion is not included in the estimates below*).

s.12,s.13,s.17

### Additional Information:

#### Background

- UBC's 53,000 population comprises the academic campus and 5 intensively-developed neighbourhoods (approx. 8000 permanent residents). For historic reasons, UBC is the only university in BC located within a "rural" area of a regional district (Metro Vancouver), not within an incorporated municipality. The University provides services to its lands much like a strata corporation to a condominium, and delivers those services directly or by relying on other bodies. The UEL (population approx. 4000) is also an unincorporated area within Metro Vancouver, but is directly governed/administered by the Province (MCSCD) with some municipal-like powers (i.e. taxation).
- Currently fire services are provided to the UEL, the UBC academic campus and the UBC neighbourhoods through a \$5.9 million MCSCD contract with City of Vancouver; approximately 7% of the costs are recovered through UEL property tax; none of the UBC campus or neighbourhood costs are recovered. UBC neighbourhoods represent approximately 14% of the population being served.
- UBC does impose a service levy on properties in the UBC neighbourhoods but does not provide any of that money to the Province for fire services.
- Like BC's other universities, fire service is provided to UBC lands and the university does not directly contribute to this service. However, in UBC's case, the costs for this service are borne by the Province, not a local government (i.e. UBC residents do not pay municipal taxes nor any fire services levy through a regional district or improvement district).

#### Risks & Implications

s.13

**Contact Name:** Julian Paine, Assistant Deputy Minister, Local Government Division

**Contact Phone Number:** (250)387-5312

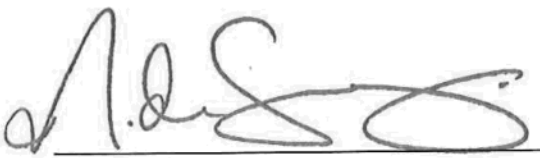
**PROVINCE OF BRITISH COLUMBIA**  
**ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL**

Order in Council No. 209 , Approved and Ordered April 16, 2014

  
Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the Taxation (Rural Area) Act Regulation, B.C. Reg. 387/82, is amended as set out in the attached Schedule.

  
Minister of Finance

  
Presiding Member of the Executive Council

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*(This part is for administrative purposes only and is not part of the Order.)*

Authority under which Order is made:

Act and section: Taxation (Rural Area) Act, R.S.B.C. 1996, c. 448, s. 20

Other: OIC 1586/82

April 8, 2014

R/308/2014/27



## SCHEDULE

- 1** Sections 5 and 6 of the *Taxation (Rural Area) Act Regulation, B.C. Reg. 387/82*, are repealed and the following substituted:

### Variable tax rate – general

- 5** For the purposes of section 20 of the Act, in all areas of British Columbia except the Peace River Regional District, the tax rates for 2014 and subsequent tax years are the amounts set out in column 2 of the following table to be applied against each \$1 000 of actual value of property in the appropriate class set out opposite in column 1:

**Table**

Column 1 Class	Column 2 Rate for 2014 and subsequent years \$
1 Residential	0.56
2 Utilities	3.82
3 Supportive housing	0.10
4 Major industry	5.34
5 Light industry	2.91
6 Business and other	2.91
7 Managed forest land	0.56
8 Recreational property/non-profit organization	0.94
9 Farm	0.52

### Variable tax rate – Peace River Regional District

- 6** For the purposes of section 20 of the Act, in the Peace River Regional District, the tax rates for 2014 and subsequent tax years are the amounts set out in column 2 of the following table to be applied against each \$1 000 of actual value of property in the appropriate class set out opposite in column 1:

**Table**

Column 1 Class	Column 2 Rate for 2014 and subsequent years \$
1 Residential	0.56
2 Utilities	4.34
3 Supportive housing	0.10
4 Major industry	5.86
5 Light industry	3.43
6 Business and other	2.91
7 Managed forest land	0.56
8 Recreational property/non-profit organization	0.94
9 Farm	0.52

**UBC FIRE SERVICES**

**History/Context:**

- UBC is located in Metro Vancouver Electoral Area 'A', an unincorporated area. It is the only university in BC not within municipal boundaries.
- The absence of a municipal government in an urban environment has led to the unique situation of the Province funding fire protection services.
- UBC's daytime population totals approximately 60,000. This represents students, faculty, staff and residents.
- The UBC campus has two main aspects:
  - the academic/institutional campus; and
  - five intensively-developed residential neighbourhoods that are represented by the University Neighbourhoods Association (UNA); a UBC-initiated society.
- The UNA is home to 9,300 residents who live in market-housing (i.e. not campus student beds).
- An agreement between UBC and the UNA sets out that for the neighbourhood areas, the UNA will provide community oversight for municipal type services such as landscaping and the community centre.

**Fire Protection Costs:**

- Fire protection service for UBC and UEL is paid for by the Ministry and provided through a ~\$6.2 million contract with the City of Vancouver (expires 2094).
- Based on daytime population, fire protection costs can be allocated as follows:
  - UBC institution (i.e. students and faculty) represents 80% of the population or ~\$4.9 million of contract costs;
  - UNA represents 14% or ~\$900,000; and,
  - UEL represents 6% or ~\$400,000.
- Through property taxes, the Province recovers the full costs of providing fire protection on the UEL (actual recovered 2013/14 was \$420,000).
- UBC and UNA do not pay any portion of their annual fire protection costs (unrecovered total ~5.8 million).

**Property Tax:**

- Universities have a statutory exemption from paying property taxes; however, UNA residents are not exempt and therefore pay Provincial rural area taxes under the *Taxation (Rural Area) Act*.
- In general, municipalities service universities and must supplement the forgone property tax through other means (e.g. fees).
- In UBC's case, the costs for fire protection are borne by the Province; not a municipality.
- There are four instances where the Province provides a grant-in-lieu to municipalities to help offset all service costs. In 2011/12 a total of \$520,000 was divided across municipalities who are host to SFU, UVIC, UNBC and Royal Roads.
- In contrast, CSCD funded \$5.8 million for fire service alone for UBC.
- The rural area tax collected from UNA residents provides annual revenue to the Province of approximately \$1.5 million.
- The purpose of the rural area tax is to help offset costs for the Province's provision of local services in rural areas (e.g. police and roads). However, it is not meant to fund community fire protection.
- In other unincorporated areas in BC, residents pay an additional levy for fire services through a regional district or improvement district.
- To bring UNA in line with UEL and BC's unincorporated areas, UNA residents should pay their share of the costs of providing fire services (~\$900,000).

**UNA:**

- UBC lands are provided to UNA's market-housing residents through long term leases (i.e. not fee simple lots)
- Lease agreements contain a unique tax arrangement for UNA residents:
  - Residents pay the normal taxes payable by rural residents in Metro Vancouver, which are levied and collected by the Provincial Surveyor of Taxes.
  - In addition, the lease agreements provide for the payment of an annual Service Levy to UBC which is set to the difference between the City of Vancouver general property tax rate and the provincial *Taxation (Rural Area) Act* rates.
- These funds in turn are deposited into the UNA's Neighbours Fund and are used for operating the UNA.
- The Service Levy represents approximately 34% of residents' annual property tax and provides the UNA an estimated budget approximately \$4 million.
- Due to the structure of the Service Levy, recovering for fire service costs would result in no net tax increase for UNA residents.
- Recovering costs for fire protection would reduce funds available to the UNA to provide for other community services (e.g. community centre).

## CORE REVIEW BACKGROUNDER

### UBC FIRE SERVICES

#### History/Context:

- UBC is located in Metro Vancouver Electoral Area 'A', an unincorporated area. It is the only university in BC not within municipal boundaries.
- The absence of a municipal government in an urban environment has led to the unique situation of the Province funding fire protection services.
- UBC's daytime population totals approximately 60,000. This represents students, faculty, staff and residents.
- The UBC campus has two main aspects:
  - the academic/institutional campus; and
  - five intensively-developed residential neighbourhoods that are represented by the University Neighbourhoods Association (UNA), a UBC-initiated society.
- The UNA is home to 9,300 residents who live in market-housing (i.e. not campus student beds).
- An agreement between UBC and the UNA sets out that for the neighbourhood areas, the UNA will provide community oversight for municipal-type services such as landscaping and the community centre.

#### Fire Protection Costs:

- Fire protection service for UBC, UNA and UEL is paid by the Ministry and provided through a ~\$6.2 million contract with the City of Vancouver (expires 2094).
- Based on daytime population, fire protection costs can be allocated as follows:
  - UBC institution (i.e. students and faculty) represents 80% of the population or ~\$4.9 million of contract costs;
  - UNA represents 14% or ~\$900,000; and,
  - UEL represents 6% or ~\$400,000.
- Through rural property taxes, the Province recovers the full costs of providing fire protection on the UEL (actual amount recovered in 2013/14 was \$420,000).
- UBC and UNA do not pay any portion of their annual fire protection costs (unrecovered total ~\$5.8 million).
- The recommendation to cost recover approximately \$900,000 for UNA's share of fire service costs represents 7.4% of residents' total property tax burden. This is in line with municipal expenses in BC (an average 8% of municipal budgets are used to fund fire protection services).

#### Property Tax:

- Universities have a statutory exemption from paying property taxes; however, UNA residents are not exempt and therefore pay Provincial rural area taxes under the *Taxation (Rural Area) Act*.
- In general, municipalities service universities and must supplement the forgone property tax through other means (e.g. fees).
- In UBC's case, the costs for fire protection are borne by the Province, not a municipality.
- There are four instances where the Province provides a grant-in-lieu to municipalities to help offset all service costs. In 2013/14 a total of \$520,000 was divided across municipalities who are host to SFU, UVIC, UNBC and Royal Roads.
- In contrast, CSCD funded \$5.8 million for fire service alone for UBC.
- The rural area tax collected from UNA residents provides annual revenue to the Province of approximately \$1.5 million.
- The purpose of the rural area tax is to help offset costs for the Province's provision of local services in rural areas (e.g. police and roads). However, it is not meant to fund community fire protection.
- In other unincorporated areas in BC, residents pay an additional levy for fire services through a regional district or improvement district.

- To bring UNA in line with UEL and BC's unincorporated areas, UNA residents should pay their share of the costs of providing fire services (~\$900,000).

#### UNA:

- UBC lands are provided to UNA's market-housing residents through long term leases (i.e. not fee simple lots).
- Lease agreements contain a unique tax arrangement for UNA residents:
  - Residents pay the normal taxes payable by rural residents in Metro Vancouver, which are levied and collected by the Provincial Surveyor of Taxes.
  - In addition, the lease agreements provide for the payment of an annual Service Levy to UBC which is set to the difference between the City of Vancouver general property tax rate and the provincial *Taxation (Rural Area) Act* rates.
- These funds in turn are deposited into the UNA's Neighbours Fund and are used for operating the UNA.
- The Service Levy represents approximately 34% of residents' annual property tax and provides the UNA an estimated budget of approximately \$4 million.
- UNA's \$4 million budget is substantial considering their population size (9,300), the scope of their responsibilities and that many municipal-type services are funded by other bodies (e.g. fire, police, major roads).
- For comparison, municipalities with similar a population size as the UNA (e.g. View Royal) have annual budgets that average \$16 million (median \$12 million). This budget provides for all municipal services.
- Due to the structure of the Service Levy, recovering for fire service costs would result in no net tax increase for UNA residents.
- Recovering costs for fire protection would reduce funds available to the UNA to provide for other community services (e.g. community centre).

## CORE REVIEW BACKGROUNDER

### Provincial Costs on the Peninsula (Roads, Fire, Policing)

#### Rural Property Taxes

- Both UEL and UBC are unincorporated areas (part of Metro Vancouver's Electoral Area A) and as such they pay rural property taxes, collected by the Surveyor of Taxes on behalf of the Province. The rural taxes for both areas include the rural police tax which is an identified tax item to fund a component of local police costs and a general rural property tax. Typically general rural taxes go to funding local services, primarily police and roads.

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#### Estimated Provincial Service Costs

##### **Police**

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s.13,s.17 with the Province paying 70 percent of this amount and the federal government funding the balance.

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s.13,s.17 Residents of both areas pay a portion of police costs through the rural police tax and additionally a proportion of the general rural property tax goes towards police costs. There is, however, no set approach for allocating police costs from these various revenue streams or between different local areas within the larger EA.

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For the UEL the situation is different in that the general rural tax primarily goes to fund the operation of the UEL, which includes the cost of administering, operating and maintaining local roads, sewers, storm drains, plus a share of the fire service costs. No contribution towards policing is formally included in the UEL budget process used to calculate the general rural tax rate for UEL.

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## Fire Services

- Fire protection for UBC and UEL is provided under contract by the City of Vancouver and is paid for by the Province. In 2013 the cost for this service was \$6.24 million.
- UEL pays a share of fire service costs; the amount based on its resident population of about 4,000 (compared to the 24-hour UBC population of residents plus commuting faculty, staff and students of about 55,000), results in a UEL share of close to 7 percent<sup>2</sup> or \$420,000, funds for which are generated through the UEL Rural Property Tax.
- UBC (including UNA residents) does not pay anything for fire services, resulting in the Province paying an estimated \$5.8 million per year. Many other unincorporated areas have a line item in their rural property taxes to fund fire protection services.

**Table 2 –Fire Costs**

Total Costs	\$ 6,240,000
Provincial Share (100%)	\$ 6,240,000
Less Local Contributions	
UEL	\$ 420,000
UNA	na
<b>Net Provincial Costs</b>	<b>\$ 5,820,000</b>

## Major Roads

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## **ALLOCATING UEL POLICING COSTS – POTENTIAL APPROACHES, FACTORS & CONSIDERATIONS**

### **Taxation (Rural Area) Act**

- UEL's budget, which doesn't include police costs, commits all of the revenue collected under *Taxation (Rural Area) Act*. In other unincorporated areas in Metro Vancouver, this revenue is available to the Province to fund local services such as police and major roads.

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- Most of Point Grey's police costs are for servicing the UBC campus. This creates a significant funding gap in the area because the university is exempt from paying property taxes.
- UBC's tax exemption s.13,s.17

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- UEL residents pay a higher general rural area tax rate than residents in other unincorporated area of Metro's Electoral Area A (UEL was 0.8527 vs other 0.5500).
- UEL has a higher rate to offset costs for fire protection services and UEL administration.
- All of the general rural area tax revenue collected in the UEL is used for UEL administration (2013/14 total rural area tax collected was \$2,725,000).

### **Police Tax**

- Residents in both the UEL and UBC pay the same Police Tax rate. In 2013/14, the rate was 0.0881 per \$1,000 assessed value and generated a total of \$234,101 from the UEL and \$280,402 from UBC's market-housing residents.
- Average home values in the UEL are substantially higher compared to UBC homes (The average assessed value for all general residential dwellings (e.g. single-family, strata) is \$2.3 million for UEL, \$900,000 for UBC's market-housing).
- Due to the difference in property values, UEL provides approximately \$68 per capita in Police Tax while UBC provides approximately \$25 per capita.

### **Service Levy**

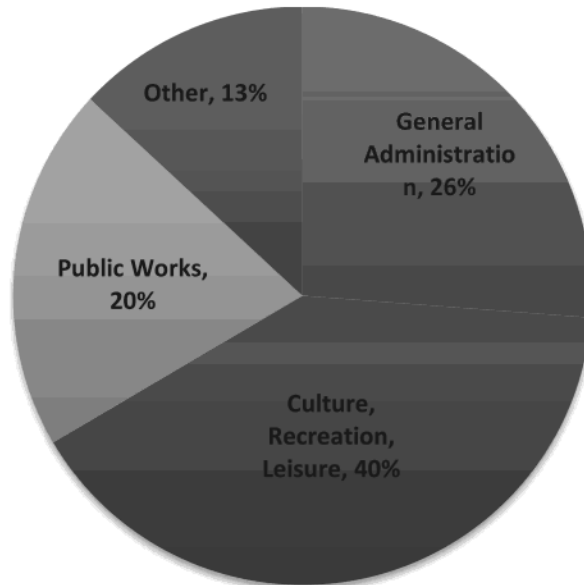
- While the UEL's general rural area tax is 55% higher than the standard rural rate, their total property tax rate is lower than what UBC residents pay (2.842 vs 3.7927).
- The higher total tax rate in UBC is due to the addition of UBC's Service Levy. Through lease agreements, residents in UBC pay an additional service level that is used by the University Neighbourhood Association to provide for some municipal-type services (e.g. community centre). None of the Service Levy is shared with the Province.
- The addition of the UBC Service Levy makes the total residential property tax rate almost equivalent to the City of Vancouver property tax rate (3.7935).
- If UBC did not charge the Service Levy, then total property tax rate paid by UBC residents would be lower than UEL's.

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## UNA Budget vs Average Municipal Budget

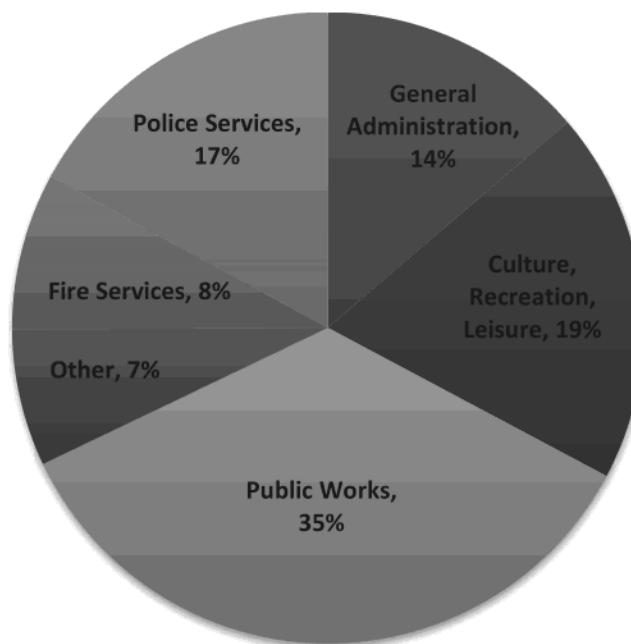
Comparison of UNA's 2014/15 budget vs. average municipal budget in BC. If fire service costs reduce UNA's available budget, then these municipal-like services may be impacted. UNA's 2014/15 total budget is approximately \$4.2 million.

### UNA 2014/15 Budget\*



\* UNA's budget does not include policing expenses because these are paid by residents directly to the Province's Surveyor of Taxes.

### Average Municipal Budget in BC



## Strategy to Cost Recover for UBC Fire Services– Oct 2014

**Issue:** Identify and evaluate options and processes for recovering costs for providing fire protection service to UBC neighbourhoods.

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This strategy identifies key elements, timing and core work needed to recover costs for providing fire service protection to UBC neighbourhoods.

