TRANSITIONS:
Planning, Servicing, and Local Governance in BC’s Resort Communities

December 2004

Volume 1
Best Practices Project
Context


Strategic directions within the “BC Resort Strategy and Action Plan” included the development of a set of best practices tools to build common understanding between resort developers, communities and First Nations.

The Best Practices Project, which commenced in the summer of 2004 and concludes in the spring of 2005, involves the development of three products:

1. Transitions: Planning, Servicing, and Local Governance in BC’s Resort Communities
2. Best Practices Guide for Resort Development

This report is the first volume of the three-part series and addresses the current situation and self-sustaining challenges of resorts and communities transitioning into resort communities. It provides suggestions on how the resort industry, local communities, and the Province can maintain their competitive advantage in the global tourism industry.
On behalf of the Municipal Sub-Committee of the BC Resort Task Force, this report is presented to Honourable Patty Sahota, Minister of State for Resort Development

Foreword

CitySpaces Consulting, along with sub-consultant, EcoSign Mountain Resort Planners, appreciate the time and insight provided by members of the Municipal Sub-Committee of the BC Resort Task Force. The member’s experiences and opinions were invaluable in helping to analyze the complexities and opportunities associated with planning, servicing and local governance in resort communities.

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Western Economic Diversification Canada Regional Representative
Executive Summary

There are a variety of transitions associated with planning, services and local governance in BC’s resort communities, particularly as they grow, and property ownership diversifies. The issues surrounding these transitions are complex, but not insurmountable. While no two resort settings are identical, there are a number of common approaches to be considered.

This report provides contextual research and an analysis of the issues surrounding resort transitions. The report also contains suggestions for consideration by those who are directly involved in ensuring that BC’s resort communities remain competitive and financially sustainable, and that local “public interests” are well served.

Study Framework

Initially, the study’s focus was solely on mountain resorts – large capital investments, primarily on Crown Land. Subsequently, recognizing BC’s broad resort potential, the scope was widened to consider existing communities with a significant outdoor tourism component in their economy.

The research and consultation program comprised:

• An assessment of BC’s current situation, including the local government legislative framework and the experiences and perspectives of resort representatives, Provincial and local government officials;

• An historical overview of rural/resort settlement in BC; and

• An examination of approaches and practices in other jurisdictions that have a strong resort component to their economy.

Research and Stakeholder Consultations

The BC Resort Task Force set out general definitions of the terms resort and resort community in its main report.

• “Resort community” – either incorporated or unincorporated – that has developed around tourism accommodation facilities and recreational activities and has an economy that is heavily dependent on tourism spending.

As an outcome of this study, and as practical suggestion for those directly involved in legislation, policy and programs related to resort communities, the following quantitative definition is put forward.
• “Resort community” – refers to a spatially contiguous area where the transient room capacity, measured in bed units, is greater than or equal to 60% of the permanent census population. A resort community may be an unincorporated settlement within a regional district, an incorporated municipality, or a combination of both. A resort community has a diversity of property ownership.

✓ Planning Issues and Suggestions for Further Consideration
Two jurisdictions have an interest in land use planning for significantly sized resorts – the Province and local governments. Although there are crossovers in objectives, each jurisdiction has its own emphasis of interests.

• With a view to satisfying the interests of both the Province and local government, there needs to formal harmonization of planning processes. Local governments would benefit from earlier involvement and additional capacity in order to undertake local planning reviews; in return, they need to give some assurance on the time frame for decision-making.

• The planning processes for major Crown Land recreational operations should meaningfully involve local government from the beginning for any situation that involves real estate development, permanent residents, or significant commercial enterprises.

• Provincial line ministries need to be at the planning table early and continuously in order to avoid jurisdictional overlap and reduce the barriers to resort development.

✓ Servicing Issues and Suggestions for Further Consideration
There are a variety of arrangements for delivering hard services in resort communities. The methods for paying the costs of these services also vary.

• Few resorts have the staying power to privately maintain and operate services as a resort community matures to a significant permanent population. Some form of public local governance will likely be required in order to ensure the adequacy and availability of services as a resort community grows.

As resorts grow and diversify, there is an increased need for a wider range of services.

• Local government is best positioned to coordinate the identification of changing needs and facilitate the planning and delivery of these services, either directly, or through coordination with other service-delivery agencies, such as school districts, hospital district, and transit.
Local Governance Issues and Suggestions for Further Consideration

There is flexibility “in the system”. The existing BC legislation offers a range of forms of local governance, plus special mechanisms to assist mountain resort communities. Out-of-province jurisdictions have different, but not necessarily better, local government models.

- Some changes may be appropriate to proactively facilitate transitions in BC, but wholesale legislative change does not seem warranted.

The BC legislation is complicated to all except those who work with it on a regular basis. Even though the Province has produced a series of guides, until a local community goes through a local governance “restructure study”, the complexities and opportunities are hard to fully understand. The Province is available to facilitate structural change, provided a local community asks for it.

- The Province should consider a more active role in relation to the transitions related to resort governance. If significant growth is being planned, a local governance study should be required during the process leading to a Master Development Agreement for resorts on Crown Land.

Working arrangements vary considerably among resort owners and local governments. Some resort owners would prefer an alternative arrangement to the current regional district model.

- If resort owners, developers, businesses do not feel that their current arrangements with a RD are beneficial to resort development, there are several governance alternatives, including Local Community Commissions, Mountain Resort Improvement Districts, limited (customized) municipalities, and full service municipalities.

- Seven criteria are suggested as a basis for considering local governance for resort communities and put forward suggested thresholds to assist in determining the most appropriate “governance model” for both new and expanding resort communities in unincorporated areas.

Existing municipalities that are rapidly experiencing increased tourism (e.g. Fernie, Osoyoos, Tofino) may need more flexibility than the current legislation allows. Special mechanisms are in place for “mountain resorts” but not for coastal, golf or agri-tourism resorts.

- The Province should consider legislative change that would provide all “resort communities” with the advantageous mechanisms that, currently, are only associated with mountain resorts.
Figure ES1

<table>
<thead>
<tr>
<th>ISSUES</th>
<th>SUGGESTED RESOLUTIONS</th>
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<tr>
<td>Planning</td>
<td>• Early involvement of local government</td>
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<td>Participation</td>
<td>• Clear time frame and closure</td>
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<td>Time Frame</td>
<td>• Central repository of resort-relevant regulations</td>
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<td>Information Sharing</td>
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<td>Servicing</td>
<td>• Identify long-term services needs</td>
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<tr>
<td>Availability</td>
<td>• Better use of marketing and promotion tools</td>
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<td>Adequacy</td>
<td>• The additional “assist” factor</td>
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<tr>
<td>Range</td>
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<td>Costs</td>
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<tr>
<td>Local Governance</td>
<td>• Authority for all resort communities</td>
</tr>
<tr>
<td>Appropriate Model</td>
<td>• “Transition Team” to proactively facilitate</td>
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<tr>
<td>Voter Eligibility</td>
<td>• Examine voter eligibility</td>
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<tr>
<td>Value for Taxes</td>
<td>• Mandatory “resort areas”</td>
</tr>
<tr>
<td>Accountability</td>
<td>• Governance study</td>
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<tr>
<td>Financial Viability</td>
<td>• Criteria or assessing appropriate transitions</td>
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Looking Ahead

Every resort community has its own unique characteristics; “one size” solution doesn’t fit all circumstances. While many of the “tools” are in place to deal with customized solutions, more effort is needed to ensure that these are widely communicated before they will be effectively put into practice.

In order to advance the specific suggestions made in this report, there are four fundamental precepts that require agreement among key stakeholders:

1. Acknowledgement by the Province that “resort communities” face unique challenges as ownership diversifies and that special arrangements – planning, servicing, local governance and financing – are necessary to facilitate efficient growth and economic development;

2. Recognition by developer-owners and the Province of the benefits of involving local governments at the beginning when large-scale resort projects are contemplated, whether on private or Crown Land;

3. Validation of the ongoing role of the developer-owner as the resort moves from single to multiple ownership and willingness to find the appropriate local governance model to enable this ongoing participation; and

4. Commitment by the Province to go beyond “responsiveness” to pro-active facilitation to find solutions for difficult servicing, marketing/promotion, governance transition issues in existing resorts.

As outlined more fully in the body of the report there are many issues associated with transitions from a one-owner resort to a resort community with a diversity of property ownerships and interests. In this sense their transitional pattern is more like a “one industry town” than a typical settlement which begins with multiple ownerships and, over time, may follow a more conventional municipal track.

While there is no one model of planning, servicing and governance that is ideal for every resort community, there is much to be learned from past and current experience. Figure ES1 graphically depicts the main planning, servicing and local governance issues, along with suggestions for their resolution.
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Section 1  Introduction and Framework

A key element of BC’s economic development strategy is to support resort-based tourism and enable operators to compete effectively in the international market. In 2003, the Province established the BC Resort Task Force with a mandate to identify and eliminate barriers to investment, development and expansion. The Task Force identified the relationship between resort-based tourism and local government as a particular area of interest and, as a result, established a Municipal Sub-Committee to examine related issues.

1.1  Scope of this Study

In summer 2004, CitySpaces and EcoSign were engaged to assist the Municipal Sub-Committee to analyze the complexities and challenges associated with planning, services and local governance in relation to resort developments and to identify ways to facilitate positive and practical transitions. This report is the result of that engagement.

This study is a compilation of the research undertaken by the consulting team in connection with planning, services, and local governance associated with rural resort communities. Additionally, suggestions are put forward for further consideration and additional study.

Initially, the focus of the study was on mountain resorts – large capital investments always proposed on Crown Land. Subsequently, the scope was broadened to give some consideration to destination resorts of various types (e.g. golf, agri-tourism other commercial recreation) whether or not they were proposed on Crown Land, as well as existing municipalities with a significant outdoor tourism component in their economy (e.g. Tofino, Oliver, Invermere).

The consultants’ research and consultation program comprised:

• An assessment of the current situation in BC. This was accomplished by a review of existing provincial legislation, municipal letters patent, and interviews with more than 30 resort representatives, Provincial and local government officials;

• An historical overview of resort and non-resort development in BC. This involved a literature review, followed by telephone interviews; and

• An examination of practices in a number of other jurisdictions, with a focus on those that have similar situations to BC. This was accomplished primarily through web-based search, supplemented by telephone interviews.
1.1.2 Terms and Abbreviations

There are various terms that are used frequently in this report.

- “Local government” – refers to municipalities and regional districts as defined in the Local Government Act (LGA) and Community Charter.

- “Resort community” – refers to a spatially contiguous area where the transient, publicly-available room capacity, measured in bed units, is greater than or equal to 60% of the permanent census population. A resort community may be an unincorporated settlement within a regional district or an incorporated municipality or a combination of both. A resort community has a diversity of property ownership.

- “Destination resort” – refers to a tourist-oriented development that is under single ownership.

- “LWBC” – refers to the Provincial Crown Agency of Land and Water BC. Inc. This agency manages the allocation of Crown land and water resources on behalf of the Province.

- “MCAWS” – refers to the BC Ministry of Community, Aboriginal and Women’s Services. The Local Government Department of this Ministry supports the work of local government in various ways, including: governance and structure, intergovernmental relations, planning and policy.

- “Master Development Agreement (MDA)” – refers to a legal agreement between the Province and a business proponent with respect to the orderly development of an alpine ski development on Crown Land. The MDA is based on a Master Plan document, the third stage of an alpine ski development proposal.

- “mountain resort land” – the land within a mountain resort area, designated by the minister responsible for local government, within which membership in the mountain resort association is required and from which monies can be raised.

- “mountain resort association” – a legal entity with a built-in taxation system to promote the interests of the resort through marketing and promotion (e.g. Whistler, Sun Peaks).

- “mountain resort business improvement area” – an area established by a local bylaw and using the local taxation system to assist businesses and property owners in financing marketing and promotion.

- “mountain resort improvement district” – a form of improvement district through which specific public services can be provided to a
resort area where a local government does not provide such services (e.g. Sun Peaks).

- “mountain resort municipality” – a form of municipality with expanded planning, finance and borrowing powers, where development is significant and the area is remote (e.g. Whistler).