### **Decisions Required:**

2 key decisions are ultimately needed from government:

- *What type of mechanism should be used to recover costs (AVED/FIN/CSCD Ministers)*
- *Should there be an engagement process (i.e. with UBC and the community) (CSCD Minister)*

### **Key Considerations, Interests and Linkages:**

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Ministry: Community, Sport and Cultural Development			
Decision	Status	Has the Decision Been Communicated Publicly	If not, please comment on potential timing for announcement
Provincial Capital Commission	Complete	Yes	

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DUPLICATE

## Funding Fire Protection Service for UBC's Market-Housing Properties.

### Overview of Cost Recovery Options:

- 1) **Establish a General Services Agreement with UBC:** Negotiate a general services agreement with UBC for the provision of fire protection services to their market-housing properties.
- 2) **Taxation (Rural Area) Act:** Section 20 (2)(d) provides authority to set different tax rates for different areas. Under this section, the Province would set a special general residential rural rate for UBC's neighbourhood areas.
- 3) **Local Services Act:** Provides general authority for the Province to establish a local service area and the Provincial Surveyor of Taxes to collect levies for the provision of the service.

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### Options - Pros & Cons

Note: Under UBC's long-term lease agreement for their market-housing properties, residents agree to be charged a University Neighbourhood Association (UNA) Service Levy *"...for the use of certain services, sometimes provided by municipalities or other public authorities..."*. Due to how the UNA Service Levy is calculated, none of the options should impact residents' total property tax rate. Fire costs should be netted off the UNA Service Levy (i.e. reduce UNA's budget).

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#### 1) General Services Agreement

Negotiate a general services agreement with UBC for the provision of fire protection services to their market-housing properties. Agreement funded through the UNA Service Levy.

##### Pros

- Would establish an administratively streamlined process of issuing an invoice to a single point of contact (UBC).
- The UNA Service Levy collection system already in place to provide a funding source.

- Saves residents the Provincial Surveyor of Taxes 5.25% collection free (approximately \$48,300 annually) that would be charged under Options 3 and 4.

#### Cons

- Requires support from UBC to enter into an agreement.  
s.13,s.17
- Creates an unconventional 'one off' agreement to provide fire services for university owned land.

## **2) Taxation (Rural Area) Act**

Section 20 (2)(d) allows for different tax rates for different areas. Under this authority, the Province would set a special general residential rural rate for UBC's neighbourhood areas.

The section of the *Taxation (Rural Area) Act* is currently only used to support the Peace River Fair Share Agreement.

#### Pros

- This approach would recover fire protection costs through an adjusted general rural property tax rate which parallels the cost recovery structure used to fund UEL's share of costs (Note the authority for the adjustment would differ: *Taxation (Rural Area) Act* vs. *University Endowment Land Act*).
- Requires minimal involvement of Metro or UBC institution.
- Does not require a local service area to be established under the *Local Services Act* or *Local Government Act*.
- Saves residents the Provincial Surveyor of Taxes 5.25% collection free (approximately \$48,300 annually) that would be charged under Options 3 and 4.

#### Cons

- Section 20(2)(d) has not been tested on a neighbourhood scale.<sup>s.13</sup>  
s.13
- Requires annual OIC to set the rate for areas that are excluded under section 20.
- Taxing residents directly is more complex than issuing a single invoice to UBC.  
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## **3) Local Services Act**



Under section 2(1)(f), for areas not incorporated as a municipality, the Province may establish a local area for the provision of fire protection service.

#### Pros

- The *Local Services Act* provides suitable authority for the Province to establish and tax a local service area. Excellent fit of authority to purpose.
- Requires minimal involvement of Metro or UBC institution.
- Does not require elector assent (i.e. referendum or alternative approval process).

#### Cons

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- Requires annual OIC to advance funds from FIN to CSCD.
- Taxing residents directly is more complex than issuing a single invoice to UBC.

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- Additional costs for residents due to the Provincial Surveyor of Taxes 5.25% collection free (approximately \$48,300 annually).

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DUPLICATE

Ministry of Community, Sport and Cultural Development  
**BRIEFING NOTE FOR MINISTER**

Ref #: 157563

**FOR DECISION****Date:** March 16, 2015**Title:** Funding fire protection services for market-housing properties at the University of BC (UBC).

**Issue:** The Ministry of Community, Sport and Cultural Development (CSCD) is in the unique position of funding fire services for the University Endowment Lands (UEL) and UBC. This note provides information on the provision of fire services for UEL / UBC and provides options for recovering costs from UBC's market-housing properties.

**Background:**

On August 5, 2014, the Cabinet Working Group for Core Review (CWGCR) directed the CSCD Minister to proceed with cost recovery from UBC neighbourhoods for fire services.

There are two main aspects to UBC lands: the academic/institutional campus; and the five intensively-developed residential neighbourhood areas. The University Neighbourhood Association (UNA) represents residential areas on campus (see map in Appendix 1).

When the 1995 fire services contract was signed between the Province and the City of Vancouver, there were few market-housing properties on UBC lands and the contract did not contemplate cost recovery from the small non-academic population. Since the contract was established, UBC has proceeded with a land development program that has now created market-housing for 9,000 residents. These residents are required to pay property taxes, but the Province has not yet established a mechanism to recover fire service costs from this growing population.

<b>Mandate Considerations:</b> Part of Core Review direction.	<b>LNG:</b> N/A
<b>Fiscal Considerations:</b> Cost recovery would increase provincial revenues by ~\$900k /year.	<b>FN:</b> N/A

**Discussion:**

- Fire services for UBC and UEL are funded by CSCD and provided through a ~\$6 million/year contract with the City of Vancouver (expires 2094). On a per capita basis, fire service contract costs break down as follows:

	UEL	UNA Residents*	UBC Institution**	Total
2014 Population	4,000	9,000	51,000	64,000
% of Costs	6%	14%	80%	100%
\$ Share of Costs	~\$400k	~\$900k	~\$4.7 million	~\$6 million

\* "UNA Residents" refers to residents living in market housing within UNA's neighbourhood areas

\*\* "UBC Institution" represents full-time equivalent students, faculty and staff

- On a per capita basis, the Province recovers the full costs of providing fire protection for the UEL.

- Like BC's other universities, fire services are provided to UBC's academic lands and no costs are recovered because universities are tax-exempt. However, in UBC's case, the costs for this service are borne by the Province, not a local government as in the case for all of BC's other universities.
- UBC's market-housing properties are required to pay provincial rural area taxes, but the general residential tax rate is not intended to fund local fire services (see Appendix 2).
- Consequently, there is an inequity in paying fire service costs: UEL residents fund their share; UBC residents do not.
- To resolve this inequity, the Province should recover approximately \$900,000 from UBC residents annually.
- The fire service arrangement for UBC's market-housing residents is a provincial anomaly and consequently, the Province does not have an established mechanism that can be used to recover costs.
- To resolve this unique funding gap, CSCD staff worked in collaboration with staff from the Ministry of Finance and Ministry of Advanced Education to identify and evaluate options.
- When deciding among options, the following factors are important to consider:
  - UBC acts like both a developer and municipality to create market-housing on campus. UBC owns these properties and leases them to residents.
  - UBC is responsible for supplying a broad suite of private and municipal-type services to its market-housing properties (standard exceptions are police and major roads).
  - The long-term lease agreements between UBC and residents state that the Service Levy charged by the Landlord (UBC) against tenants is *"for the use of certain services, sometimes provided by municipalities..."* This clause allows the Service Levy to be used to fund fire services provided by the City of Vancouver.
  - The Service Levy that UBC levies and collects from tenants provides UBC an established and appropriate revenue stream to fund fire services for its market-housing properties.
  - It is significantly more streamlined and cost efficient to recover fire service costs from one landowner (UBC), than to recover costs from thousands of individual tenants.
  - UBC's interest will be in enhancing certainty for UNA residents and ensuring the continuation of fire services.

After considering a range of factors including those above, the following options have been identified:

**Options:**

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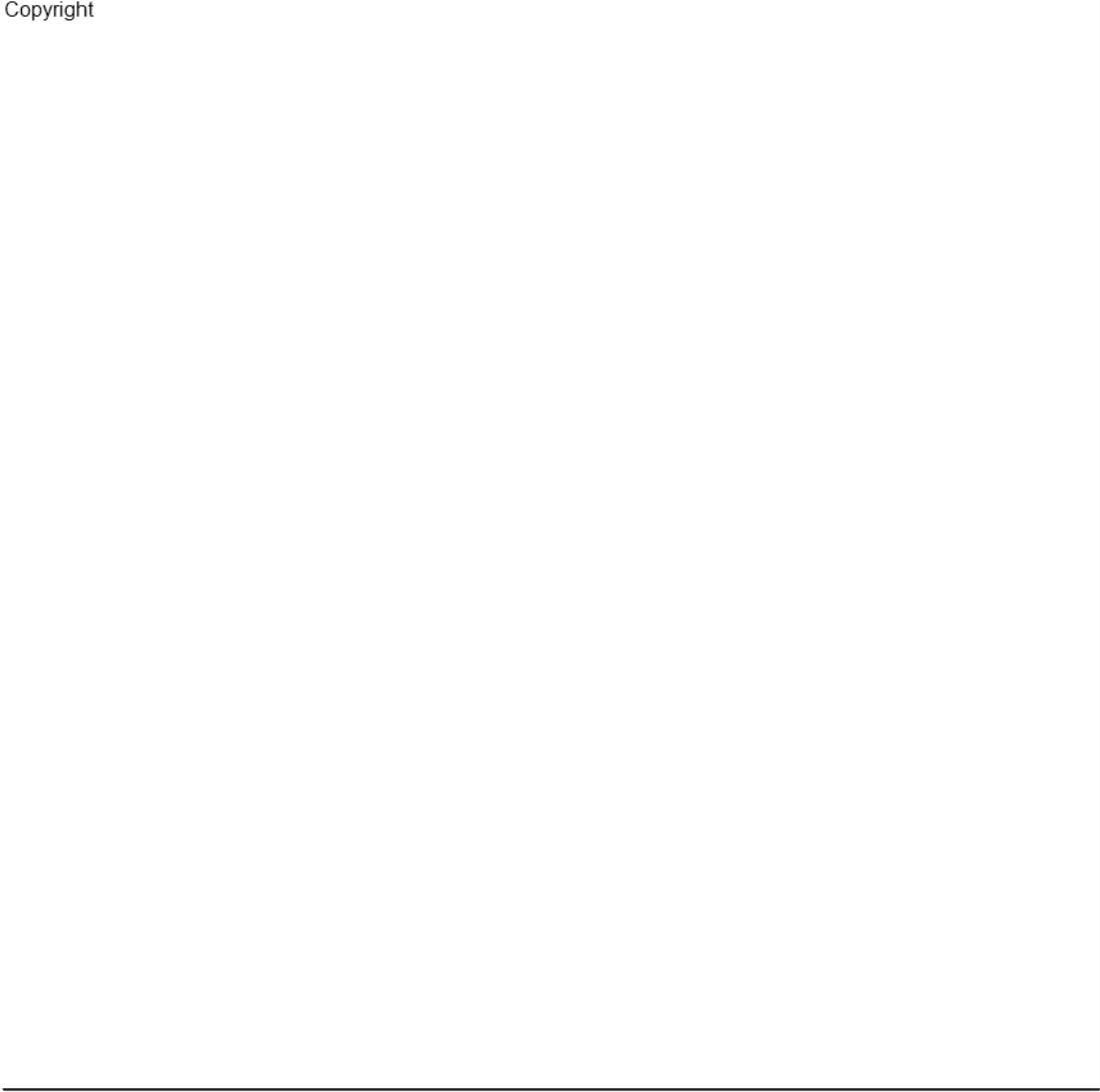
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**APPENDIX 1**

Areas targeted for cost recovery highlighted in yellow (University Neighbourhood Association areas). UBC’s Point Grey campus shown in purple.

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## APPENDIX 2

### Property Tax Structures on Point Grey Peninsula

**UEL:** Residents pay for fire services through a rural area property tax rate that is determined each year based on general provincial rural area rates and costs of operating the UEL. The authority to collect additional UEL service costs is provided by the *University Endowment Lands Act*. The Province's Surveyor of Taxes determines the tax rate based on a requisition from the Manager of the UEL, levies the tax, issues notice and collects the rural area tax from all taxpayers in the UEL.

**UBC academic lands:** Universities have a statutory exemption from paying property taxes. In general, municipalities service universities and must supplement the forgone property tax through other means. Like BC's other universities, fire service is provided to UBC and the university does not directly contribute for this service.

**University Neighbourhood Association (UNA):** The UNA represents residents living in UBC's market-housing properties. UNA residents have a special tax arrangement: they pay the provincial *Taxation (Rural Area) Act* residential tax rate, other property taxes (e.g. School, Translink) and a UNA Service Levy. Provincial taxes are levied and collected by the Provincial Surveyor of Taxes. The UNA Service Levy is collected by UBC.

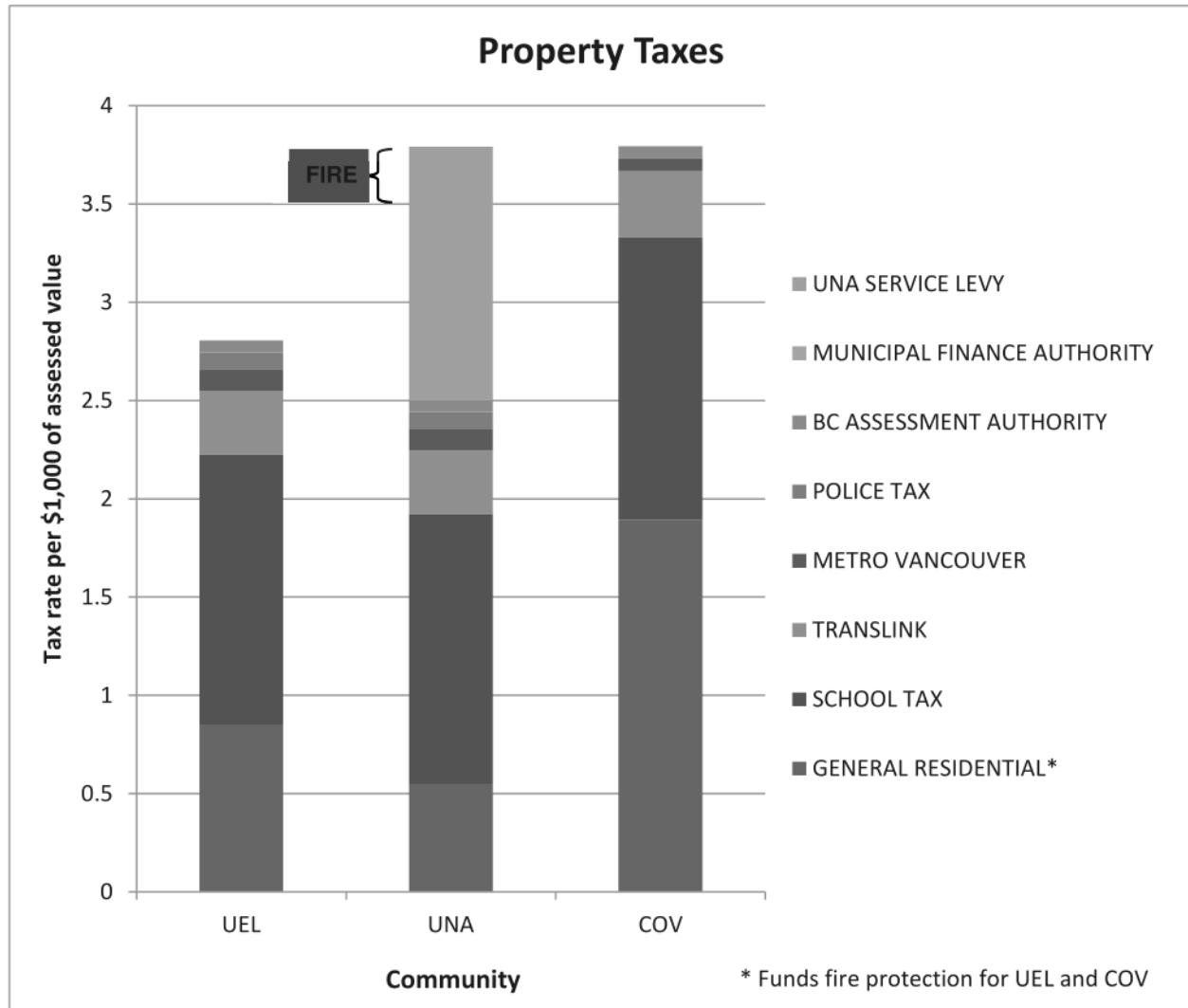
UBC's market-housing properties are provided by long-term lease (e.g. 99-year). Lease agreements with occupiers of UBC land provide for the payment of the annual Service Levy to UBC. The levy is set to the difference between the City of Vancouver general tax levy and the levies collected by the Provincial Surveyor of Taxes. After UBC makes some deductions for services (e.g. athletics), these funds are deposited into the Neighbour's Fund and are used by the UNA to provide municipal-like services within the UNA (e.g. recreation, community centre, landscaping). For 2014/15, the Service Levy was estimated to generate revenue of \$3.8 million. When combined with other revenues, UNA's total budget was approximately \$4.2 million. In 2015/16, the revenue from the Service Levy is projected to decrease to \$3.6 million, due to a higher rural tax rate and a lower City of Vancouver residential tax rate (which results in a lower Service Levy).

The rural area tax collected from UNA residents provides annual revenue to the Province of approximately \$1.5 million. The intended purpose of the rural area tax is to help offset costs for police and public roads. This tax typically covers 40% of the costs of these two services. The UNA states this tax is also used to fund fire protection services<sup>1</sup>. This statement is inconsistent with funding fire services in BC's other unincorporated areas because residents in those areas pay an additional levy for fire services typically through a regional district.

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<sup>1</sup> [UNA Facts and History Index #8](#)

Residential (class 1) property tax rates (2013) for the University Endowment Lands (UEL), University Neighbourhood Association (UNA) and City of Vancouver (COV) showing the approximate property tax rate required to recover fire service costs (0.3 per \$1,000 of assessed value).



Note: Fire service costs are inline the typical municipal costs for fire protection. Funding fire services would require approximately 8% of the UNA's total property tax. For comparison, in BC an average of 9% of municipal budgets are used to fund fire services.

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Key Messages – UBC Fire Services  
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## UBC FIRE SERVICES – DISCUSSION BRIEF

Meeting: May 26, 2015

***Context: The province has decided to recover fire service costs from UBC's taxable properties.***

- This decision is based on the Province's Core Review process which had the overarching goal of ensuring the best possible use of government resources and respect for the interests of taxpayers.
  - The Cabinet Working Group for Core Review oversaw the process to evaluate government programs and services to ensure that government is operating as efficiently and effectively as possible.
- s.12,s.13,s.17                local services on the Point Grey Peninsula were assessed and Cabinet decided it is time to recover fire service costs from UBC's taxable properties.