1.2 British Columbia’s Governance Framework

The BC Government creates the framework for private and public governance. Figure 1 is a graphic representation of private and public governance models in BC, as they pertain to resort communities.

Figure 1 – Private and Local Public Governance in BC
There are several statutes that affect the ways that decisions are made, budgets prepared, revenues generated and services delivered. This section summarizes the governance framework and those statutes that have a direct affect on decision-making, planning and services.

1.2.1 Private Governance
Private corporations and private societies make many decisions about the development and operation of destination resorts. Some examples:

- Panorama Mountain Village is owned and operated by Intrawest Corporation, a BC based, publicly traded international company;
- Harper Mountain is a privately owned family operated ski hill near Kamloops; and
- The Phoenix Alpine Ski Society runs Phoenix Mountain west of Grand Forks.

1.2.1.1 Business Corporations Act
In March 2004, the Business Corporations Act replaced the Company Act. Destination resorts are initially developed by a company or a joint venture among companies. Companies have all the powers of a natural person and have considerable latitude to make decisions within their articles of incorporation.

1.2.1.2 Society Act
The Society Act outlines the governance and accountability for societies that are established in BC. A society must be made up of five or more people. A number of smaller BC resorts are community-based societies. Decisions are made by a Board of Directors. Societies have wide latitude to operate within the articles of their constitution. This includes the power to:

- buy, sell, exchange, develop and mortgage property;
- borrow money and give security for it and secure or purchase money obligations;
- issue negotiable instruments;
- receive and make gifts; and
- enter contracts and leases.

1.2.1.3 Strata Property Act
In many BC resort communities, residential and commercial land parcels are often developed by an owner-developer who then establishes a strata corporation and sells the strata lots that are created under the provisions of the Strata Property Act. Over time, as a result of these real estate developments,
there is a diminishment of the relative ownership of the original owner-developer of a destination resort.

Strata corporations are responsible for managing and maintaining the common property and assets of the development for the benefit of all of its owners. An annually elected Board of Directors makes decisions. A strata corporation has all powers of a natural person.

1.2.1.4 Mountain Resort Associations Act

The Mountain Resort Associations Act came into effect in 1995. It is included in this section of the report as form of “private governance” insofar as resort associations are operated much like companies and societies – decisions are made by a Board of Directors elected by its members.

The Act was designed to provide the same financial and planning “tools” to other mountain resorts that were available only to Whistler through the Resort Municipality of Whistler Act. These tools had been highly successful in facilitating resort development and promoting year-round tourism activity in Whistler and at Sun Peaks and included:

- Less stringent referendum requirements;
- Broadened development cost charges;
- Broadened development permit powers; and
- Creation of a resort business association and collecting mandatory fees from members.

In relation to private governance, there are four entities that are created in the Mountain Resort Associations Act.

- “Mountain Resort Area” – is an area formally established by the Province where year-round recreation facilities exist or are proposed. The primary purpose for this designation is facilitating the creation and operation of a “mountain resort association”.

- “Mountain Resort Association” – refers to a non-profit society that is incorporated by the Province for the purpose of promoting and marketing the resort, including a central reservation system. Revenue is derived from a levy on resort property owners (“members”) located with the “mountain resort area”. The society does not deliver services such as water, sewer, street lighting, snow clearing, etc. Although the local government in which the “mountain resort area” is located must approve the creation of the association, the local government does not operate it, nor is it involved in collecting the levy. The members of the association elect a Board of Directors annually.
• Mountain Resort Improvement District” – refers to a special purpose body established by the Province to deliver specific public services to properties within the “mountain resort area”. The specific services are set out in the Letters Patent. There are no borrowing powers through the Municipal Finance Authority (MFA) and there is no regulatory authority for land planning and zoning.

• “Mountain Resort Business Improvement Area” – is an area formally designated by a local government in which property owners are assessed an additional levy for the marketing and promotion of businesses within that area. Funds so generated are administered by a non-profit society whose Board of Directors is elected annually. Before a local government creates a MRBIA, the property owners must submit a petition with at least 50% of the owners with one half of the taxable values signing. Alternatively, the council or board can advertise its intention to create a MRBIA and invite property owners to object (a counter-petition).

The “private governance” models described in this section all have a bearing on resort development and operations. The following section discusses the “public governance” framework in relation to resort developments, with an emphasis on local governance models.

1.2.2 Public Governance

BC is unique in Canada, as local governments, particularly municipalities, have a degree of operating autonomy that is unmatched in other provinces. In contrast, Ontario’s local governments have traditionally been closely supervised. For example, the Province approves official community plans and all significant local government planning decisions can be appealed to the Ontario Municipal Board. In BC, there is no planning appeal system, other than through the courts.

The Province also established the BC Municipal Finance Authority which serves as a centralized borrowing authority and provides advice on governance, administration and planning. The Provincial Cabinet is also the body that, on the advice of the local electorate, approves significant changes to local government boundaries, jurisdiction, and organizational framework for the delivery of local services.

1.2.2.1 The Local Government System

Local governments provide local services to people at the level they want and at a price locally-elected (and sometimes, appointed) officials determine they can afford.

The local government system is currently made up of 156 municipalities, 27 regional districts and over 250 improvement districts. Municipalities and regional districts are the main components of BC’s local government system.
In light of BC’s size, topography, and economic history, a “one size fits all” form of government isn’t practical. Every destination resort and each existing resort community is unique by virtue of its development history, proximity to a large service centre, intended size and range of amenities at build-out, and ownership.

Nothing stays the same forever. As communities change – through resource development, resort development, population growth, and loss of an economic resource – their form of government may also need to be changed. There is a huge range in the size of municipalities in BC, as shown in accompanying Figure 2.