### ***Objectives of this initial discussion***

- To introduce the Province's perspective on the inequitable fire funding situation on UBC.
- To begin a process of understanding UBC's position on funding fire services for UNA properties.
- To propose that the Province will continue to fund fire services for UBC's academic lands and wishes to enter into a General Services Agreement for the provision of fire services for UBC's neighbourhood areas.
- To initiate a process for changing from a provincially funded fire service to locally funded for taxable properties.

### ***The current arrangement***

- In British Columbia, community fire service is generally the responsibility of local or regional governments.
- In an unincorporated area, community fire service is typically provided for through a regional district or improvement district and costs are recovered locally through a specific fire service levy.
- With fire services being delivered at the local or regional level, the Provincial tax policy is to not provide ongoing operational funding for this service.
- However, the UBC situation is inconsistent with this tax policy.
- When the 1995 fire services contract was signed between the Province and the City of Vancouver to provide fire service for Point Grey, there were few market-housing properties on UBC lands and the contract did not contemplate a local fire levy for UBC's small non-academic population.
- In part due to the legacy of this contract and UBC's rapid population growth, there is now an anomaly where the Province is funding community fire services for approximately 9,300 market-housing residents, with no dedicated recovery.
- To draw a comparison between UBC's neighbourhood areas and the "UniverCity" development at Simon Fraser University (SFU) located within the municipality of Burnaby, both of these residential communities are located on tax-exempt university campuses, but only in the case of UBC is there a direct net provincial contribution to the provision of fire services to the residential community.
- At SFU, Burnaby's residential property taxes include fire service costs, but in UBC's residential communities, property taxes do not address this cost.
- In the UEL, the *University Endowment Land Act* provides authority to recover for fire services and this is currently used to fund UEL's share of costs (\$420,000 in 2015/16).
- Consequently, there is an inequity where residents in BC's unincorporated areas, the UEL and residents living on BC's other university campuses fund their share of fire service costs, but UNA residents do not.
- To resolve this inequity, UBC's taxable properties should be levied approximately \$900,000 annually for their share of fire costs.

### ***Implementing the change***

- The Service Levy that UBC levies and collects from tenants provides UBC an established and appropriate revenue stream to fund fire services for its leased properties.
- Due to how UNA's Service Levy is calculated and depending on the mechanism used to fund fire services, recovering for fire costs may result in no net tax increase for UNA residents.
- The Province recognizes that this change may reduce funds available to the UNA to provide other community services.
- To ease the immediate impact on UNA's budget, the recovery could be phased in (e.g. over 3-years).
- The Ministry can continue to fund UBC institution's share of fire protection costs (\$4.9 million annually).
- Entering into a General Services Agreement will provide certainty for UBC and UNA residents for the continuation of fire services (otherwise potential for new arrangement if <sup>s.12,s.13,s.17</sup>

### ***Next steps***

- UBC staff to provide guidance to the Province as to how the proposed change should be presented more formally to UBC.
- Identify contacts at UBC that should be involved.
- Determine process for informing UNA.
- Province works with UBC to establish a General Services Agreement or alternative mechanism to recover fire costs.

## UBC FIRE SERVICES - OVERVIEW

### Background

- UBC is located in Metro Vancouver Electoral Area 'A', an unincorporated area. It is the only university in BC not within municipal boundaries.
- The absence of a municipal government in an urban environment has led to a unique municipal-service delivery system that includes the Province funding community fire services.
- The UBC campus has two main aspects:
  - the academic/institutional campus; and
  - five intensively-developed residential neighbourhoods that are represented by the University Neighbourhoods Association (UNA), a UBC-initiated society.
- UBC's daytime population totals approximately 60,000. This represents students, faculty, staff and residents.
- The UNA is home to 9,300 residents who live in market-housing (i.e. not campus student beds).
- UBC lands are provided to UNA's market-housing residents through long-term leases (e.g. 99-year term).
- Leases provide for a Service Levy which is used by the UNA to provide for municipal-type services such as landscaping and the community centre.

### Property Tax and Service Levy

- UBC academic lands have a statutory exemption from property taxes.
- UNA residents have a special property tax arrangement: they pay the provincial *Taxation (Rural Area) Act* residential tax rate, other property taxes (e.g. School, Translink) and a UNA Service Levy.
- Provincial taxes are levied and collected by the Provincial Surveyor of Taxes.
- The Service Levy is collected by UBC.
- The Service Levy is set to the difference between the City of Vancouver general tax levy and the levies collected by the Provincial Surveyor of Taxes.
- This calculation results in a total UNA property tax rate that is equivalent to City of Vancouver residential rate.

**2014 Levy Rates**

2014 Levy per \$1000 taxable value	UEL	UBC (UNA)	City of Vancouver	City of Burnaby	City of Richmond	City of New Westminster
Municipal General (residential)	0.65950	0.56000	1.84728	2.34430	2.24956	3.75350
School	1.37810	1.37810	1.37943	1.60690	1.62470	1.89210
Translink	0.33150	0.33150	0.33182	0.33150	0.33150	0.33150
BC Assessment	0.06190	0.06190	0.06196	0.06190	0.06190	0.06190
Municipal Finance	0.00020	0.00020	0.00020	0.00020	0.00020	0.00020
Metro Vancouver	0.10020	0.10020	0.05725	0.05670	0.05701	0.06330
Police	0.09260	0.09260	included in Municipal General			
Subtotal Rural Tax	2.62400	2.52450				
Services Levy		1.15344				
Total Property Tax	2.62400	3.67794	3.67794	4.40150	4.32487	6.10250

- UBC's commercial or rental tenants pay a General Municipal Services Levy to UBC which is similar to the Service Levy paid by residents.
- The 'Neighbours Levy' is made up of the Service Levy applied to residential leaseholders and the General Municipal Service Levy applied to commercial or rental tenants.
- After UBC makes deductions for some services (e.g. athletics and utilities), levies are deposited into the Neighbour's Fund and are used by the UNA to provide municipal-like services within the UNA.
- The 2015/16 projected Neighbours Levy revenue is \$3.6 million; remaining revenue comes from user fees and grants.
- The UNA's 2015/16 operating budget totals \$4.7 million. The budget fluctuates due to the annual changes in the City of Vancouver's total residential tax rate and the total Provincial Rural Area taxes.



- The 2014/15 gross taxes levied by the Provincial Surveyor of Taxes for UBC's residential and commercial tenants totaled \$7.4 million. Net revenue after the Home Owners Grant deduction is \$6.4 million.
- Of this total, approximately \$1.6 million is generated by the Province's residential general rate set under the *Taxation (Rural Area) Act*.
- This tax was established to help offset provincial costs for providing local services (e.g. police and local roads); however, it is not intended to fund community fire protection.
- The total general rural tax collected from UNA properties is significantly less than the costs of providing fire and police services and major roads (note the police tax also helps to offset policing costs).

### **Fire Service Costs**

- In general, municipalities service universities and must supplement the forgone property tax through other means. In UBC's case, the costs for fire protection are borne by the Province, not a municipality.
- In other unincorporated areas in BC, residents typically pay an additional levy for fire services through a regional district or improvement district. Such a fire service levy does not exist for UBC's market-housing residents.
- Fire service for UBC, UNA and University Endowment Lands (UEL) is paid by the Ministry of Community, Sport and Cultural Development (CSCD) and provided through a ~\$6.24 million contract with the City of Vancouver (expires 2094).
- Based on daytime population, fire protection costs can be allocated as follows:
  - UBC institution (i.e. students, staff and faculty) represents 80% of the population or ~\$4.9 million of contract costs;
  - UNA represents 14% or ~\$900k; and,
  - UEL represents 6% or ~\$400k.
- The Province already recovers the full costs of providing fire protection on the UEL (\$420,000 in 2014/15).
- This recovery occurs under the authority of the *University Endowment Lands Act* and is collected through the *Taxation (Rural Area) Act*.
- Unlike the UEL, UBC and UNA do not directly pay any portion of their annual fire costs (unrecovered total ~\$5.8 million).

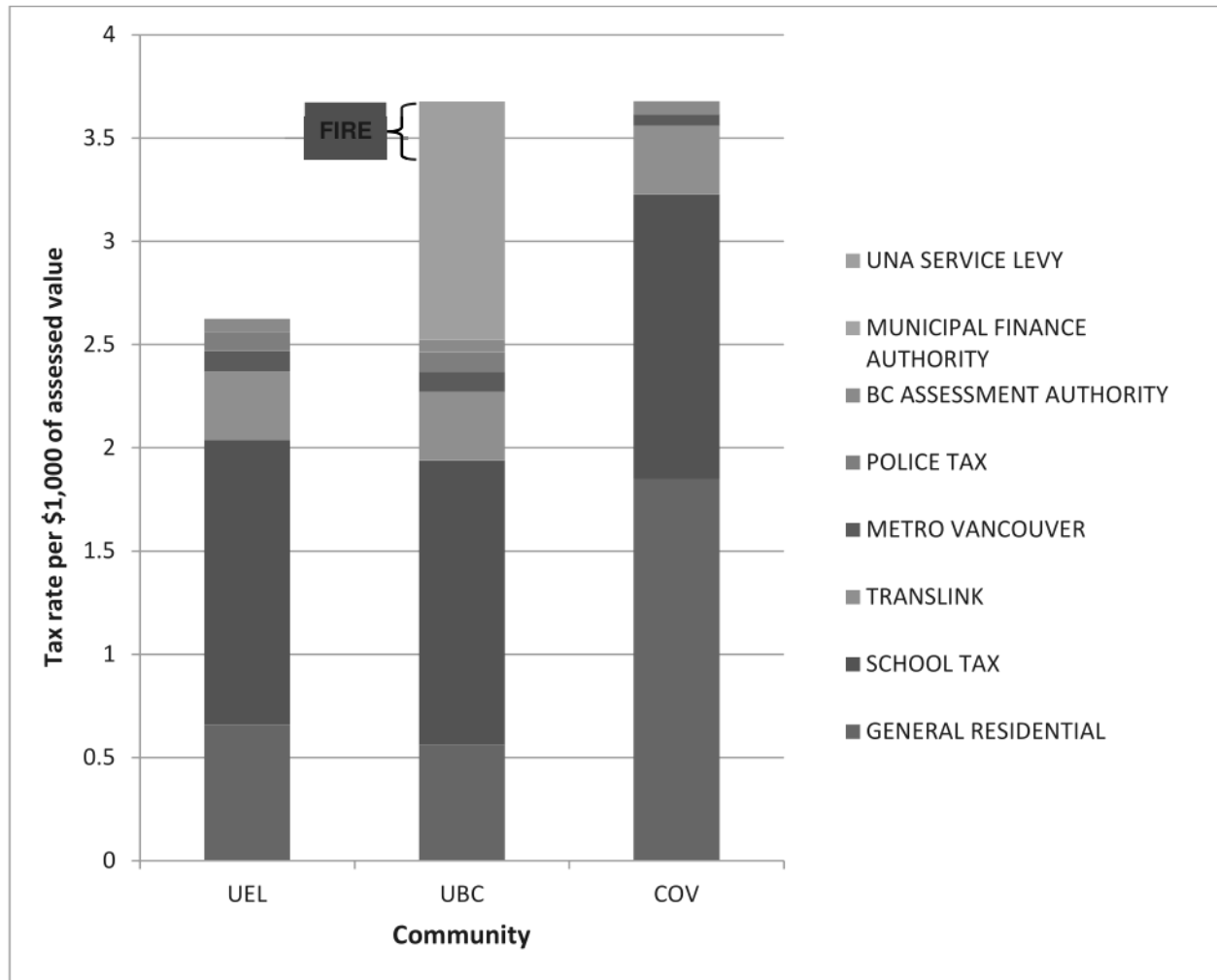
#### **Dedicated Funding for Point Grey Fire Costs**

Total Costs	\$ 6,240,000
Provincial Share (100%)	\$ 6,240,000
Less Local Contributions	
UEL	\$ 420,000
UBC	\$ -
UNA	\$ -
<b>Net Provincial Costs</b>	<b>\$ 5,820,000</b>

- The 2014 net property value for all taxable lands on UBC is \$2.76 billion. Of this, \$2.72 billion or 98.4% is Class 1 residential.
- A fire services recovery of \$900,000 represents a residential property tax rate of approximately 0.3256 per \$1,000 of assessed value (Preliminary rate estimate only. Estimate does not address unique rates for other property classes).
- This recovery would represent approximately 9% of UBC's total residential property tax rate.
- For comparison purposes, in the City of Vancouver fire service costs represent 9% of the operating budget expenditures.

## 2014 Residential Property Tax Rates

Residential property tax rates for the University Endowment Lands (UEL), University of British Columbia (UBC) and City of Vancouver (COV) showing a preliminary estimate of the approximate tax rate required to recover \$900,000 in fire service costs from Class 1 market-housing properties on UBC (~0.32 per \$1,000 of assessed value).



## **FUNDING FIRE SERVICES FOR UBC** **NEIGHBOURHOODS**

- The provision of fire services to UBC's residential neighbourhoods is unique in B.C.
- Currently we are in the initial stages of discussing how we might correct an inequity for funding fire services to properties represented by the University Neighbourhood Association.
- Using funds generated by the Service Levy that UBC charges its market-housing residents is one option that could be used so they residents are paying for fire services just as UEL and other rural B.C. residents do.
- High quality fire services will continue unchanged and the Province will continue to fully subsidize UBC institution's share of the fires services contract.

## Background:

- On May 26, 2015, staff from the Ministries of Advanced Education and Community, Sport and Cultural Development will be meeting with UBC staff to begin an initial discussion on recovering costs for providing fire protection services to UBC's five intensely developed residential neighbourhood areas (represented by the University Neighbourhood Association – UNA). This is as a result of an August 5, 2014, directive from the Cabinet Working Group for Core Review (CWGCR) to seek cost recovery for fire services from these neighbourhoods.
- The Ministry of Community, Sport and Cultural Development is in the unique position of funding fire services for the University Endowment Lands (UEL) and UBC at \$6 million/year through contract with the City of Vancouver.
- Like BC's other universities, fire services are provided to UBC's academic lands and no costs are recovered because universities are tax-exempt. However, in UBC's case, the costs are borne by the Province, not a local government, making the fire service arrangement for UBC's market-housing residents a provincial anomaly (without a mechanism to recover costs).
- When the 1995 fire services contract was signed between the Province and the City of Vancouver, there were few market-housing properties on UBC lands and the contract did not contemplate cost recovery from the small non-academic population.
- Today, there are 9,000 residents who lease their properties from UBC and pay property taxes but the general residential tax rate is not intended to fund local fire services. Consequently, there is an inequity in paying fire service costs: UEL residents fund their share; UBC market-housing residents do not. To resolve this inequity, the Province should recover approximately \$900,000 from UBC residents.
- UBC levies a Service Levy against tenants to supply a board suite of private and municipal-type services. This levy provides UBC with an established and appropriate revenue stream to fund fire services for their market-housing properties.
- CSCD staff have worked in collaboration with staff from the Ministry of Finance and Ministry of Advanced Education and are recommending a negotiated funding agreement with UBC for the provision of fire services to their market-housing properties funded through the existing Service Levy.

Communications Contact: Alison Giles

250-356-6305

Program Area Contact: Heather Brazier

250-387-3860



## UBC Services Levy and the University Neighbourhoods Association

### *University Neighbourhoods Association*

- UBC and its campus neighbourhood residents have partnered to create the University Neighbourhoods Association, an incorporated society.
- Under the contractual terms of the “Neighbours’ Agreement” between UBC and the UNA, the UNA is responsible for, among other things, service and program delivery in the University’s campus residential neighbourhoods.
- The UNA’s responsibilities include operating and maintaining campus residential neighbourhood infrastructure, landscaping, and recreational facilities. The responsibilities also include setting aside funds annually for the full long-term replacement costs of neighbourhood infrastructure (e.g., roads and water pipes) and amenities (e.g., community centres and playing fields).
- UBC collects a Services Levy under the terms of campus neighbourhood leases and, as required in the Neighbours Agreement, provides all of the Services Levy funds for the UNA to deliver on these responsibilities.
- The Services Levy makes up nearly 100 percent of the UNA’s budget.

### *Exposure to Rural Tax Rate and City of Vancouver Tax Rate*

- UBC’s campus residential neighbourhoods pay two forms of ‘property tax’: rural tax paid to the Province, as is the case in other unincorporated areas like the UEL (and which includes related services such as TransLink and school tax); and the Services Levy.
- As described in UBC’s leases with neighbourhood residents, the Services Levy rate is calculated based on the difference between the provincial residential class rural tax rate and the City of Vancouver’s residential class property tax rate.
- The formula’s intent is that the overall taxation level for a property at UBC equals that of a similarly-assessed City of Vancouver property. The Province required this when UBC first sought approval to lease land for residential development. This contrasts with the UEL, where residents pay only provincial rural tax (and related services).
- Because the Services Levy calculation is established in leases, UBC is unable to adjust ‘property tax’ rates for campus residential neighbourhood properties.
- The Services Levy rate depends wholly on the rural and City of Vancouver property tax rates. Both an increase in the rural tax rate and a decrease in Vancouver’s rate have a negative impact on the Services Levy rate. This was the case in the two previous years, as the table below shows. Even in 2015, decreased rural tax rates – which would normally increase the Services Levy rate – are offset by a larger decrease in Vancouver’s rates.

**Table 1. Property Tax and UBC Services Levy Rates per \$1,000 Assessed Value**

	2013	2014	2015
City of Vancouver Tax Rate (A)	3.79347	3.67794	3.53535
Rural Tax Rate (B)	2.4994	2.5245	2.4682
<b>UBC Services Levy Rate (A-B)</b>	<b>1.29407</b>	<b>1.15344</b>	<b>1.06715</b>
<b>UBC Services Levy Funds</b>	<b>\$3.617m</b>	<b>\$3.424m</b>	<b>\$3.568m</b>

Note: City of Vancouver and Rural Tax rates are shown as totals, including general levy, school, TransLink, BC Assessment Authority, Metro Vancouver, Municipal Finance Authority and Police Tax (rural tax only)

- As the table shows, property tax trends over this period have resulted in fluctuating Services Levy funds. The fluctuations occur despite a steady increase in UBC's residential development over this time. The University's analysis points to the increase in City of Vancouver single family home assessment values as an important factor influencing this trend. UBC's housing stock is made up almost entirely of multifamily strata properties, which have not seen a similar increase in assessment values.
- UBC expects a similar trend going forward, resulting in increasing pressure on Services Levy funds.

Hi Heather,

s.17

s.13

Best,

Michael

**Michael White, MCIP**

Associate Vice President

Campus and Community Planning

The University of British Columbia

2210 West Mall, Vancouver, BC, Canada V6T 1Z4

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Hi Michael,

Thank you for meeting with us to discuss fire protection funding for UBC's campus residential neighbourhoods and for your follow up email that outlined the UBC Services Levy and other issues.