Figure 2 – Selected Indicators

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<tr>
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<th>Smallest</th>
<th>Largest</th>
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<tbody>
<tr>
<td>Population, 2003</td>
<td>Zeballos: 228</td>
<td>Vancouver: 568,442</td>
</tr>
<tr>
<td>Municipal Budget, 2003</td>
<td>Silverton: $357,927</td>
<td>Vancouver: $879,330,000</td>
</tr>
<tr>
<td>Total Assessed Values,</td>
<td>Zeballos: $7,765,200</td>
<td>Vancouver: $72,843,426,971</td>
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<tr>
<td>all General Purposes, 2003</td>
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<tr>
<td>Average Annual Rate of</td>
<td>Tahsis: -6.7%</td>
<td>Pemberton: +12.7%</td>
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<tr>
<td>Population Growth, 1994-2004</td>
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1.2.2.2 Provincial Legislation

Vancouver operates through its own legislation. Whistler has specific powers derived from special purpose legislation. All other municipalities in BC derive their authority through the Community Charter and Local Government Act. A third statute, the Municipalities Enabling and Validating Act (MEVA) provides authority for the Province to respond to unique local government situations.

Under the Community Charter, local governments have broad powers, flexibility and autonomy with which to address their community’s needs. BC now has the most empowering local government legislative framework of any province in Canada. The Community Charter introduced an “alternative approval process” (section 86). An assent of electors may now occur if fewer than 10% of eligible electors in the area covered by the alternative process vote against a particular matter. (Note: is similar to the counter petition opportunity under the Local Government Act.)

All core elements of the Local Government Act (formerly, Municipal Act) were modernized in the 1990s and the Community Charter came into effect in 2004. These legislative changes recognize local government as an independent, responsible and accountable order of government. This, in turn, gives municipalities and regional districts the flexibility and autonomy to use a broader range of powers, including the authority to:
• establish and operate any service they decide is necessary or desirable for all or part of the community;

• recover costs of any service or regulatory scheme through fees, charges and taxes;

• use parcel taxes for services such as recreation and fire protection as well as roads, street lighting and similar services;

• make agreements with other governments or with private partners to provide or undertake services, works or facilities;

• acquire, manage and dispose of land and any other type of property, enhancing the ability to provide services in new and innovative ways;

• grant assistance to benefit the community, like exempting local groups from user fees or guaranteeing loans or providing land to non-profit housing societies; and

• delegate tasks to elected officials, staff, committees or local government bodies to streamline procedures and save time and money.

The updated Local Government Act gives more recognition and self-reliance to electoral areas. Regional districts now have greater flexibility to share administration costs on a region-wide or electoral-area-only basis. Electoral-area-only feasibility study funds are now possible.

The LGA also promotes full cost recovery by requiring electoral areas to “pay for what you ask for or receive”. As a result, electoral areas that benefit from specific administrative services that are not delivered across the entire regional district bear the costs of those services -- not the regional government as a whole.

Although the LGA and the Community Charter encourage local governments to develop custom solutions to service delivery, if there is an impasse or prolonged conflict, the legislation provides for a dispute resolution process through facilitated negotiation, mediation and, if necessary, arbitration.

The MEVA legislation is used by the Province in order to “customize” local government activities that are unique to that community. Each year, the Provincial legislature amends the Act to account for several situations, either as a validation or as an over-ride. For example in 2003, there were five amendments dealing with such matters as: validation of a public-private partnership agreement in a municipality, a change to voting on the hospital district, and validation of a regional district providing land development services for an industrial park.
1.2.2.3 Municipalities
A municipality is a general-purpose local government. A locally elected Council governs the municipality. Generally, a municipality provides all local services, and under the Community Charter has the broad power to provide any service council believes is necessary or desirable. The only mandatory service responsibility is policing for a population of 5,000 or more.

BC legislation sets out the number of elected officials by size of municipality:

- Village / Town: population less than 5,000: mayor and four councillors;
- City / District: population 50,000 or less: mayor and six councillors; and
- City / District: population 50,000 or more: mayor and eight councillors.

1.2.2.3a Mountain Resort Municipalities
Section 11 of the Local Government Act makes provision for a “mountain resort municipality”. When this section was added to the Act, it gave mountain resort municipalities a broader range of powers than available at that time to other municipalities. These powers apply to new resort municipalities as well as existing municipalities (Local Government Act, Section 1363).

1.2.2.3b Resource Development Municipalities
Section 10 of the Local Government Act deals with the incorporation of a municipality in conjunction with “resource development”. This section of the Act permits the Province to incorporate the residents of a rural area into a municipality without holding a vote if there is a public interest to be served in conjunction with the development of a natural resource.

This section ties back to the 1960s and 1970s when a number of municipalities were set up directly by the Province in order to provide a permanent settlement base associated with major resource development – mining, pulp and paper, hydroelectricity. The enabling legislation was an amendment to the (then) Municipal Act, but colloquially referred to as the “Instant Towns Act”. These municipalities were viewed as central to the Province’s commitment to expanding the resource economy.

1.2.2.4 Regional Districts
In 1965, the Province established a hybrid form of local and regional government – BC’s 27 regional districts (RDs). Each RD is made up of a Board of Directors comprised of representatives from the municipalities and the electoral areas. When these districts were first established they had specific powers outlined in their individual Letters Patent – some had authority to provide a wide range of services; others a much smaller range. In 2000, the legislation was changed to provide RDs with broad service powers.
Within the scope of the enabling legislation, the regional districts provide:

- Regional government. This includes the general role of representing the interests of the region, delivering services such as regional parks, and preparing region-wide plans (e.g. solid waste management, regional growth strategies); and

- Local government. Through bylaw, the regional district Board can establish service areas for services such as water, sewer and garbage collection that would likely be necessary for resort communities. All bylaws must receive the assent of the electors in the service area through a vote or petition. Regional district service areas are becoming the primary means for providing services in rural areas, replacing improvement districts.

A regional district may be asked to deliver public services for many reasons, including:

- broad public benefits (fire protection, public transit, libraries);
- fulfilling regional ambitions (economic development);
- private sector cannot provide service in the area (cable TV);
- services considered by the public to be too important or sensitive for private sector involvement (water distribution);
- economic efficiency or economies of scale (transit);
- local governments share a vision for the service (regional parks);
- benefits from infrastructure other jurisdictions already have in place (sewage treatment);
- collaboration results in better service through economies of scale, less administration, better access to equipment and staff (waste disposal);
- benefits extend beyond single jurisdictions (air quality, recreation); and
- benefits outweigh perceived costs, such as tax base changes, loss of control, uneven service levels (water quality).

Regional District “Service Areas” are the geographic regions where the service is provided and across which the service is funded.

Regional Districts also have authority to delegate their authority to a “Local Community Commission” or a standing committee, with the agreement of local electors.
1.2.2.5 **Special Purpose Local Governance**

Prior to the establishment of regional districts in 1969, either the Province directly provided services or they were provided by special purpose bodies.

1.2.2.5a **Improvement Districts**

Improvement districts (ID) have been a long-standing feature of the local government system, but are being phased out as regional districts assume their services or the IDs are amalgamated into municipalities. In the meantime, IDs play a role in providing local services to rural areas.

An ID is a special purpose local government established by the Province, to provide specific services. Most improvement districts provide just one service, usually water or fire protection. They do not have land use planning or general regulation powers. They are governed by a Board of Trustees, which is elected annually by the landowners.

1.2.2.5b **Mountain Resort Improvement Districts**

In the early 1990s, the Province introduced a new form of local governance – the “mountain resort improvement district” (MRID) for situations where the regional district was not able to provide services. These special purpose districts are considered by the Province as an interim measure in the development of a resort that could, eventually, achieve its own municipal status. MRIDs provide a limited range of services (as set out in the Letters Patent). They do not receive operating advances/grants from the provincial government, nor do they have the ability to borrow through the provincial government. The Sun Peaks MRID is the only such body in BC.

1.2.2.6 **Restructure Studies**

The Local Government Branch of the MCAWS is involved in any potential restructuring process – from funding restructuring studies, through working with a local committee, to drawing up legal documents. This applies to both urban and rural restructuring. The Ministry’s approach is to respond to communities that come forward rather than to take the lead role in potential restructuring.

A restructure process is completed in five phases:

1. Local residents contacts the Ministry; the Ministry provides information and may facilitate an initial public meeting;

2. The community – if it chooses to proceed – sets up a committee with a broad range of local interests. The Ministry provides this group with a grant of up to $40,000 to fund a detailed study (political representation, services, fiscal issues) by an independent consultant;

3. The consultant undertakes the study;
4. The incorporation committee presents the study findings of the consultant’s study to all affected and, based on public input, decides whether to recommend a referendum. If the decision is to proceed, the Ministry provides another grant and advises on the referendum; and

5. A referendum is held. If the vote to restructure passes, the Ministry arranges for Letters Patent to be considered by Cabinet. MCAWS also provides some financial assistance to implement restructuring.

1.2.2.7 Voter Eligibility
The Local Government Act sets out comprehensive voting procedures for elections and referenda. These procedures present special challenges for resort communities.

Elections – Municipal Status
In most situations, to incorporate as a municipality, a referendum will be held. A majority of eligible electors is required in order for an incorporation question to be successful. Eligible electors include both resident electors and non-resident property electors. To have the status of a non-resident property elector an individual (not a corporate interest), must be a Canadian citizen of age 18 or more, a resident of BC for at least six months prior to voting and a registered owner of real property for 30 days prior to the election.

Referenda – Regional District Services
An RD board may organize a referendum in the whole or part of an electoral area to obtain electors’ approval in relation to the provision of a regional service. A majority vote is required.

Alternatively, the owners of parcels in an electoral area may submit a petition for a service in all or part of the electoral area. This petition must be signed by at least 50% of the owners of parcels liable to be charged for the proposed service, and by a sufficient number of owners of parcels that the total value of their parcels represents at least 50% of the net taxable value of all land and improvements within the proposed service area.
Section 2 Research and Consultations

This section of the report provides a summary description of rural settlement history in BC, along with the highlights of the research other jurisdictions in relation to resort planning, servicing and governance. Additionally, this section describes four main stakeholder groups and their general perspectives about resorts and local government.

2.1 British Columbia’s Rural Settlement History

Research into BC’s recent settlement history in remote settings reveals interesting precedents for new towns that, initially, are driven by one “resource” industry. This is true for incorporation models and governing structures. If recreational land (mountain, coastal, lakeside) can be considered of as a type of “resource”, there are interesting parallels for resort development.

Some key findings of the research are set out below, with details provided in Appendix B.

- There is precedent in BC for the Province establishing incorporated municipalities in remote settings, without the petition by residents. These municipalities were viewed as central to the Province’s commitment to expanding the resource economy.

- The Letters Patent of these “instant towns” included provisions to prevent the council making decisions that would negatively affect the operations of the industry.

- The “instant towns” were initially governed by a fully appointed council, which, over two or three terms, became a fully elected council. The Provincial appointees usually were management from the resource company.

- These “instant towns” have experienced ups and downs of a resource-based economy but continue to be fully functioning independent municipalities. Examples include Logan Lake, Gold River, MacKenzie.

- Tumbler Ridge and Whistler are variants on the “instant towns” as described in Appendix B. In each case, there were one or more provincial appointees to their councils for an interim period. The appointees directly represented provincial interests as this was an extraordinary provincial interest in these situation.

2.2 Experience of Other Jurisdictions

With respect to planning, services and governance in resort communities outside BC, research revealed that several Canadian and US jurisdictions have grappled with finding the best ways to accommodate resorts with diverse ownerships.
Some key findings are identified below, with details provided in Appendices B and C.

- The US mountain states (Colorado, Idaho, Montana, Utah, Wyoming) vary in their approach to facilitating and supporting resort communities. Montana and Utah seem to be the most proactive in facilitating strong resort communities.

- Some states have a “home rule” provision in their constitution that allows municipalities to be incorporated through their own charter. These charter municipalities have more latitude on ways and means of revenue generation.

- Many US municipalities have broader service responsibilities (e.g. social services, corrections) than their Canadian counterparts. In a number of jurisdictions, municipalities have been prevented (through voter initiatives) from increasing property taxes. These circumstances have led to municipalities having to be more creative in finding alternative revenue sources.

- Most US mountain resort towns have had a previous life as a mining or ranching settlement. Because many were incorporated more than 100 years ago, they have well-established municipal governance structures and practices.

- Several states have made provision for resort communities to increase their sales tax in order to raise more revenue for infrastructure and community facilities. Vail, for example, currently has a total local sales tax of 8.9%. In some states, the enabling legislation for local sales tax either exempts some types of businesses (e.g. grocery, pharmacy) or provides for a reduction in the property taxes for full-time residents. (Note: These resort communities do not have the mandatory “resort association” provision that raises money through a “fee” rather than a “tax”.)