As you are aware, in terms of local governance the UEL and UBC are anomalies in British Columbia. These urban areas remain unincorporated and have operated without the benefits and authorities provided by municipal incorporation. In order to deliver municipal-type service levels, these areas have established unique governance structures, property taxation and service systems that are unparalleled in BC. While the general consensus is that the overall system has been adequate, there are certain challenges and issues that the Province would like to resolve. The current priority is funding for fire protection service. The Province would like to work with UBC to establish a funding mechanism for fire protection that would put UBC's market-housing residents on parallel footing with the rest of British Columbia.

UBC's residents are in the unique position of receiving high quality fire protection provided by the City of Vancouver, but unlike the UEL or BC's other unincorporated areas, there is no additional levy to fund this service. Fire protection costs for UBC's residents are currently being subsidized through other provincial revenue sources. The Province would like to resolve this inequity and begin to recover costs for providing this service to UBC's market-housing residents.

The following should address the questions you asked in your email and help explain why the Province is pursuing this change. Under the authority of the *University Endowment Lands Act*, UEL residents pay a higher general rural tax levy to fund municipal-type services provided by the UEL administration or other service provider. UEL's higher rate generates revenue which is used to fund their fire protection costs. While UBC residents receive the same fire service, they are not currently levied a higher rate necessary to fund their service. Instead UBC campus residents pay BC's standard rate for the general rural levy. For 2015, the Class 1 general residential rural rate for UEL is set 52% higher than UBC's (UEL 0.8682 vs UBC 0.5700).

UBC residents are levied the same general rural rate as residents in BC's other unincorporated areas; however, residents in unincorporated areas that receive community fire protection also pay an additional separate fire levy to fund this service. This levy is usually established through their regional district and collected on behalf of the regional district by the Province's Surveyor of Taxes. The fire levy is typically set at a rate that fully funds operating costs for community fire protection. Therefore, UBC's residents are charged neither a higher general rural levy, as in the case of the UEL, nor a separate fire levy, as is standard practice for BC's unincorporated areas that receive community fire protection.

In terms of how the general rural levy is used by the Province, this tax is collected from BC's unincorporated areas and deposited into the Province's consolidated revenue fund. This revenue is generally considered to help fund rural services that are the responsibility of the Province such as maintenance for public secondary roads (does not include highways or private roads). This tax only offsets a portion of these service costs; the remainder is funding through other provincial sources. With the exception of the UEL, the general rural tax is not specially allocated for each service cost in a taxation jurisdiction.

In the preliminary analysis, fire protection costs between the UEL, UBC's academic areas, and UBC's campus residential neighbourhoods have been apportioned based per capita costs using the service area's daytime population. The Province's fire protection costs for the UEL and UBC are approximately \$6,000,000 annually. On a per capita basis, fire costs break down as follows:

	UEL	UNA Residents*	UBC Institution**	Total
2014 Population	4,000	9,000	51,000	64,000
% of Costs	6%	14%	80%	100%
\$ Share of Costs	~\$400k	~\$900k	~\$4.7 million	~\$6 million

\* "UNA Residents" refers to residents living in market housing within UNA's neighbourhood areas

\*\* "UBC Institution" represents full-time equivalent students, faculty and staff

A parcel formula is another approach that could be used to allocate costs (i.e. a single amount for each parcel). The 2014 assessment roll shows almost 3,000 residential folios for UBC and approximately 1,200 residential folios for UEL. Both areas also contain a small percentage of other property classes. Allocating costs using a parcel formula could result in higher fire service costs for UBC's residents.

For BC's other universities, fire protection service is provided and funded by municipal governments. Since universities are property tax exempt, municipalities must supplement the foregone property tax through other sources (e.g. distribute the university's fire protection costs across the remaining taxable properties). If this conventional approach was used to fund fire service for the UEL and UBC, it could mean more than a \$6,000,000 tax burden for the area's taxable properties. Distributing fire costs over the area's relatively small taxation base could represent approximately \$420-\$500 per person annually, which is more than \$1,000 in additional annual property taxes for the average UBC market-housing property. Given the magnitude of such a levy, the Province does not believe it is in the best interest of local tax payers to use local property taxes to fully fund the area's fire protection costs. An alternative funding model is required.

The Province proposes to work with UBC to establish a mechanism whereby UBC's taxable properties fund their share of local fire protection costs. The goal of this change is to bring UBC's neighbourhood residents in line with the rest of BC's unincorporated areas (i.e. residents' fire protection is funded through local sources, not provincial). Under this proposal, the

Province will continue to use other provincial revenue sources to fund fire costs for UBC's academic areas. If a mechanism is established for UBC's residents to fund their share of fire costs, then this will ensure that fire protection levels can continue unchanged. The Province is interested in exploring the opportunity to enter into a General Service Agreement with UBC to recognize and fund the fire protection service for UBC's campus neighbourhood residents.

The Province generally believes the City of Vancouver has been providing high quality fire protection service to the UEL and UBC. Since there are no significant issues with the City's provision of fire service, the Province is not planning to amend the 1995 contract.

Given how the UNA Service Levy is calculated, funding fire protection should not increase residents' overall property tax rate as it should still be equivalent to the City of Vancouver rate. However, UNA's annual budget may be impacted. Using a per capita formula, UBC's neighbourhood residents' share of costs is approximately \$900,000 annually. This expense would represent approximately 9% of the total residential tax rate, which is in line with the average percentage of municipal budgets allocated for operating fire protection service.

The Province recognizes that the move to put UBC's residents on parallel footing as BC's other residents will require considerable work and cooperation. At this initial stage I propose that our efforts focus on building a foundation of shared understanding on this issue. My staff can assist with any further information or questions that you may require. Please contact Chris Jensen, Senior Policy Analyst, directly for any supporting information. He can be reached at 250-356-8737 or [Chris.Jensen@gov.bc.ca](mailto:Chris.Jensen@gov.bc.ca).

As I indicated in our first meeting, I plan to reach out to colleagues in other ministries, such as the Ministry of Transportation and Infrastructure, to discuss other service issues of particular interest to UBC. Prior to doing so, I would like to get a better understanding of these issues. Are you available over the next two weeks to connect on the phone? If you are I'll have my staff work with your staff to find a suitable time for us. In the meantime, please feel free to contact Chris discuss any project elements.

Thank you for your participation on this initiative. I look forward to working together over the coming months.

# Communications Plan

## UBC Fire Services Cost Recovery Project

**Executive Lead:** Heather Brazier  
**Ministry:** Community Sport and Cultural Development  
**Date:** \_\_\_\_\_, 2015

### Purpose

The purpose of this communications process is to deliver information to people residing in UBC's market-housing properties about the proposed changes to fire service funding in the area. The proposed changes will establish a funding mechanism that the province will use to recover the cost of providing fire services to that area.

Under the current structure residents of the University Endowment Lands (UEL) are responsible for paying for their share of fire service costs while other market-housing residents in the UBC area are not. The proposed cost recovery mechanism is intended to make fire service costs equal for UEL and UBC market-housing properties by charging them equal per capita amounts for fire services.

### Audience

This communications plan is directed towards people residing in UBC's market-housing properties that live within the five market-housing neighbourhoods. The five neighbourhoods are represented by the University Neighbourhoods Association (UNA).

The UNA Board approximates a municipal council and is comprised of five directors elected by residents, two directors appointed by UBC, and one appointed by the Alma Mater Society. The UNA is responsible for local regulations, community programs and recreation, elections, landscaping, polices and by-laws, and serves as a voice for residents' concerns, opinions and views.

Additional resources will need to be created to inform UBC's administration and the broader public.

### Roles and Responsibilities

The Province and the UBC representatives will need to establish the respective roles and responsibilities of each party involved. s.13

s.13

A middle ground between the interests of the Province and the UBC representatives could be a joint partnership that gives both parties an equal role in communicating to the UNA Board.

## Challenges

- In regards to the Rural Tax rate paid by market-housing residents in the UBC area; the UNA has stated residents are paying more tax than they should for the services they receive. The proposed cost recovery mechanism would decrease the amount of revenue from the Service Levy which would decrease the revenue available to fund services.
- The UNA has not been previously consulted on the proposed fire cost recovery mechanism or the impact it would have on its operating budget. It is expected that UNA residents will be strongly opposed to this change.

s.13

## Additional considerations

- UBC's Campus and Community Planning has created an Engagement Principles and Guiding Practices guide which outlines ten engagement principles. The principles can be used to guide communications with the UNA.
- UBC engages in "Community Conversations with UBC Neighbourhood Residents". This could be a forum for communicating with the general public. Otherwise an alternate mode of communication will need to be discussed.
- The full scope of the Province's role in the communications plan is not yet confirmed. This will remain dependent upon many factors such as what decisions on informing the general public come out of the meeting with the UNA Board.

## Timeline

Item	Objective	Date
<b>1. One pager on how the general rural tax is used</b>	Provide residents with an overview of the general rural tax and provide information about how revenue from the tax is spent.	Beginning of January 2015
<b>2. Comparison of the UBC fire situation with the UEL and other unincorporated areas</b>	Create a business case for addressing the inequality between UBC and other areas such as the UEL.	Beginning of January 2015
<b>3. Key Messages</b>	<p>-Will likely be done in collaboration with the UBC representatives to ensure that the same messaging is being provided by both parties.</p> <p>-The key messages will first be provided to the UNA board.</p>	<p>Mid-January 2015 draft of key messages</p> <p>Delivery of key messages: TBD</p>
<b>4. Q&amp;A's</b>	<p>-This document will support the set of key messages.</p> <p>-If needed this document can be used to educate the general public about changes.</p>	Mid-January 2015
<b>5. Hold meeting with UNA Board</b>	<p>-Inform the UNA about the changes to fire service costs.</p> <p>-Will consist of Provincial staff, UBC representatives and UNA Board (and UNA staff?)</p>	End of January 2015
<b>6. Public notification of changes</b>	This item is dependent upon item #5; this will either be done by the Province and UBC representatives, the UNA Board or a combination	End of January / Beginning of February
<b>7. Additional Materials</b> <ul style="list-style-type: none"> <li>• PowerPoint</li> <li>• Dedicated email account</li> </ul>	<p>-For the meeting with the UNA Board a PowerPoint with graphics and tables would be helpful in displaying the business case (cost of fire services in UNA, UEL and CoV).</p> <p>-If deemed necessary a webpage or temporary email could be set up for the general public to clarify information and respond to inquiries (dependent upon the role of the Province in informing the general public).</p>	TBD
<b>8. End of Communications and Inquiry</b>	<p>-If created the dedicated email would be deactivated.</p> <p>-Materials can remain on webpage.</p>	March/April 2015

## UBC Fire Services – Overview of Funding Options

The Province and UBC are working to establish a funding mechanism that will enable UBC's taxable properties to fund its share of fire protection costs. The following two options are under consideration:

### Option 1: *Local Services Act*

For areas not incorporated as a municipality, the Province may use the authority under section 2(1)(f) to establish a local area for the provision of fire services and associated levy. A fire service levy would be collected directly from residents by the Provincial Surveyor of Taxes.

### Option 2: *General Services Agreement*

Negotiate a funding agreement with UBC for the provision of fire services to its taxable properties. Agreement funded through the existing UBC Service Levy.

Funding options have the following in common:

Pros	<ul style="list-style-type: none"> <li>Does not require an increase in taxes for UNA residents (UBC Service Levy net revenue would decrease to accommodate fire expense).</li> <li>Offsets Provincial cost of providing fire services to market-housing areas at UBC.</li> <li>Puts UNA residents on parallel footing with residents in the UEL and BC's other unincorporated areas.</li> <li>Eliminates "one-off" arrangement whereby community fire services are funded through general Provincial revenues.</li> </ul>
Cons	<p>s.13</p> <ul style="list-style-type: none"> <li>Would reduce funds available to the UNA to provide other community services.</li> </ul> <p>s.14</p>

Pros and cons unique to each option include:

### Option 1: *Local Services Act*

Pros	<ul style="list-style-type: none"> <li>The <i>Local Services Act</i> provides suitable authority for the Province to establish and tax a local service area. Excellent fit of authority to purpose.</li> <li>Requires minimal involvement of Metro Vancouver or UBC institution.</li> <li>No statutory requirement for elector assent.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>Inconsistent with the Province's direction of dissolving provincial local services areas.</li> <li>Requires annual OIC to advance funds from Ministry of Finance to CSCD.</li> <li>Taxing residents directly is more complex than issuing a single invoice to UBC.</li> </ul> <p>s.14</p> <p>s.13,s.17</p> <ul style="list-style-type: none"> <li>Additional costs for residents due to the Provincial Surveyor of Taxes 5.25% collection free (approximately \$48,000 annually).</li> </ul>

## Option 2: General Services Agreement

Pros	<ul style="list-style-type: none"><li>• Would establish a streamlined process of issuing an invoice to a single point of contact (UBC).</li><li>• The UNA Service Levy collection system already in place to provide a funding source.</li><li>• Residents would not be charged the Provincial Surveyor or Taxes 5.25% collection free.</li></ul>
Cons	<ul style="list-style-type: none"><li>• Requires support from UBC to enter into an agreement.</li></ul> s.13,s.17

s.13,s.17



## **UBC FIRE SERVICES - OVERVIEW**

### **Background:**

- UBC is located in Metro Vancouver Electoral Area 'A', an unincorporated area. It is the only university in BC not within municipal boundaries.
- The absence of a municipal government in an urban environment has led to a unique municipal-service delivery system including the Province funding community fire protection services.
- The UBC campus has two main aspects:
  - the academic/institutional campus; and
  - five intensively-developed residential neighbourhoods that are represented by the University Neighbourhoods Association (UNA), a UBC-initiated society.
- UBC's daytime population totals approximately 60,000. This represents students, faculty, staff and residents.
- The UNA is home to approximately 10,000 residents who live in market-housing (i.e. not campus student beds).
- UBC lands are provided to UNA's market-housing residents through long-term leases (e.g. 99-year term).
- Leases provide for a Service Levy which is used by the UNA to provide for municipal-type services such as landscaping and the community centre.

### **Property Tax and Service Levy**

- UBC academic lands have a statutory exemption from property taxes.
- UNA residents have a special property tax arrangement: they pay the provincial *Taxation (Rural Area) Act* residential tax rate, other property taxes (e.g. School, Translink) and a UBC Service Levy.
- Provincial taxes are levied and collected by the Provincial Surveyor of Taxes.
- The Service Levy is collected by UBC.
- The Service Levy is set to the difference between the City of Vancouver general tax levy and the levies collected by the Provincial Surveyor of Taxes.
- This calculation results in a total UNA property tax rate that is equivalent to City of Vancouver residential rate.
- UBC's commercial tenants pay a General Municipal Services Levy to UBC which is similar, but distinct, from the Service Levy paid by residents.
- The 'Neighbours Levy' is made up of the Service Levy applied to residential leaseholders and the General Municipal Service Levy applied to Commercial or rental tenants.
- After UBC makes deductions for some services (e.g. athletics and utilities), levies are deposited into the Neighbour's Fund and are used by the UNA to provide municipal-like services within the UNA.
- The 2015/16 projected Neighbours Levy revenue is \$3.6 million; remaining revenue comes from user fees and grants.
- The UNA's 2015/16 operating budget totals \$4.7 million.
- For comparison, the 2014/15 gross taxes levied by the Provincial Surveyor of Taxes for UBC's residential and commercial tenants is projected to total \$7.4 million. School tax represents the majority of this revenue. Net revenue after the Home Owners Grant deduction is \$6.4 million.
- Of this total, approximately \$1.6 million is generated by the Province's general residential rural tax.
- This tax was established to help offset provincial costs for providing local services (e.g. police and local roads); however, it is not intended to fund community fire protection.

### **Fire Protection:**

- Fire protection service for UBC, UNA and University Endowment Lands (UEL) is paid by the Ministry of Community, Sport and Cultural Development (CSCD) and provided through a contract with the City of Vancouver (expires 2094). Annual contract costs are approximately \$7 million.

- Based on daytime population, fire protection costs can be allocated as follows:
  - UBC institution (i.e. students, staff and faculty) represents 80% of the population or ~\$5.6 million of contract costs;
  - UNA represents 14.5% or ~\$1 million; and,
  - UEL represents 5.5% or ~\$400k.
- The Province already recovers the full costs of providing fire protection on the UEL (actual amount recovered in 2014/15 was \$420,000).
- This recovery occurs under the authority of the *University Endowment Lands Act* and is collected through the *Taxation (Rural Area) Act*.
- Unlike the UEL, UBC and UNA do not directly pay a specific portion of their annual fire protection costs (unrecovered total ~\$6.6 million).

#### **Fire Services in Unincorporated Areas**

- In general, municipalities service universities and must supplement the forgone property tax through other means.
- Like BC's other universities, fire service is provided to UBC and the university does not directly contribute for this service.
- In other unincorporated areas in BC, residents pay an additional levy for fire services through a regional district or improvement district.
- To bring UNA in line with UEL and BC's unincorporated areas, UNA residents should pay their share of the costs of providing fire services (i.e. ~\$1,000,000 annually).

**From:** [Brazier, Heather M CSCD:EX](#)  
**To:** [Paine, Julian C CSCD:EX](#); [Bindra, Rena CSCD:EX](#)  
**Cc:** [Marotz, Nicola CSCD:EX](#)  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014  
**Date:** Wednesday, January 8, 2014 8:40:27 AM

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Julian, will Susie send to George for approval as A/DM and ensure it gets to TBS?

---

**From:** Paine, Julian C CSCD:EX  
**Sent:** Wednesday, January 8, 2014 8:38 AM  
**To:** Bindra, Rena CSCD:EX  
**Cc:** Brazier, Heather M CSCD:EX; Marotz, Nicola CSCD:EX  
**Subject:** Re: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

Looks good. Thanks!

Jp

---

**From:** Bindra, Rena CSCD:EX  
**Sent:** Tuesday, January 7, 2014 5:39 PM  
**To:** Paine, Julian C CSCD:EX  
**Cc:** Brazier, Heather M CSCD:EX; Marotz, Nicola CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

Julian – I hope this works for you. I amended the document to include both options (i.e. cost recovery from UNAs only, and full cost recovery from UBC campus lands and UNAs. Given that both options were presented in the core review presentation, I thought it might be appropriate to parallel what we have already provided. If the preference is to only speak to the UNA cost recovery (i.e. Option A), let me know and I can amend accordingly.

Cheers,  
Rena

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**From:** Brazier, Heather M CSCD:EX  
**Sent:** Tuesday, January 7, 2014 3:39 PM  
**To:** Bindra, Rena CSCD:EX  
**Cc:** Paine, Julian C CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

s.13,s.17

Please send to Julian with cc to me when revised. JP will need to send it to George for approval, as George is A/DM.

---

**From:** Bindra, Rena CSCD:EX  
**Sent:** Tuesday, January 7, 2014 3:30 PM  
**To:** Brazier, Heather M CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

s.13,s.17

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**From:** Brazier, Heather M CSCD:EX  
**Sent:** Tuesday, January 7, 2014 2:18 PM  
**To:** Bindra, Rena CSCD:EX  
**Subject:** FW: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014  
**Importance:** High

Rena, just checking that you're in the loop and will amend the document accordingly. Please confirm.

Thanks,  
H.

---

**From:** Paine, Julian C CSCD:EX  
**Sent:** Tuesday, January 7, 2014 9:29 AM  
**To:** Brazier, Heather M CSCD:EX; Farkas, George CSCD:EX  
**Cc:** Marotz, Nicola CSCD:EX; Paget, Gary CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

Agreed. s.13,s.17  
s.13,s.17

Julian C Paine  
Assistant Deputy Minister  
Local Government  
Ministry of Community, Sport and Cultural Development

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**From:** Brazier, Heather M CSCD:EX  
**Sent:** Tuesday, January 7, 2014 9:17 AM  
**To:** Paine, Julian C CSCD:EX; Farkas, George CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

s.13,s.17

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**From:** Paine, Julian C CSCD:EX  
**Sent:** Tuesday, January 7, 2014 8:47 AM  
**To:** Brazier, Heather M CSCD:EX; Farkas, George CSCD:EX  
**Subject:** FW: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

s.13,s.17

Julian C Paine  
Assistant Deputy Minister  
Local Government  
Ministry of Community, Sport and Cultural Development

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**From:** Marotz, Nicola CSCD:EX  
**Sent:** Tuesday, January 7, 2014 8:36 AM  
**To:** Paine, Julian C CSCD:EX  
**Cc:** Paget, Gary CSCD:EX; Bindra, Rena CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

Julian: As noted below, our understanding is that the other academic campuses do not pay specific fees for fire service (as well as being tax exempt). Cheers Nicola

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**From:** Paine, Julian C CSCD:EX  
**Sent:** Tuesday, January 7, 2014 8:32 AM  
**To:** Marotz, Nicola CSCD:EX  
**Cc:** Paget, Gary CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

s.13,s.17

Thanks

Julian C Paine  
Assistant Deputy Minister  
Local Government  
Ministry of Community, Sport and Cultural Development

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**From:** Marotz, Nicola CSCD:EX  
**Sent:** January-07-14 6:27 AM  
**To:** Paine, Julian C CSCD:EX  
**Cc:** Paget, Gary CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

I think that our focus from the start had been on rectifying the inequity between the UBC neighbourhoods and the UEL. That is still a legitimate focus (and creates some cost saving albeit not as much for the Ministry) if government is concerned about "equity" among campuses. The difficulty with trying to apply "equity" as the principle among campuses is that they are not equal now (i.e. UBC coming out ahead), given the different governance structures.

---

**From:** Paine, Julian C CSCD:EX  
**Sent:** Monday, January 6, 2014 9:33 PM

**To:** Marotz, Nicola CSCD:EX

**Subject:** Re: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

It does. What I am wondering is if Burnaby fire instance charges SFU for services - fire or whatever. It UVIC and Spanish. s.13

Jp

---

**From:** Marotz, Nicola CSCD:EX

**Sent:** Monday, January 6, 2014 4:41 PM

**To:** Paine, Julian C CSCD:EX; Bindra, Rena CSCD:EX

**Cc:** Brazier, Heather M CSCD:EX; Paget, Gary CSCD:EX

**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

Julian – I believe that the emphasis of the request was --- as Rena's document currently says – to recover the costs at least equivalent to the cost of providing service to the UBC neighbourhoods (because that creates the best parallelism with the fact that the monies are cost recovered from the UEL residents)

s.12,s.13,s.17

Hope this helps

Nicola

---

**From:** Paine, Julian C CSCD:EX

**Sent:** Monday, January 6, 2014 4:29 PM

**To:** Bindra, Rena CSCD:EX; Marotz, Nicola CSCD:EX

**Cc:** Brazier, Heather M CSCD:EX

**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

s.13,s.17

Julian C Paine  
Assistant Deputy Minister  
Local Government  
Ministry of Community, Sport and Cultural Development

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**From:** Bindra, Rena CSCD:EX  
**Sent:** January-06-14 4:21 PM  
**To:** Paine, Julian C CSCD:EX  
**Cc:** Brazier, Heather M CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

Julian, attached is the slightly amended note – just added in a few words about core review direction.

No changes to other text in relation to your 2<sup>nd</sup> point. Nicola's explanation on that issue is as follows: "The issue with other universities is based on location within municipalities and taxation. A university located in a municipality is tax exempt (i.e. the academic campus). So it is not paying for fire services. However, if that university (such as SFU) has leased property for development (i.e. residential towers on the hill at SFU), then those residents pay municipal taxes (and therefore are paying for fire services). All the other key universities are located within municipalities."

Hope that helps.

Cheers,  
Rena

---

**From:** Paine, Julian C CSCD:EX  
**Sent:** Monday, January 6, 2014 2:33 PM  
**To:** Bindra, Rena CSCD:EX  
**Cc:** Brazier, Heather M CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

Thanks!

Julian C Paine  
Assistant Deputy Minister  
Local Government  
Ministry of Community, Sport and Cultural Development

---

**From:** Bindra, Rena CSCD:EX  
**Sent:** January-06-14 2:09 PM  
**To:** Paine, Julian C CSCD:EX  
**Cc:** Brazier, Heather M CSCD:EX  
**Subject:** RE: Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

Julian - I'll add in the Core Review direction, but will have to follow-up on your other question as I'm not completely sure what the case is with other academic institutions. Will revise accordingly and resend to you later this pm.

Thanks,  
Rena

---

**From:** Paine, Julian C CSCD:EX  
**Sent:** Monday, January 6, 2014 1:27 PM  
**To:** Bindra, Rena CSCD:EX  
**Cc:** Brazier, Heather M CSCD:EX  
**Subject:** Core Review Savings Update\_UBC Fire\_MCSCD\_JAN2014

Good work. Made a couple of small tweaks. s.12,s.13  
s.12,s.13

Also, the text makes it sound like no other universities (or colleges??) pay for fire services. Is this correct?

Thanks.

jp



**From:** [Marotz, Nicola CSCD:EX](#)  
**To:** [Bindra, Rena CSCD:EX](#)  
**Subject:** RE: DEC 2 meeting between CSCD and AVED ministers  
**Date:** Wednesday, November 18, 2015 1:45:00 PM

---

awesome

---

**From:** Bindra, Rena CSCD:EX  
**Sent:** Wednesday, November 18, 2015 1:44 PM  
**To:** Marotz, Nicola CSCD:EX  
**Subject:** RE: DEC 2 meeting between CSCD and AVED ministers  
Ok, thanks. I'll send you what I have end of week 😊  
Rena

---

**From:** Marotz, Nicola CSCD:EX  
**Sent:** Wednesday, November 18, 2015 1:41 PM  
**To:** Bindra, Rena CSCD:EX  
**Subject:** RE: DEC 2 meeting between CSCD and AVED ministers  
Thanks Rena – and for the reply to Susan. s.12,s.13,s.17  
s.12,s.13,s.17 – but I think that means our materials would need to be to the DMO next Friday latest (which means to Tara probably by the 25<sup>th</sup>).  
As for the LSA, well, I hope it is just to report out on all the reasons we gave him that it is not workable...!  
Cheers  
Nicola

---

**From:** Bindra, Rena CSCD:EX  
**Sent:** Wednesday, November 18, 2015 1:11 PM  
**To:** Marotz, Nicola CSCD:EX; Paget, Gary CSCD:EX  
**Subject:** FW: DEC 2 meeting between CSCD and AVED ministers  
FYI – the meeting between our Minister and Minister Wilkinson is now scheduled for Dec 2<sup>nd</sup> and s.12,s.13,s.17

Thanks,  
Rena

---

**From:** Jensen, Chris A CSCD:EX  
**Sent:** Wednesday, November 18, 2015 11:52 AM  
**To:** Burns, Susan G AVED:EX; Singh, Nancy K AVED:EX  
**Cc:** Bindra, Rena CSCD:EX  
**Subject:** DEC 2 meeting between CSCD and AVED ministers  
s.12,s.13,s.17

CJ

---

**From:** Burns, Susan G AVED:EX  
**Sent:** Wednesday, November 18, 2015 11:50 AM  
**To:** Jensen, Chris A CSCD:EX; Singh, Nancy K AVED:EX  
**Subject:** RE: FOR REVIEW: Nov 23 UBC Fire Service Agenda  
Great, thanks! Who do you I suggest connecting with at your ministry re: s.12,s.13,s.17  
s.12,s.13,s.17 Unless your note will also cover off that issue in addition to fire services?

---

**From:** Jensen, Chris A CSCD:EX  
**Sent:** Wednesday, November 18, 2015 11:48 AM  
**To:** Burns, Susan G AVED:EX; Singh, Nancy K AVED:EX  
**Subject:** RE: FOR REVIEW: Nov 23 UBC Fire Service Agenda

Good timing. As I read your email the meeting invite came in.

They are meeting on Dec 2<sup>nd</sup> at 11:30. I'll add the meeting details to the BN and have it sent over to your DMO.

Agenda is UBC fire services s.12,s.13,s.17

CJ

---

**From:** Burns, Susan G AVED:EX

**Sent:** Wednesday, November 18, 2015 11:43 AM

**To:** Jensen, Chris A CSCD:EX; Singh, Nancy K AVED:EX

**Subject:** RE: FOR REVIEW: Nov 23 UBC Fire Service Agenda

Hi Chris,

Looks fine to me. Any word on the new briefing date for the Ministers?

---

**From:** Jensen, Chris A CSCD:EX

**Sent:** Wednesday, November 18, 2015 10:00 AM

**To:** Burns, Susan G AVED:EX; Singh, Nancy K AVED:EX

**Subject:** FOR REVIEW: Nov 23 UBC Fire Service Agenda

Good morning Susan and Nancy,

Can you please review the draft agenda for our Nov 23 call with UBC.

1. Updates

s.12,s.13,s.17

b. Briefings

2. Funding Options

a. Review options not being considered (ID, Metro, General Rural Tax)

b. Funding agreement

c. Local Services Act

3. Per Capita Cost Allocation Model

a. UBC academic and UNA population

4. Communications Plan

a. UBC Board of Governors

b. UNA Board

5. Next steps

Thanks,

Chris

*Chris Jensen, MSc, AScT, EP*

Senior Policy Analyst

Integrated Policy Branch

Ministry of Community, Sport and Cultural Development

Tel: (250) 356-8737

Fax: (250) 356-1873



## Cabinet Decision Summary Sheet

**Ministry:** Ministry of Community, Sport and Cultural Development

**Date:** 08/07/2014

<b>Title:</b>	<b>Cost Recovery for Fire Protection Services at the University of British Columbia</b>
---------------	---

### Issue:

In November 2013, the Cabinet Working Group for Core Review (CWGCR) accepted the Minister of Community, Sport and Cultural Development's proposal to examine options to recover costs expended for the provision of fire services at the University of British Columbia (UBC). CWGCR directed the Minister to coordinate work with relevant Ministers to explore cost recovery options for other services and was to return to CWGCR as part of Core Review Phase 2 ("refinement") to provide an approach. This submission provides the results of this work and seeks approval to recover costs expended for fire services from UBC's University Neighbourhood Association residents.

### Recommendation/Request:

Approve recommended option #1 to recover approximately \$900,000 from UBC's University Neighbourhood Association residents for providing fire protection services.

### Proposed Minute:

s.12,s.13,s.17

**Contact:** Heather Brazier, Executive Lead

(250) 387-3860

Honourable Coralee Oakes

June 30, 2014

Date Signed



## Cabinet Submission – Request for Decision

**Minister:** Honourable Coralee Oakes

**Ministry:** Ministry of Community, Sport and Cultural Development

**Date:** 08/07/2014 Ministry Document #: 155372

<b>Title:</b>	<b>Cost Recovery for Fire Protection Services at the University of British Columbia</b>
---------------	---

### Issue:

The Point Grey Peninsula is an unincorporated area that is comprised of the University of BC (UBC) and University Endowment Lands (UEL). In terms of local governance, the area is unusual because it is highly urbanized, yet not part of a municipality. In order to provide a full complement of municipal-type services, the area has developed an unconventional service delivery system; one that involves many players including the Province. s.12,s.13,s.17

s.12,s.13,s.17

### Request:

Approval to recover approximately \$900,000 for providing fire protection services for UBC's University Neighbourhood Association residents.

### Implications and Considerations:

- In BC, all universities except UBC are within municipal boundaries and do not pay for fire services. However, in UBC's case, the costs for this service are borne by the Province, not a municipality.
- Paying for fire services is not part of MCSCD's core mandate.
- On the Point Grey Peninsula there is an inequity in paying fire service costs: UEL residents fund their share; UBC residents do not.

### Background / Context:

For historic reasons, UBC is the only university in BC located within an unincorporated "rural" area of a regional district (Appendix 1). The absence of a municipal government in a highly urbanized area has resulted in many unconventional service arrangements



(e.g. the Province funding local fire protection). UBC provides certain municipal-like functions by servicing its lands (academic and neighbourhood areas) much like a strata corporation to a condominium, and delivers those services directly or by relying on other bodies. UBC undertakes community land use planning and its required Land Use Plan (similar to an Official Community Plan) is approved by MCSCD minister. UBC leads a land development program that has created housing for 10,000 students and 9,000 permanent residents.

There are two main aspects to UBC lands: the academic/institutional campus; and the five intensively-developed residential neighbourhood areas. Residential areas fall within the University Neighbourhood Association (UNA), which has an agreement with UBC that for neighbourhood areas, the UNA will provide community oversight for municipal-type services (i.e. those services not provided by the Province).

s.12,s.13,s.17

## Fire Protection

Fire services for UBC and UEL are funded by MCSCD and provided through a ~\$6 million/year contract with the City of Vancouver (expires 2094). On a per capita basis, contract costs would break down as follows:

	UEL	UNA Residents*	UBC Institution**	Total
2014 Population	4,000	9,000	51,000	64,000
% of Costs	6%	14%	80%	100%
\$ Share of Costs	~\$400k	~\$900k	~\$4.7 million	~\$6 million

\* "UNA Residents" refers to residents living in market housing within UBC's neighbourhood areas

\*\* "UBC Institution" represents full-time students, faculty and staff

Through the *Taxation (Rural Area) Act*, the Province already recovers the costs for providing fire protection for the UEL. In 2013/14, the Province collected an additional \$420,000 from UEL residents specifically for fire protection. However, no costs are recovered from UNA residents or UBC as an institution. MCSCD has identified a cost recovery opportunity for fire protection service, which is the focus of this submission.



s.12,s.13,s.17

### **UNA residents – Property Taxes and UNA Service Levy**

Permanent residents in UBC neighbourhood areas have a unique tax arrangement: they pay the provincial *Taxation (Rural Area) Act* residential tax rate, other property taxes (e.g. School, Translink) and a UNA Service Levy. The Levy is set at the difference between the City of Vancouver general tax levy and the general property taxes paid by all rural area residents (Appendix 2).

For 2014/15, the Service Levy is projected to generate revenue of \$3.8 million. When combined with other revenues, UNA's total budget is approximately \$4.2 million. This funding is used to provide municipal-like services within the UNA (e.g. recreation, community centre, landscaping).



The rural area tax collected from UNA residents by the Province's Surveyor of Taxes provides annual revenue to the Province of \$1.5 million. The purpose of the rural area tax is to help fund local services such as policing and public roads. However, it is not intended to fund the Province for providing community fire protection services. Rural residents generally pay an additional levy for fire services provided by a regional district or improvement district. Therefore, there is an inequitable situation where residents of the UEL and other rural areas in BC pay an additional levy for fire protection, but UNA residents do not. UNA residents are in a unique position of receiving fire protection services of the highest standard, but costs for this service are being subsidized by other BC taxpayers.

The conclusion of this analysis is that in order to put UNA residents on parallel footing with UEL and other rural areas, residents would need to pay their share of fire service costs.

## Risks & Implications

s.13

- UNA residents may raise issues regarding the provision of other services (e.g. water) and related tax implications (e.g. lower property tax rates in the UEL).

s.12,s.13,s.17

- Any cost recovery option will require further engagement and analysis with the Ministry of Finance (MOF) to determine an appropriate approach for recovery.

## Options:

**Option 1:** Recover approximately \$900,000 from UNA residents for providing fire protection services (**Recommended**).

### Pros

- Offsets Provincial cost of providing fire services to market-housing areas at UBC.
- Puts UNA residents on parallel footing with residents in the UEL and other rural areas in BC.



- Eliminates “one-off” arrangement whereby the Province pays for community fire services.
- Does not require an increase in taxes/levies for UNA residents.
- Leaves UBC in a similar taxation situation as BC’s other universities (i.e. property tax exemption).

Cons:

- Does not recover the full costs for providing fire services on UBC campus; Province would still fund approximately \$4.7 million for students, faculty and staff.
- Would likely reduce UNA’s budget to provide other municipal-like services.

s.13

s.12,s.13,s.17





s.12,s.13,s.17

### Fiscal Impacts:

#### Projected Revenue

Recover costs for Fire Services	2015/16	2016/17	2017/18
<i>Option 1</i> - UNA residents	\$900k	\$920k	\$940k

s.12,s.13,s.17

s.12,s.13,s.17

### Fiscal Impacts to Stakeholder and Citizens

- Based on 2014/15 figures, cost recovery from UNA residents for fire services would represent approximately \$250-270 per household. The amount would be equivalent to what UEL residents currently pay.
- Due to the structure of the UNA Service Levy, an additional provincial tax would decrease the Service Levy, resulting in no net tax impact for residents.
- Based on UNA's 2014/15 revenue projections, recovering funds for fire services could decrease UNA's total budget for other community services by approximately 22% (from \$4.2m to \$3.3m).
- In BC, on average 8.0% of total municipal expenses are used to fund fire protection services. Cost recovery is in line with provincial averages as it would represent 7.4% of the total property tax burden for UNA residents.