- In Canada, resort communities are usually small-scale, summer communities – Alberta, Saskatchewan and PEI are three provinces that have established unique forms of local governance for resort communities.

- The question of voter eligibility is taking on new prominence in some jurisdictions. This is occurring as more people are becoming semi-permanent residents, not just “weekenders”. The number of second homeowners is growing and it is likely that these land owners will want more involvement in local decision-making.

- Montana and Colorado have been particularly interested in the question of voter eligibility. The former has put forward legislation
to permit Americans who do not have their primary residence in the state to vote; the latter has left it to individual municipalities to decide through a “home rule” provision. In Colorado at least one municipality has voted to allow residents of other states who own property to vote. In Canada, Prince Edward Island has established a “Resort Municipality” which allows Canadians who are not permanent residents of PEI to vote and hold office. This extends to owners of businesses.

2.3 BC Stakeholder Perspectives

During Summer 2004, CitySpaces and Ecosign undertook interviews with resort developers/owners, senior staff of municipalities and regional districts and officials from the Provincial Government (refer to Appendix A for a list of those interviewed). Many of these interviews were held in person. They covered the same format, allowing the consultants to make comparisons, and providing a good basis for analysis. (Note: Owing to the original scope of the study, most of the discussion related to new or expanding large scale projects on Crown Land).

There are four stakeholder groups, each with varying perspectives shaped by their experience and their raison d’etre. Overall, there is goodwill among the stakeholder groups and a shared view that resort development brings benefits throughout the province. Stakeholders are generally aware that there are legislative tools and models that might be useful, but there is confusion and misinformation about exactly what these are.

2.3.1 Resort Developer-owners’ Perspective

Resort developer-owners form the first stakeholder group, many of whom remain as an owner/operator (skiing, golf). These business people have large investments and have taken on considerable risk, often in the tens of millions of dollars. They want to continue to exert influence as their resort grows and ownership diversifies. If the resort is on Crown Land, they have already invested a great deal of effort and, sometimes, experienced aggravation with Crown Land tenuring. Adding local governments’ processes after an MDA is completed becomes an extra frustration.

Some resort developers seem to be wary of regional districts as they feel that they are more responsive to regional politics than in tune with resort interests. In other cases, however, there are productive relationships.

Most do not prefer to be long-term providers of urban-type services for a permanent or semi-permanent population. Some express concern about paying taxes for which they receive little or no services on high value assessed property – largely created via their significant investment in infrastructure. School taxes are perhaps the most controversial, but there are also concerns about regional district levies for services they do not feel provide direct benefits.
2.3.2 Local Governments’ Perspective

Local governments – municipalities and regional districts – comprise the second group of stakeholders. Their mandate comes from the Local Government Act and the Community Charter. BC’s legislative framework recognizes and reflects local government as an autonomous, responsible and accountable order of government across all statutes.

Local governments view themselves as protectors of local public interests and as experienced local services providers. Some feel that, with respect to resort developments proposed for Crown Lands, neither developers nor Provincial agencies fully appreciate the service, regulatory and financial tools available to local governments. They also believe that neither party fully recognizes the stresses that can occur with rapid change in small communities, and the value of mitigating against these.

The Union of British Columbia Municipalities (UBCM) is the organization which serves and represents BC’s local governments. UBCM’s 2004 “Communities Agenda” covers a range of topics. One of the initiatives in the topic area of “economically sustainable communities” is to “ensure that “Crown Lands management is reflective of community interests and that competing interests are satisfactorily addressed”.

2.3.3 Real Estate Owners’ Perspective

Owners of real estate in resort communities form the third stakeholder group. They may own a fee simple or strata title, either individually or in combination with others. This group includes commercial businesses (e.g. hotels, retail, service) and individual vacation or second homeowners. This is an amorphous group with no permanent advocates. While individuals have not taken the same risk as a large scale developer, they have made significant investments. (Note: This group also includes year-round residents of resort communities who do have an opportunity vote for their Electoral Area Director).

2.3.4 The Provincial Government’s Perspective

The Provincial Government comprises the fourth group. The Province’s 2004/05 Strategic Plan outlines a vision, core values, goals, and strategic actions. The three goals of the plan are:

- A strong and vibrant provincial economy;
- A supportive social fabric; and
- Safe, healthy communities and a sustainable environment.

One of the strategic actions of the plan is to “expedite economic development by increasing access to Crown Land and resources”. The Province is committed to efficient processing of applications, both in the Environmental Assessment Office and through LWBC.
The Province views tourism and resort development as a major economic driver in BC’s economy in the coming decade and has established a target of doubling revenue from tourism by 2015. The following statistics help to underscore the importance of tourism and resort development for BC:

- The accommodation component of resorts in BC is estimated at $2.2 billion;
- Resort construction in the province for 2003 was valued at $365 million, based on $275 million for eight resorts in the Interior and $90 million for Whistler; and
- In 2001, Tourism BC estimated that tourism accounted for $990 million in Provincial Government revenue (taxes, user fees and licences.)
Section 3  Issues and Items for Consideration

As discussed throughout this report, there are three main issue sets: planning, services, and local governance. This section discusses the issues by topic from the perspective of each of the four stakeholder groups, then puts forward suggestions for further consideration. Owing to the complexity of the issues and the variability among BC resorts and resort communities, there are no “absolutes” in moving from private to various levels of public local governance.

3.1  Planning Issues

Discussions with stakeholders revealed that there are issues related to participation, scope, timing, cost and closure, particularly with new and expanding resort communities on Crown Land. The perspectives of each of the four stakeholder groups are outlined in this section.

3.1.1  Resort Developer-owners’ Perspective

- Resort developers understand the need to plan comprehensively. They want to know exactly what is required in order to achieve a decision as quickly as possible. They are looking for assurances that, if they comply fully with these requirements, there will be certainty of outcome.

- Some “greenfield” developers feel that, despite their best efforts over many years, the planning approvals systems (Provincial, local, First Nations) are so complex and entrenched that it is hard to see their way through to a successful outcome. They observe that approvals for resorts on Crown Land are often made more complicated by some line ministries’ requirements and procedures. For example:
  - removing land from the “Provincial Forest” designation and/or the establishment of special management zones to protect visual values (Ministry of Forests); and
  - securing timely subdivision approvals (Ministry of Transportation).

- Developers prefer to deal with a small number of agencies, know the “rules of the game”, and avoid complications to their business plan. They feel that the technical analyses required by the Province in order to secure a MDA should be sufficient for local government. A number of developers suggest that an OCP should be folded into the MDA process and not be revisable for 20 years.

- Large-scale developers appear to have sufficient resources to undertake a wide range of technical studies. They are able to draw
on specialists in a wide range of disciplines and to prepare high quality public relations and marketing materials.

- Generally, resort developers are reluctant to become involved in local government processes (e.g. OCP or Area Plan, zoning), citing lengthy approvals processes, complexity and amount of public consultation required.

### 3.1.2 Local Government’s Perspective

- Local government approvals depend on decisions of municipal councils or regional district boards. Where a proposal is consistent with an OCP and a zoning bylaw, the approval process is relatively simple. However, if amendments to the OCP and zoning bylaw are required, the outcome will take longer to arrive at and be less predictable.

- A number of local government representatives feel that they are not participating at an early enough stage and that their concerns are not being taken seriously. In addition to matters related to water/sewer services and roads, local governments often have concerns connected with key worker housing, emergency services, and impacts on existing businesses. And, as a permanent population of a resort community grows, there are concerns regarding schools, recreation, business licensing, nuisance issues, etc.

- Some local government representatives feel that Provincial officials are in too much of a hurry to approve a major development, regardless of how practical or financially viable the proposal. And, sometimes, projects seem to be on again, off again, never coming to fruition. Examples of this include Garibaldi near Squamish, Mt. MacKenzie near Revelstoke and Crystal Mountain near Kelowna.

- One example where local government felt *included* throughout the process was Cayoosh, northeast of Pemberton. The developer brought the RD and the District of Lillooet into the process at an early date. As a result, the RD developed a community plan, zoning and services strategies that tie well into the resort Master Plan.

- Some local government officials observe that district offices of Provincial ministries and agencies operate differently. In some cases, they feel that they have been consulted in a meaningful way; in other situations they feel their input has limited effect.

- Most local governments have limited financial and staff resources to undertake their own impact analyses as part of a planning process for a large scale resort development. They are primarily dependent on the local property tax base for revenues. In many cases, the
regional district or small municipality does not have staff capacity to fully review the work being undertaken by developers. As one example, Revelstoke (population 7,800) engaged a consultant to undertake an evaluation of the impact of the proposed expansion of Mount MacKenzie. Fees associated with work were $100,000, cost-shared by the regional district. Another example is the City of Rossland (population 3,800) where the city undertook an OCP for Red Mountain with a build-out of 6,600 bed units. This process stretched over two years as the city’s budget could not accommodate the costs of this work in any shorter time period.

- Related to the previous paragraph, a number of local governments are facing similar planning, zoning and other regulatory matters and are either “reinventing the wheel” or relying on technical information that is not directly relevant to the resort context. These local governments would benefit from improved “information sharing” and “planning/legal advice” that relates specifically to resort settings. Topics that appear to be common to most local governments handling resort activities are: parking requirements for commercial spaces, regulation of day parking lots, nightly rentals in residential areas, residential use in “tourist accommodation” areas, home occupations, density and building schemes.

3.1.3 Resort Real Estate Owners’ Perspective
- This stakeholder group is not formally represented during the planning process.

3.1.4 Provincial Government’s Perspective
- The Province is fully committed to an ambitious timetable for review of large projects and has devoted resources to enable this to take place.
- LWBC has made significant strides in streamlining and clarifying the review and approval process for major recreational developments on Crown Lands. The target set in the government’s strategic plan is that 90% of applications of land and water tenure applications will be processed within an established turnaround time of 140 calendar days (down from 400+ days in 2001/02).
- Provincial officials recognize the legitimate interests of local government but are concerned that local government processes add more time and complexity before a resort project can proceed.
- In recent years, the Province has increased its resources dedicated to the planning and review of large projects on Crown Lands. Owing to the CAWS ministry’s wide range of responsibilities and priorities, it has not been in a position to dedicate additional resources to review processes for resort applications.
3.2 Suggestions For Further Consideration

3.2.1 Early Involvement of Local Government

The problems outlined in the preceding section might be avoided through early involvement of local government where a proponent puts forward a proposal that, over time, will lead to a diversity of real estate ownership, permanent residents, and significant commercial enterprises. While LWBC has been involving local government in connection with new (or expanding) all-seasons resorts, in order to be consistent and successful, a more formalized approach should be considered.

At the present time, the Commercial Alpine Ski Policy, and its associated Ski Area Guidelines sets out an orderly and detailed planning process for ski area development. There are three main stages in the planning process: The Vision Stage (Expression of Interest), The Concept Stage (Formal Proposal) and Master Plan Stage. Local government is involved in the review process for the last two stages. There are also three types of ski areas: community, urban, and regional destination/destination. Each of these has a different set of “key elements and product”. The Master Plans cover a number of topics, but almost all are related to physical and architectural matters. There does not seem to be a requirement for economic or social impact analyses, services plan, nor any pre-planning of local governance.

There are at least four items of a local government nature that could be wrapped into the Concept Plan and Master Plan processes: official community plan, zoning bylaw, development permit area guidelines, services plan and the local governance model. This should apply not only to alpine ski proposals but any significant resort proposal that will lead to a diversity of property ownership.

In order to advance “harmonization”, the Province might consider taking a more proactive facilitating role in order to integrate local government’s participation on an early and ongoing basis. Two alternative approaches might be considered.

- One approach would be to appoint a “neutral third-party” as a facilitator, leaving the stakeholders free to participate from their own perspective. This individual would have experience and skills in group processes – setting ground rules for participation, ensuring all interests are heard, moving participants beyond stalemates, encouraging creative problem-solving, and managing agendas.

- Another approach would be for the Province to encourage local government’s participation through involvement in developing the terms of reference for various socio-economic impact analyses.