### Stakeholder and Citizens:

s.12,s.13,s.17

s.12,s.13,s.17

AVED has been consulted and



supports the recommended Option 1, provided it can be implemented without impacting UBC's and consequently government's bottom line. s.12,s.13,s.17

s.12,s.13,s.17

Contact: Heather Brazier, Executive Lead

(250) 387-3860

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Honourable Coralee Oakes

June 30, 2014

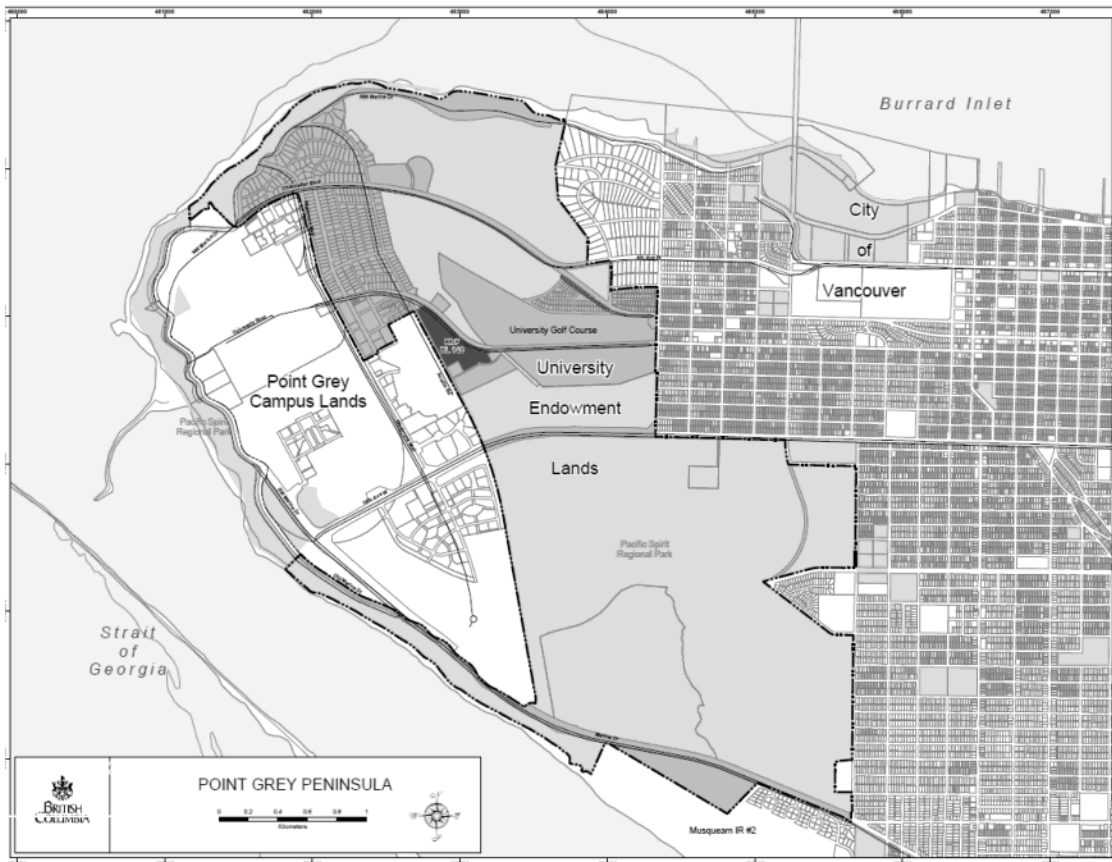
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Date Signed



## APPENDIX 1

### University of BC and University Endowment Lands.



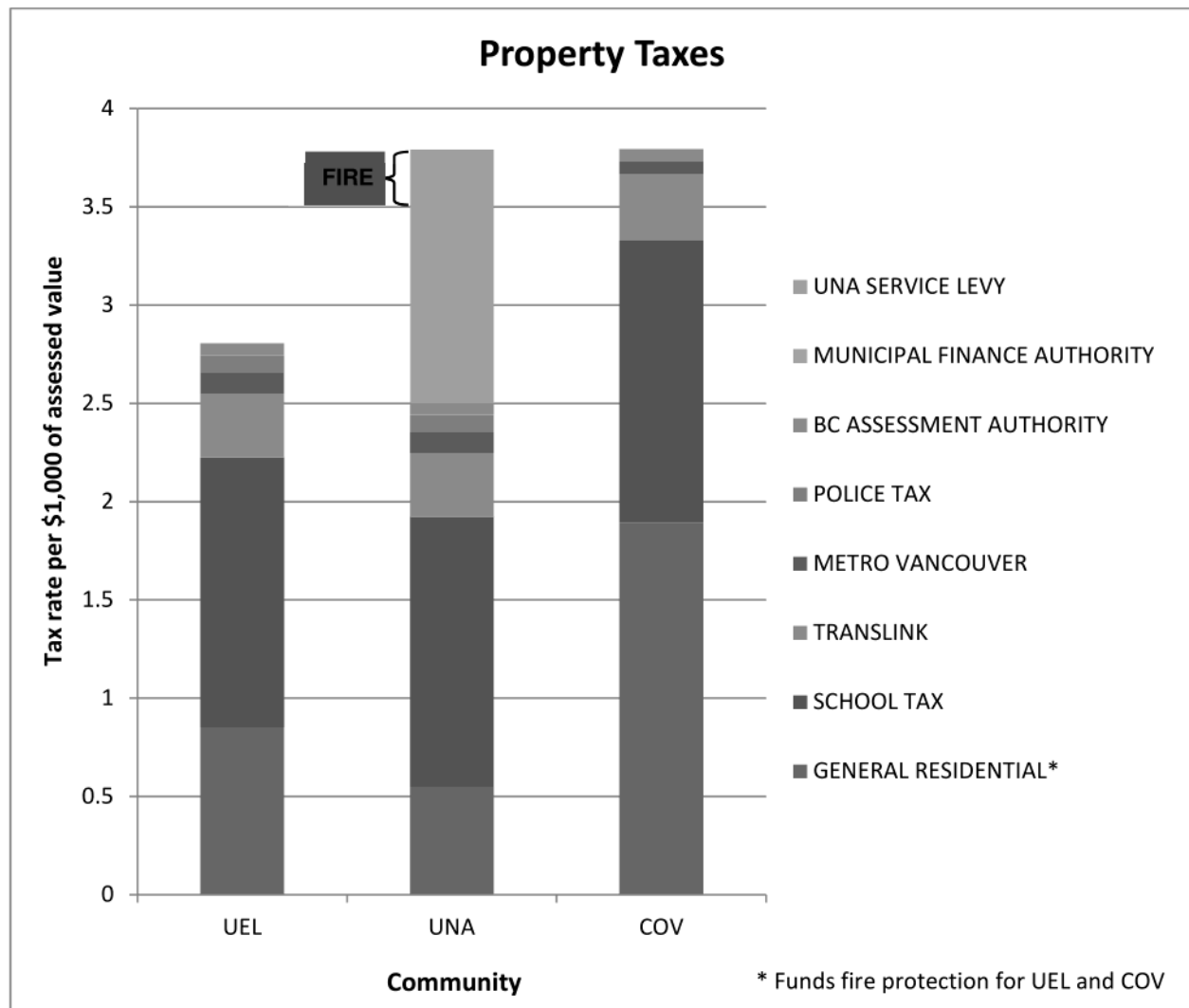
**UBC (purple) and University Neighbourhood Association areas (yellow)**

Copyright



## APPENDIX 2

Property tax rates (2013) for the University Endowment Lands (UEL), University Neighbourhood Association (UNA) and City of Vancouver (COV) showing the approximate property tax rate required to recover fire service costs (0.3 per \$1,000 of assessed value). Because UNA's total property tax rate is set to the City of Vancouver's rate, any increase in provincial tax rates results in a decrease to the Service Levy.



Note: The UEL property tax rate is lower primarily due to the higher average home values compared to UNA and City of Vancouver homes. The average assessed value for all general residential dwellings (e.g. single-family, strata) is \$2.3 million for UEL, \$900,000 for UBC and \$610,000 for City of Vancouver.



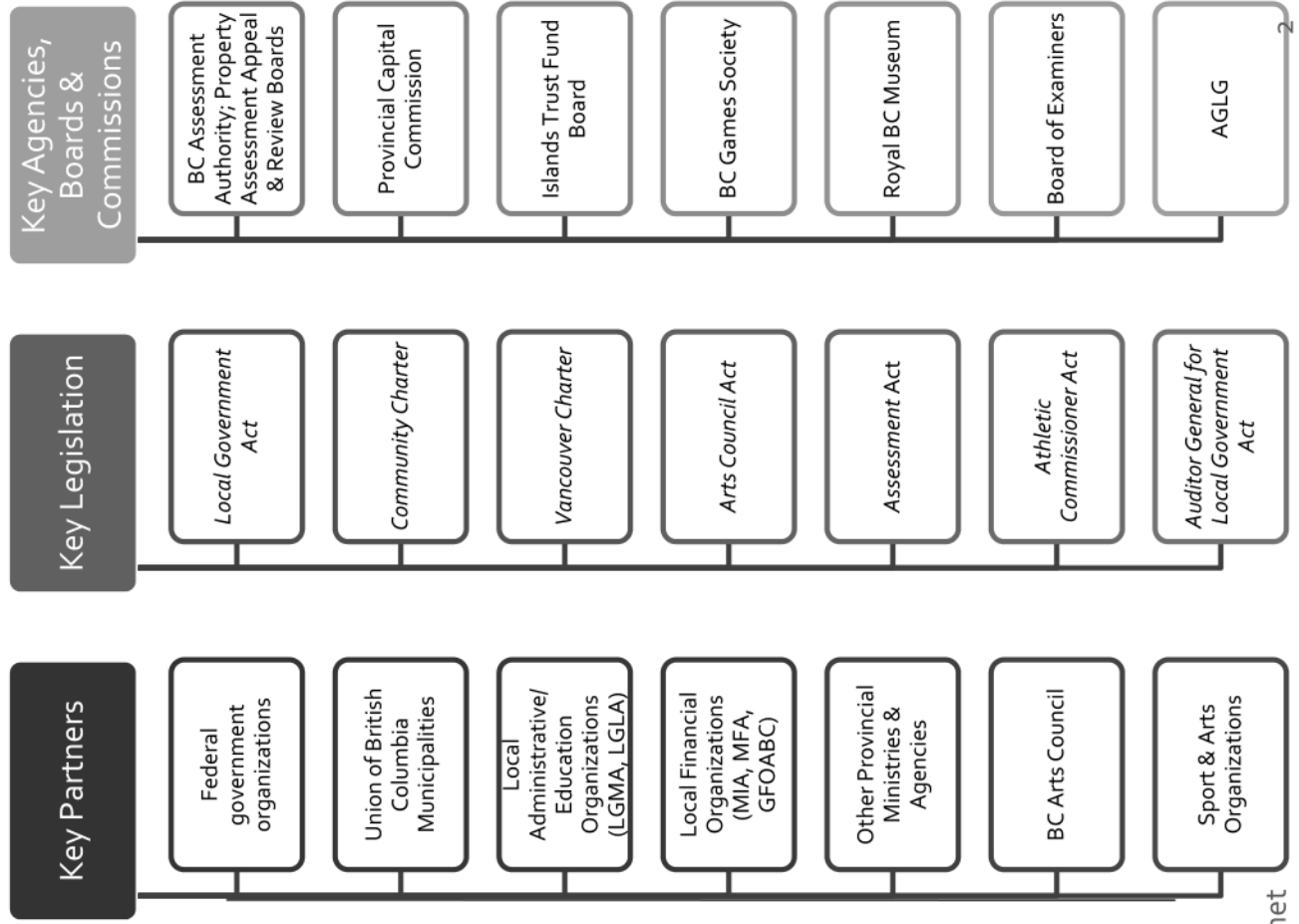
# **PRESENTATION TO THE CABINET WORKING GROUP ON CORE REVIEW (CWGCR)**



Ministry of Community, Sport and Cultural Development  
November 27, 2013

# Ministry Mandate

To bring together key government **services** and **supports** to make B.C. **communities** great places to live and enable **local governments** and residents to build vibrant, healthy and sustainable communities that are well governed, liveable, safe, economically resilient, socially responsible and full of opportunities for participation in **sport** and the **arts**.



Confidential Advice for Cabinet



# Key Accountabilities

## Minister's Mandate Letter

- Develop rural dividend framework; ensure NW communities are ready for opportunities.
- Implementation framework for federal infrastructure (with UBCM).
- Local Government elections changes for 2014.
- Strategies for better provincial support to sport and cultural organizations.

## Legislative Mandate

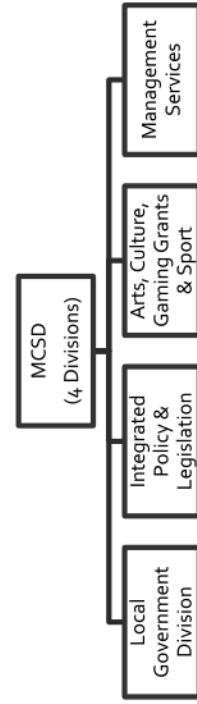
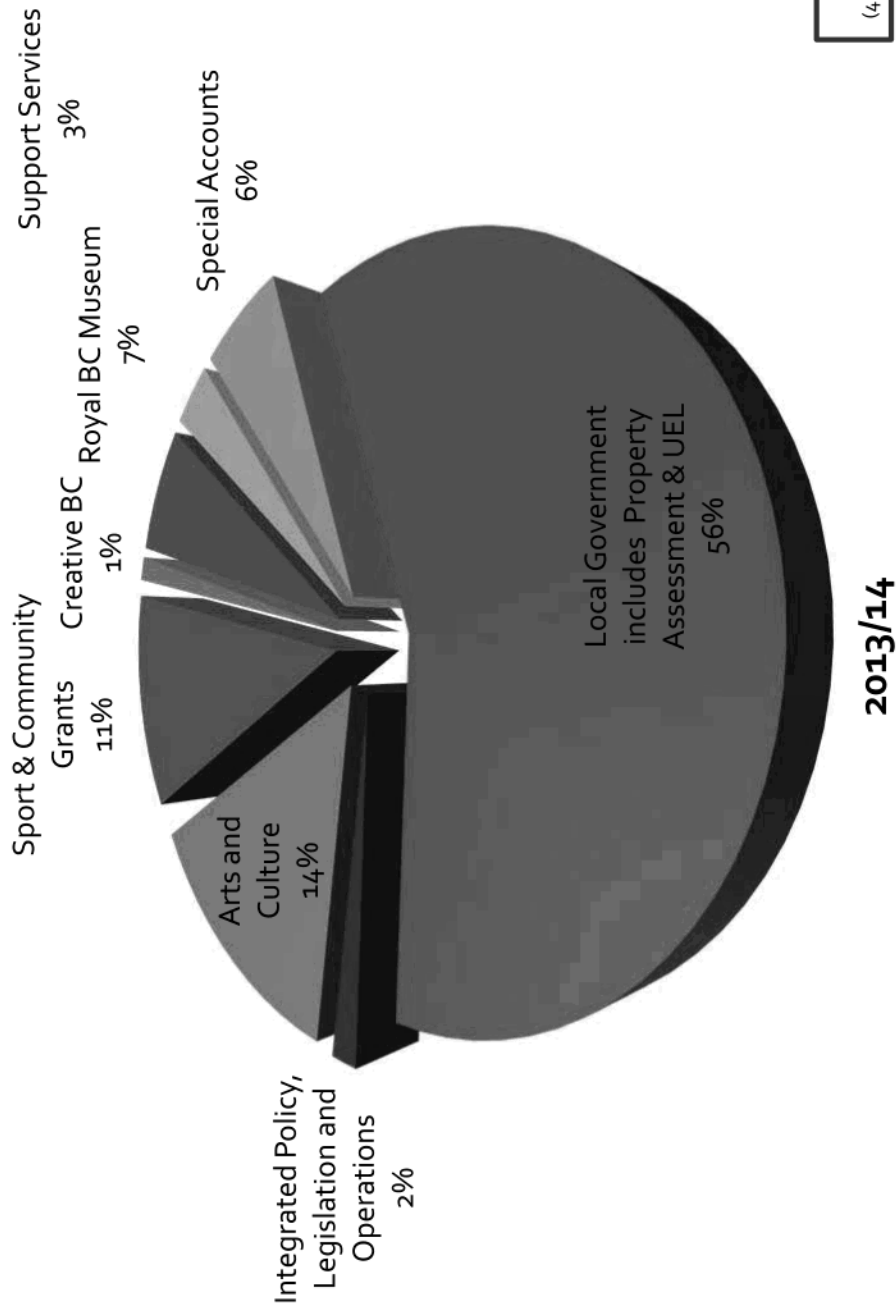
- Statutory roles (e.g. LG approvals, restructures).
- Grants & other transfer programs (e.g. LG infrastructure, sport, arts & culture, gaming).
- Local government system supports (e.g. BC Assessment Authority).

## Agreements/Partnerships

- Key partner organizations deliver services (e.g. UBCM; BC Arts Council; sport organizations).
- Infrastructure programs (federal-provincial-local).
- Climate action.

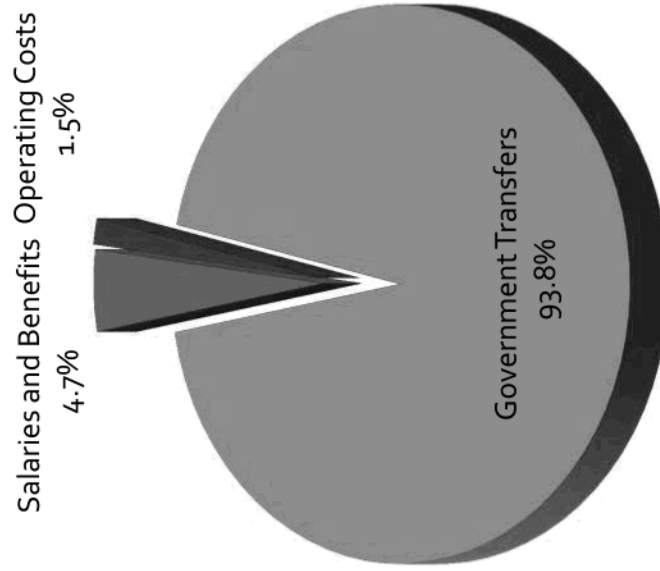


# Operating Budget by Core Business





# Operating Budget Distribution: Local Government



Local Government  
(includes Property Assessment & UEL)  
2013/14

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# Mandate Letter Progress

## Rural dividend framework

- Nature, scope and timing under development.
- NW Community Action Plan - help communities prepare for industrial growth (\$150k planning grant).
- Work with other ministries & applicable LGs.

## Implementation framework for federal gas tax renewal (with UBCM)

- Refining provincial priorities, coordinating with LG needs.
- Negotiating with federal government on renewed Gas Tax funding; working with relevant ministries on LG funding decisions & negotiations.

## Work with sport & cultural development communities on ways to better provide provincial support

- Implementing strategies to enhance arts, culture and sport organizations' effectiveness.
- Discussion forums provide input into process.
- Utilizing Minister's electronic newsletter as "one-stop" to highlight all arts & gaming grant intakes.

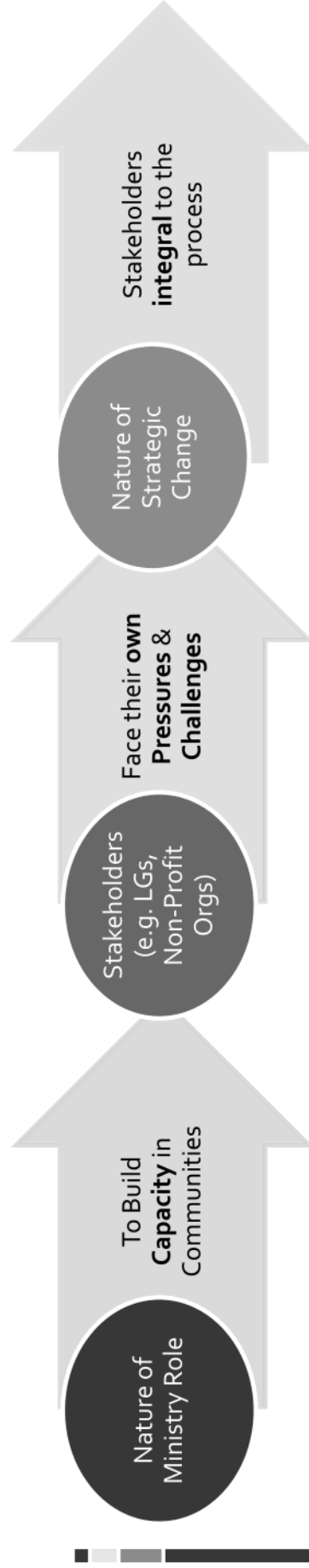
## Implement Local Government elections changes for 2014 local elections

- Transparency, disclosure, education, compliance and enforcement changes (phase 1) for November 2014 elections.
- Consultations/work underway for expense limits (phase 2) for elections after 2014.



# Strategic Context

- Ministry generally delivers services/governance through others, so relationships matter
- Diverse and dynamic environment (e.g. 190 local governments; 454 non-profit arts & culture groups)
- High level of public interest in communities



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# Demonstrated Continuous Improvement

## System Improvements

- Auditor General for Local Government (2012/13)
- Provincial Athletic Commissioner (2012/13)
- E-Approvals implementation (2013)

## Governance

- Merged **Arts & Culture Branch** & BC Arts Council (2012/13)
- Outsourced BC Film Commission in creation of **CreativeBC** (2012/13)

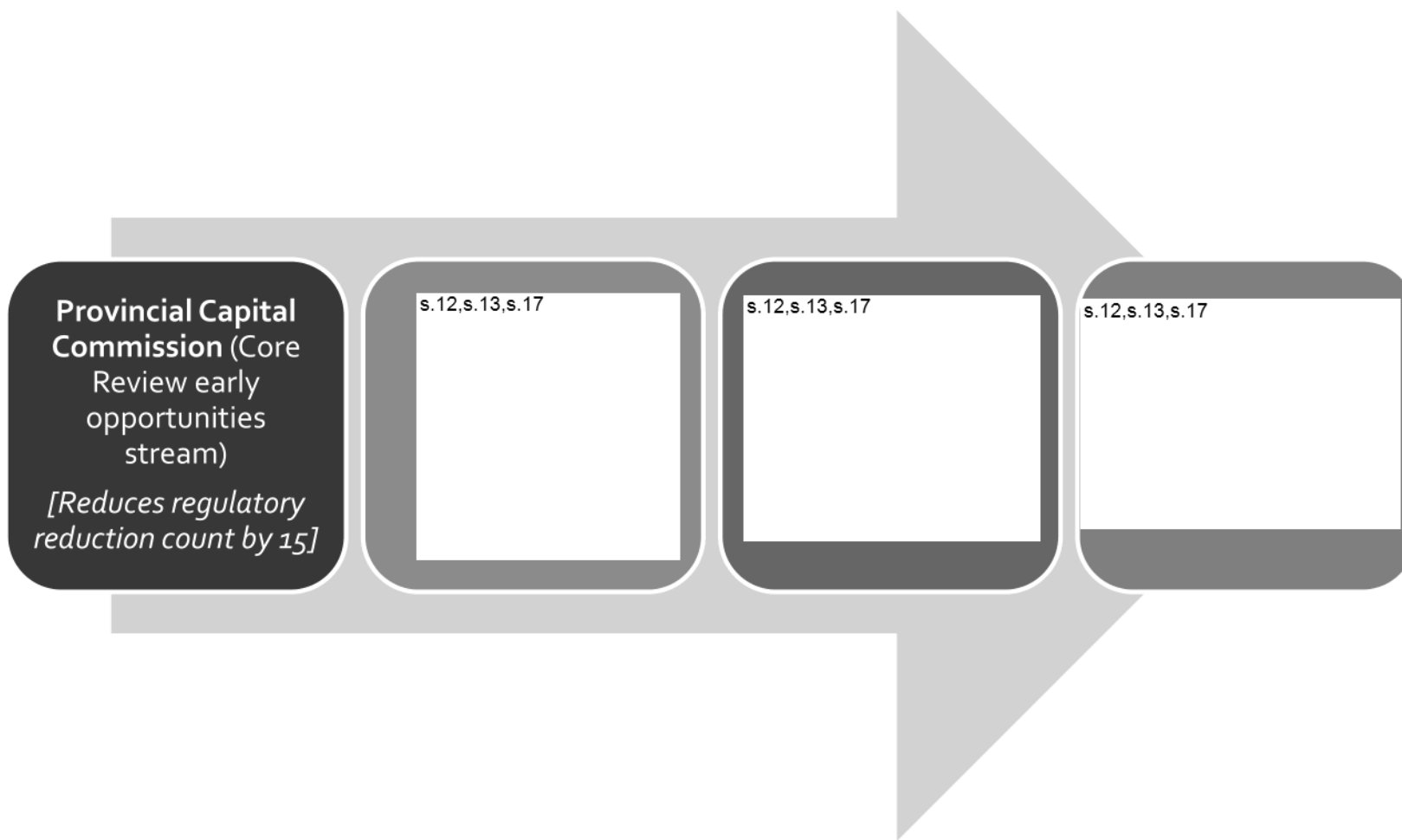
## Reviews

- Provincial AG review of **infrastructure grants** (2009/10)
- **Gaming Grants** Review (2011/12)
- LEAN **review of grants**: Infrastructure, Gaming, Arts, & Sports (2012/13)
- LEAN **FOI** Reviews (2012/13)





# Improvements Underway



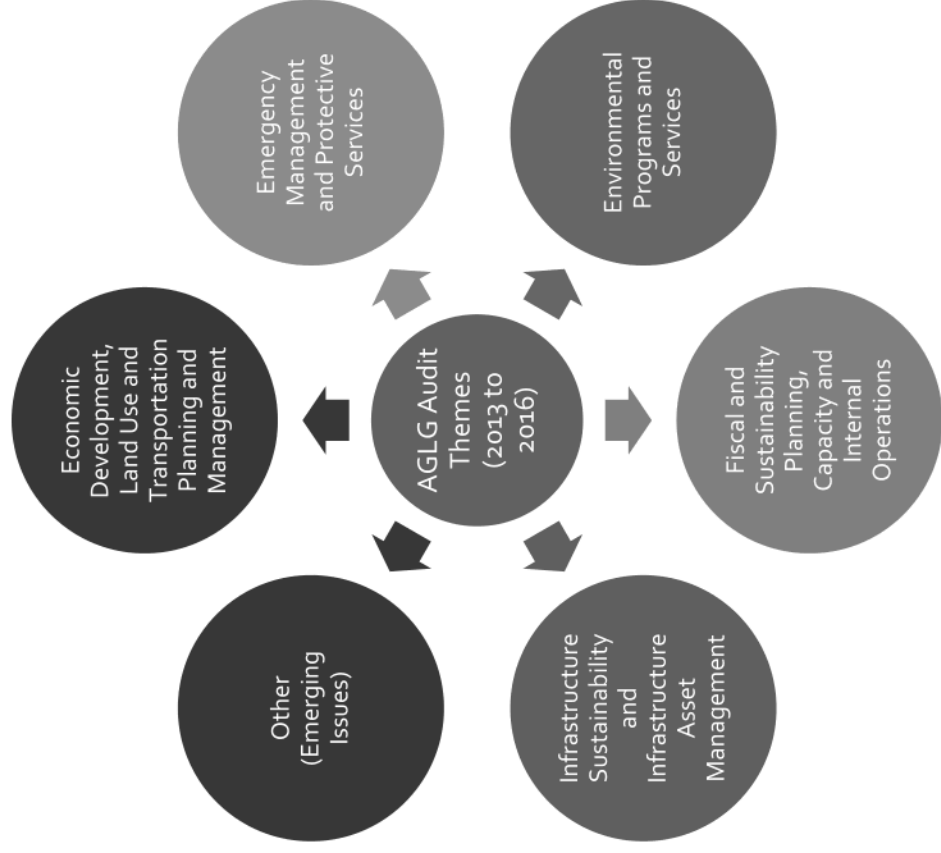
# Auditor General for Local Government: Planned Performance Audits

## Audit Reports expected by *March 31, 2014*

- Achieving value for money in operational procurement
- Local government performance in managing policing agreements and police budget oversight
- Learnings from Local Government Capital Procurement Projects and Asset Management Programs

## Audit Reports expected by *August 31, 2014*

- Local Governments Role in Ensuring Clean Drinking Water
- Managing the Inherent Risks of Limited Human Resources within Small Local governments



# Opportunities for Change: Three Key Themes

## BETTER MANAGE PROVINCIAL COSTS

- - Recover fire service costs from UBC

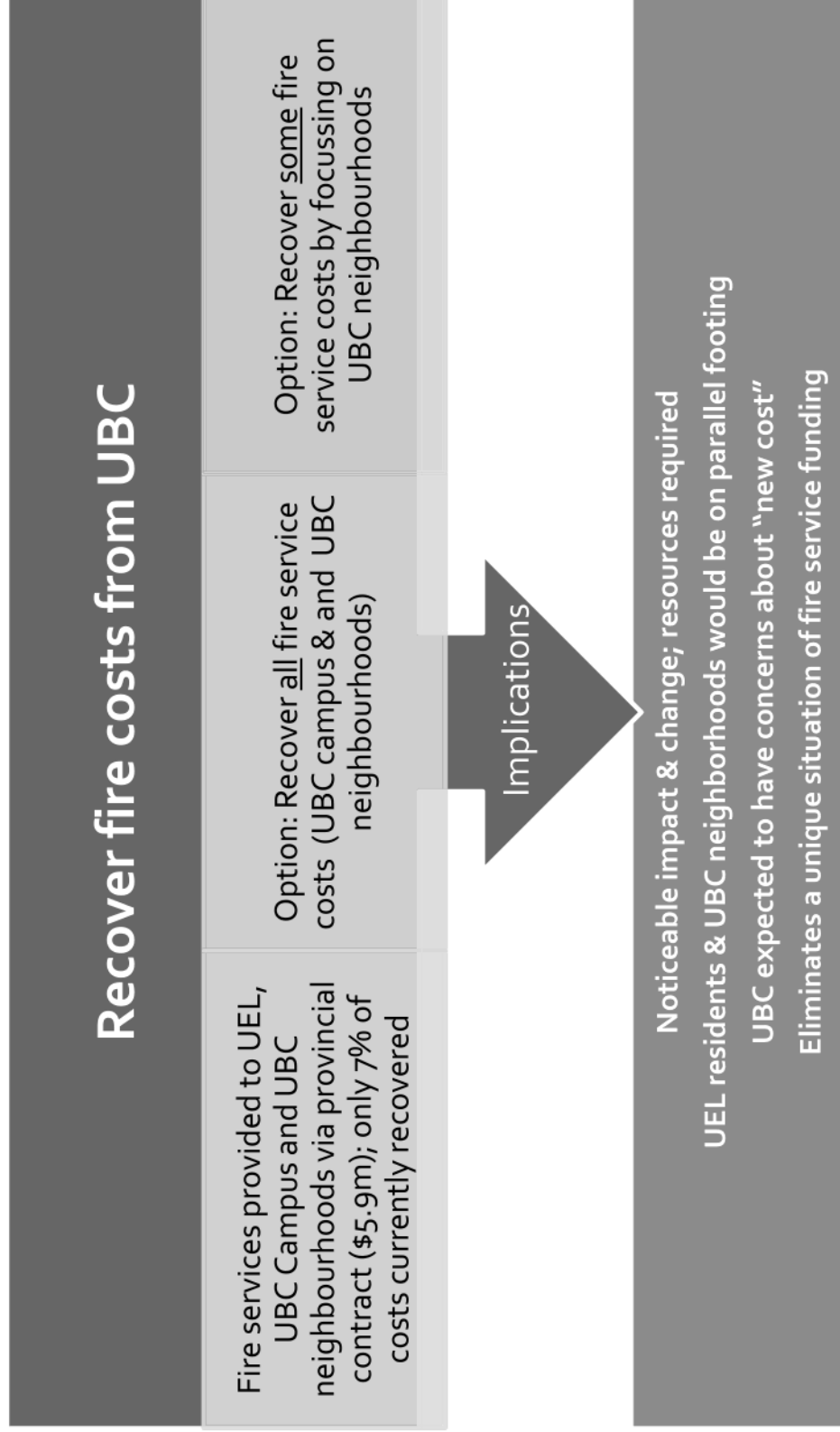
s.12,s.13,s.17

## ELIMINATE INEFFICIENT PROVINCIAL APPROVALS

- - Local decisions made locally



# Theme #1: Better Manage Provincial Costs







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s.12,s.13,s.17

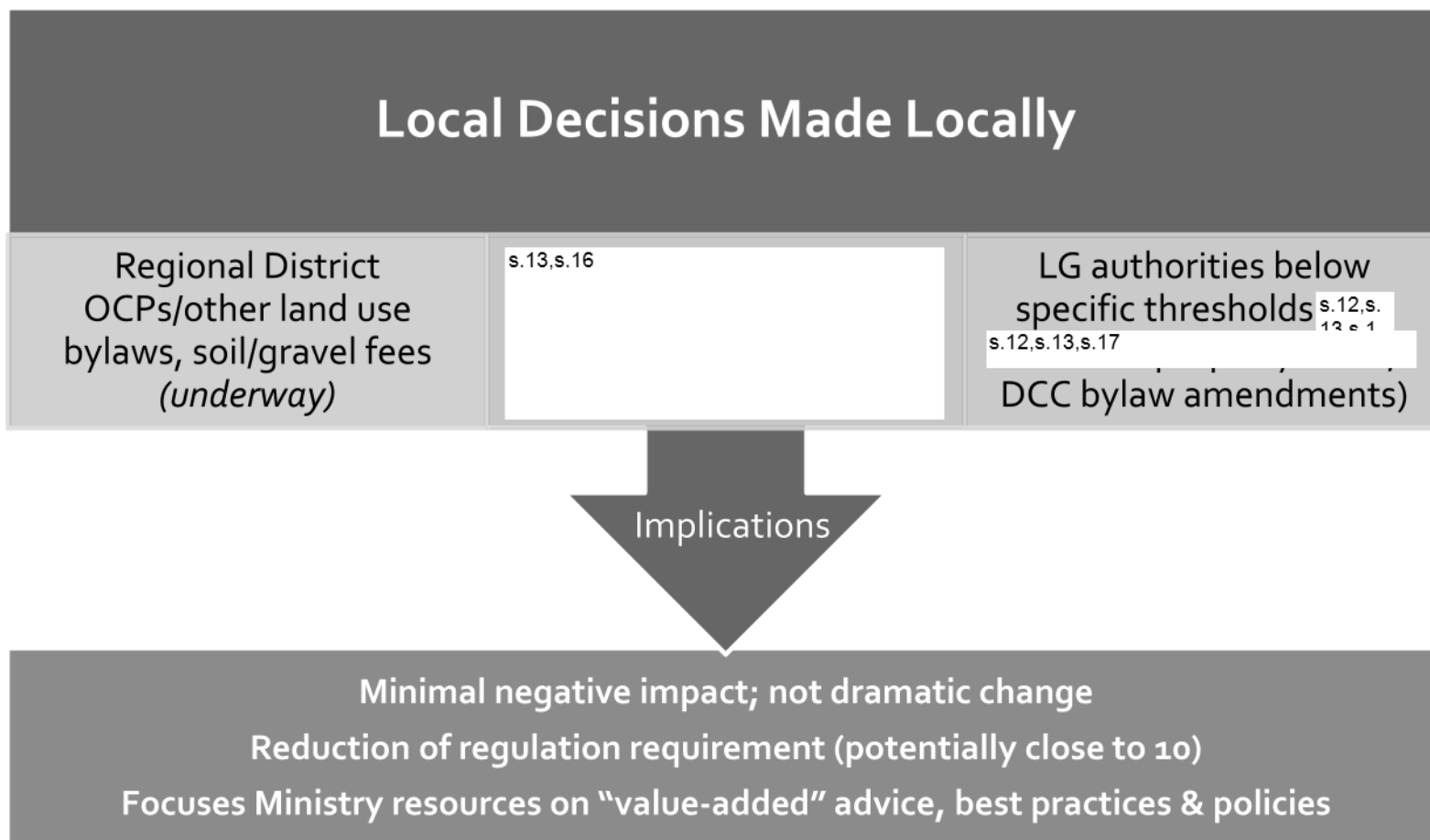
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Implications

s.12,s.13,s.17



# Theme #3: Eliminate Inefficient Provincial Approvals

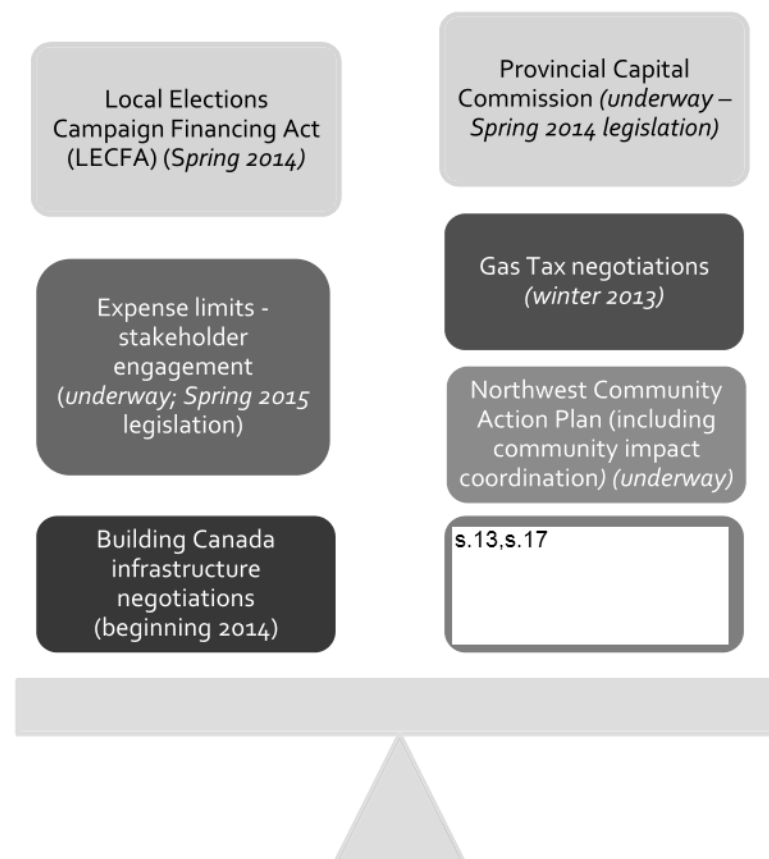


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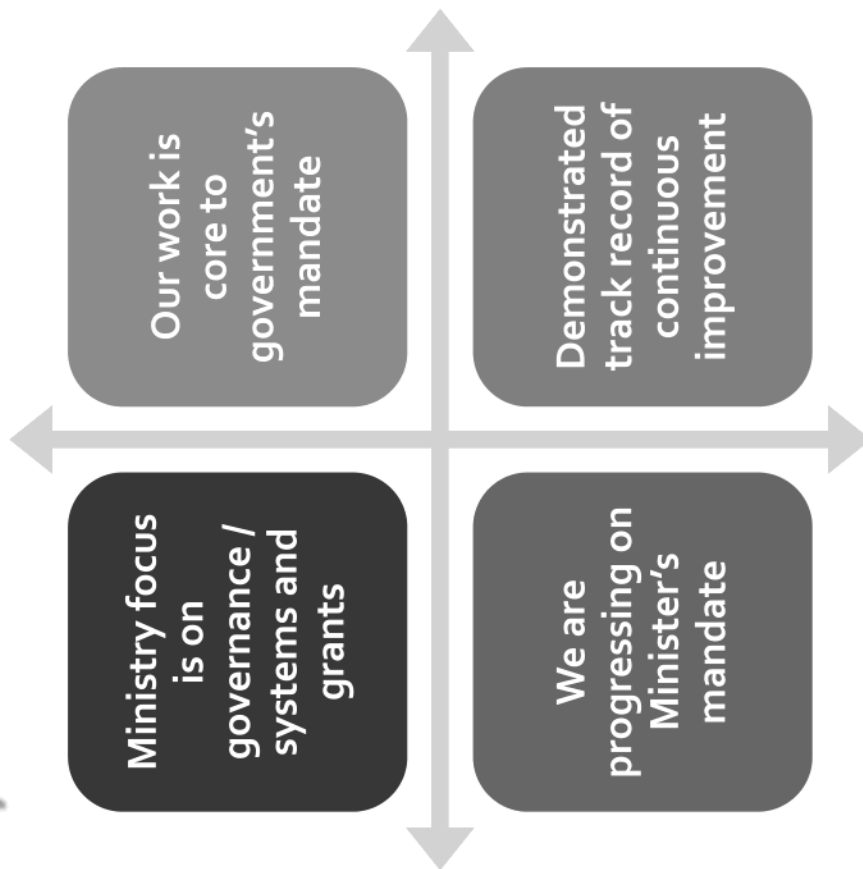
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# Implementing Change Agenda





# Summary



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# **REPORT BACK TO THE CABINET WORKING GROUP ON CORE REVIEW (CWGCR)**



Ministry of Community, Sport and Cultural Development

May 5, 2014

# MCSCD Report Back Items (Phase 2)

s.12,s.13,s.17

Eliminating Inefficient Provincial Approvals (*status report*)

s.12,s.13,s.17

Better Managing Provincial Costs – Cost Recovery of UBC Fire Services (*decision on cost recovery options*)

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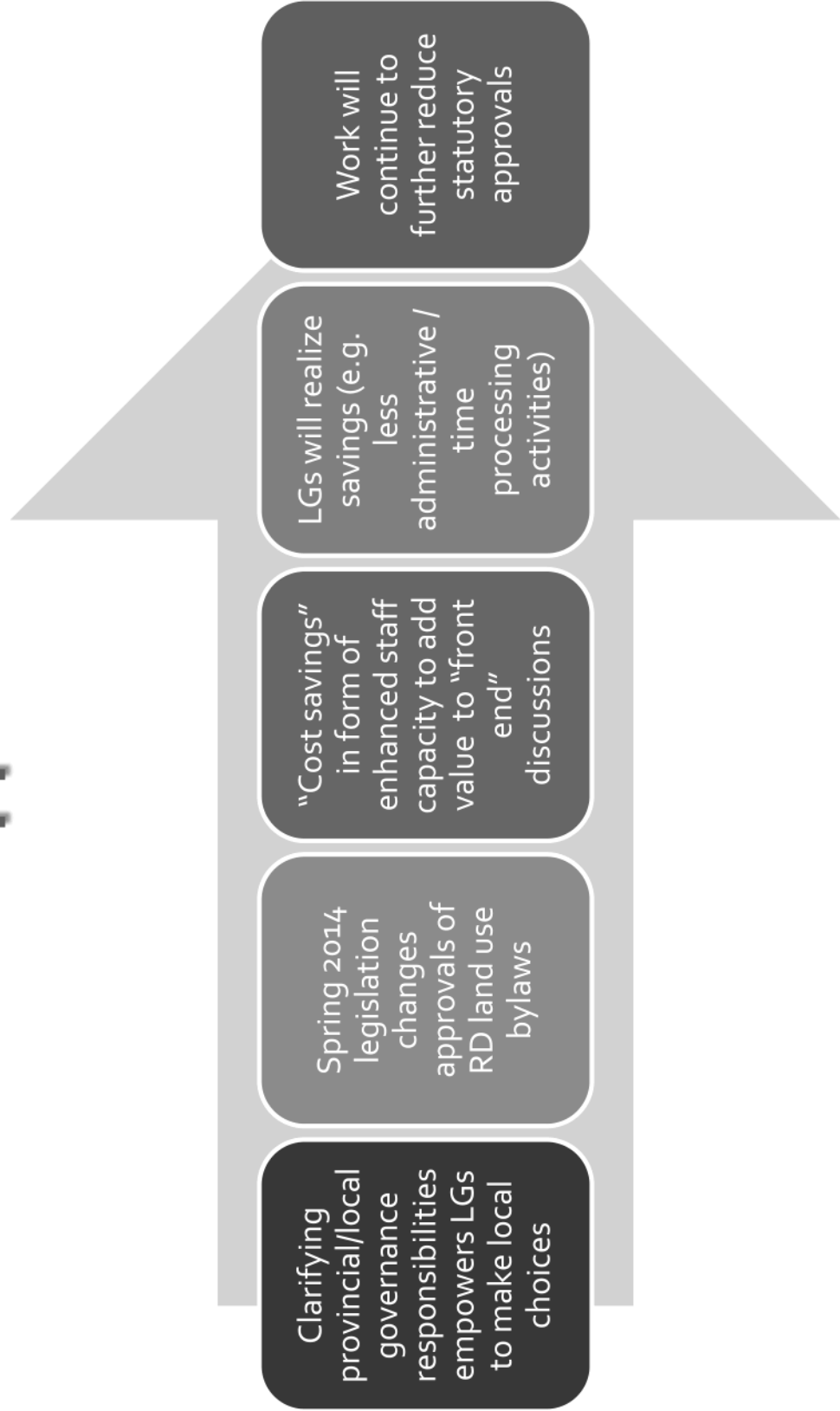
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# Eliminating Inefficient Provincial Approvals



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Page 143 to/à Page 150

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s.12;s.13;s.17



# Provincial Costs Drivers on Point Grey:

## UBC

### UBC Background

- Approximately 60,000 full-time students, faculty, staff and residents on campus (9000 permanent residents)
- Only BC university not within municipal boundaries; governed by the *University Act*
- Two main aspects of campus – the academic/institutional campus; and the 5 intensively-developed residential neighbourhoods
- Agreement b/w UBC & University Neighbourhoods Association (UNA), a UBC-initiated society, sets that for neighbourhood areas, the UNA provide community oversight for municipal-type services (e.g. community centre)
- UBC does not have powers of LGs (e.g. taxation) but provides services on Point Grey Campus much like a strata corporation does for condominium

# Provincial Cost Drivers on Point Grey : Roads, Police, Fire

## Roads

s.12,s.13,s.17

s.12,s.13,s.17

s.12,s.13,s.17

## Fire

- Fire protection service for UEL and UBC are paid for by MCSCD via \$6m contract with Vancouver (expires 2094); costs allocated based on population (For 2014 6% UEL, 94% UBC).
- Province recovers the full costs of providing fire protection on the UEL (\$420,000)
- UBC & UNA do pay any portion of their annual fire protection costs

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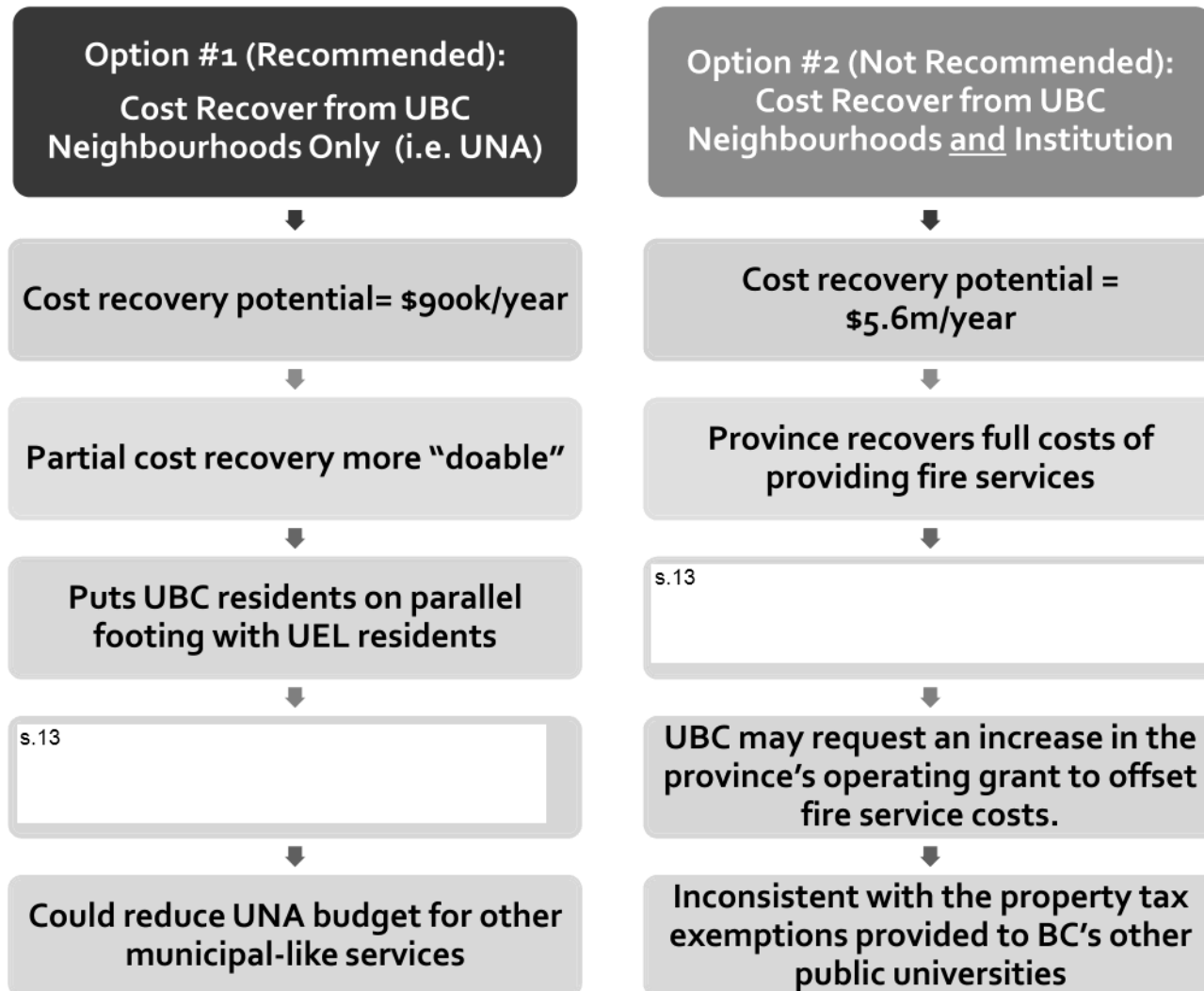
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## Fire

- MCSCD cost recovery opportunities:
- 1) Recover a portion of total costs from UBC neighbourhood areas only (i.e. UNA)
- 2) Recover all costs from UBC institution & UBC neighbourhood areas.

Confidential Advice for Cabinet

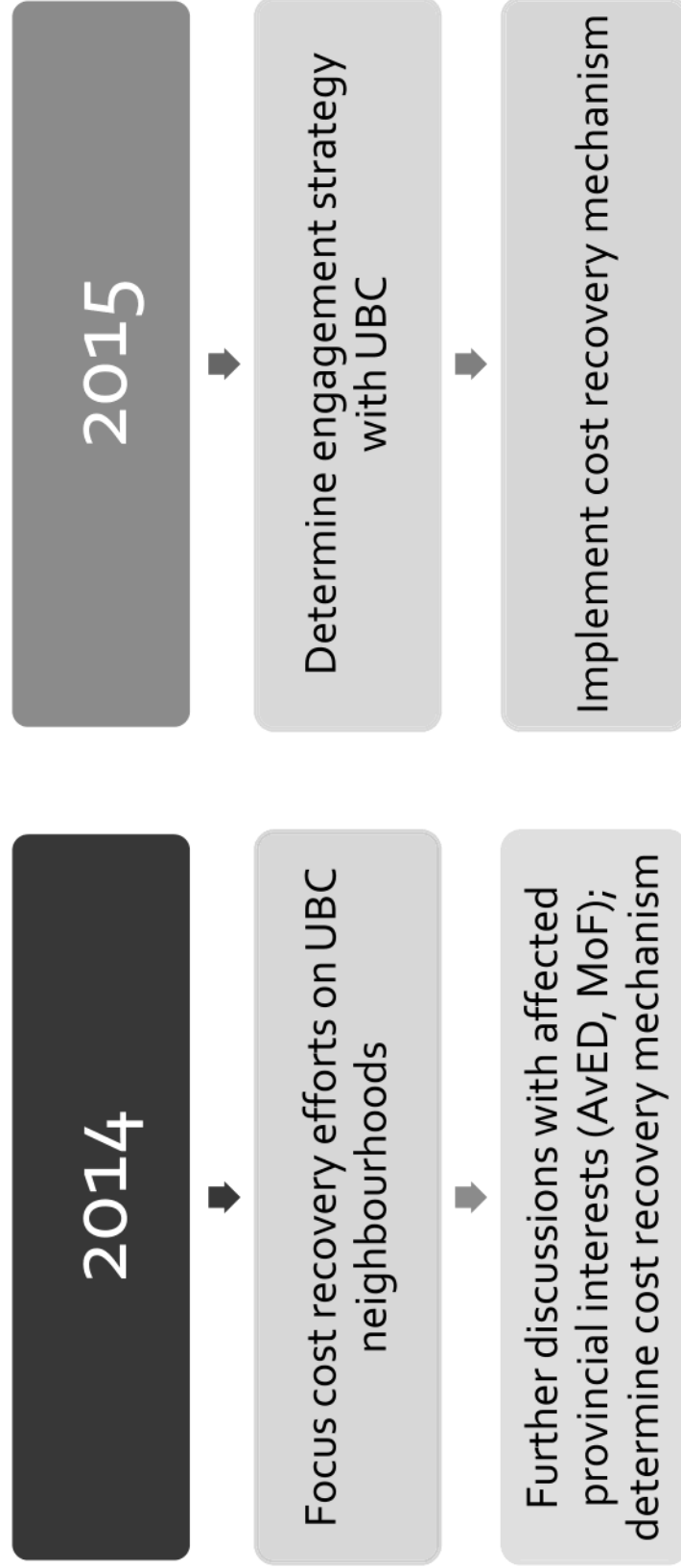
# Cost Recovery of UBC Fire Services



Confidential Advice for Cabinet



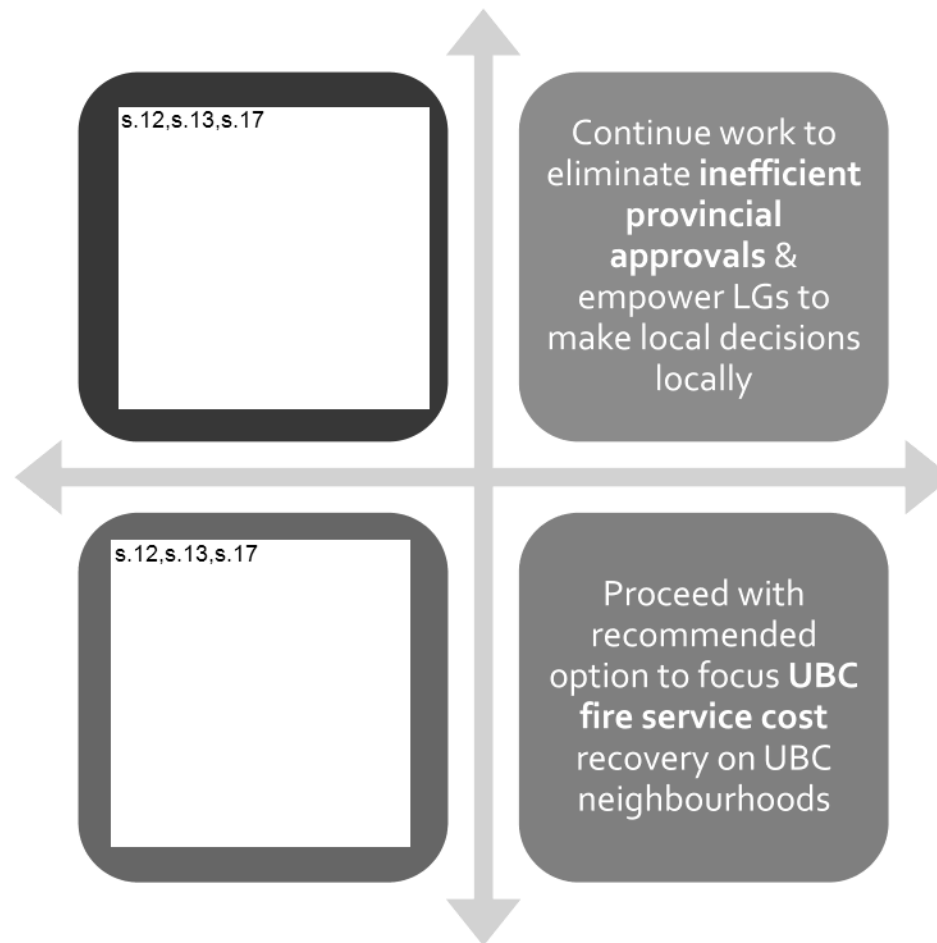
# Cost Recovery of UBC Fire Services – Next Steps







# Summary



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