3.2.2 Clear time frame; Closure for harmonized planning processes

At the outset of any harmonized planning process, it would be beneficial for the participants to adopt a time frame for decision-making. While there may not need
to be a “due or die” completion date, the key steps and milestones along this
time frame should be clearly identified and graphically presented. Every meeting
would start with a review of this time frame. (Note: An example of a legislated
time frame is the Environmental Assessment Act which sets very specific review
timelines, provided that the applicant firm submitted all of the information required
and is accepted as complete by the Assessment Office.)

Planning processes need closure. If the application leads to approval, closure
provides direction for implementation. All parties should be clear about what
constitutes closure. At the Provincial level it is a Master Plan leading to a
Master Development Agreement; at the local government level it would be
an adopted Official Community Plan/Development Permit Guidelines, zoning
bylaw, Development Cost Charges, and any “community amenity” or housing
agreement.

3.2.3 First Nations Participation
Recent court rulings have clearly identified the role and responsibility of the
Province to consult with First Nations. Harmonization of the planning process
should include First Nations at an early stage in order to avoid unexpected delays
in resort development. A harmonized approval process should also be designed
to be more compatible with First Nations needs.

There is also potential opportunity to cooperate and partner with First Nations on
an array of business relationships. Proactive recruitment of First Nations groups
as partners in resort development should be encouraged.

3.2.4 Additional Capacity for Local Governments
Few local governments in rural BC have the capacity to deal with planning
reviews for major recreational projects. In these situations, consideration should
be given to increasing the developer’s fees in order to cover the extra costs
of evaluation studies, public processes, and extra staff for project review. This
approach has become increasingly common in urban BC, areas of high growth
and environmentally sensitive areas. For example, a consultant was engaged
by the Islands Trust with funds provided by the developer of a large proposed
resort on Salt Spring Island to serve as the development review planner for a
full year. Similarly, in Squamish, where the existing staff has been stretched to
capacity with applications, a developer is paying the municipality for the costs of
a professional consulting planner to assess the proposed redevelopment.

Municipalities such as Tofino, Oliver, and Invermere are experiencing
considerable change in their economies as a result of tourist-related
developments. Unlike destination resorts, there is no one project that is driving
change in these existing communities but rather a number of projects – lodges,
vacation condominiums, marinas, eco-tourism businesses, golf courses. While
tourism development is generally welcomed, there are obvious strains on a small
municipality’s capacity to undertake forward planning. In some situations, there
is no land use planner, or the regional district provides a limited planning service. Even if a municipality increases its approval processing fees, it may take many months or years to have sufficient funds to come up with sufficient resources to undertake additional planning or impact analyses. In these resort communities, it is suggested that the Province give consideration to providing special planning grants.

3.2.5 Central Regulation Repository

As discussed in section 3.1.2, a number of representatives of local governments indicate that it is difficult to find resort-specific planning advice, particularly on details contained in various regulatory measures – zoning bylaws, covenanting processes, building schemes. A single source digital library of zoning and other regulatory measures that have withstood legal challenges would be a step that might be coordinated through MCAWS with the assistance of UBCM members. Another option available to local governments is through an innovative program set up by the Local Government Management Association – Team Works. This program matches requests from local governments to experienced “resource providers” in a number of fields, including land use planning.

3.3 Servicing Issues

There are several issues associated with servicing – frequently, these issues cross-over into the area of governance.

Most of the focus in the early stages of a destination resort development is on hard services – pipes in the ground, streetlights in the air, and asphalt on the surface. As resorts grow, they become home to essential workers, businesspeople, retirees, and weekenders. As the population becomes more all-season and all-week, there are greater demands for services. The larger the resort, the broader the range of both publicly- and privately-delivered services. While Whistler is the prime example of this changing pattern of needs and demands, other resorts are beginning to experience this shift. Sun Peaks estimates it has between 350 and 500 residents, Mt. Washington is 100+ and the Columbia Valley resort communities are prime candidates for people who are “long stay” if not year-round residents.

3.3.1 Resort Developer-Owners’ Perspective

- The resort developer-owners’ principal focus is on hard services. Some want to deliver these services (e.g. Big White, Resorts of the Canadian Rockies); others prefer to let local government or a third party deliver the services. Regardless of which approach they prefer, they want to be certain there are adequate services to support a flexible, phased build-out. In the case of Panorama Village, Intrawest invested a considerable amount of time and effort after it purchased the resort to unravel the infrastructure and amenity facilities in order to come up with a management structure to effectively maintain and
deliver essential services. The resort’s services are now provided by three entities – Panorama Resort Amenity Co., the Regional District of East Kootenay and BC Gas Utility Co.⁶

- Resort developer-owners have less experience with soft services – recreational activities, key worker housing, cultural activities, health services, policy planning and other matters that arise as a permanent community develops.

- Few resort owners/operators have the appetite for moving into service delivery of softer services and general administration. And some are reluctant to invest the capital required for fire protection, finding that it is difficult to recover the costs from property owners.

- Generally, the developer-owner wants to control the cost of hard services, particularly during the development stage. Depending on their own business model, the resort will set appropriate fees. In some cases, the costs are subsidized⁷ in order not to dissuade purchasers; in others the fees are set to break-even; and in a few cases, these services may be profit centres.

- With respect to promotion and marketing, owner-operators also expressed frustration about the complexity of the tools of the Mountain Resort Associations Act and the onus on the resort to have an area designated as a “resort area” or to establish a “mountain resort BIA”. Those who are concerned with these issues feel that the Province should be more proactive – for example, the Minister does have authority to designate a “resort area” but only with the approval of the local government. Some have also found it very difficult to convince local government to get involved in the establishment of a BIA.

### 3.3.2 Local Governments’ Perspective

- Generally, local government is of the view that resorts should concentrate on the delivery of the recreational experience with local governments providing general administration and local government services as the resort grows.

- Municipalities and RDs have enabling legislation to deliver a range of services. Several RDs have the capacity and interest to do so. Both RDs and, where applicable, municipalities are particularly concerned that the infrastructure in large-scale resorts is adequately designed and operated. They are concerned about a potential future situation where the resort developer is no longer involved and the local government is called upon to take over the services and is “stuck with old, poorly designed or inadequately maintained infrastructure”.
• Additionally, some local governments have concerns in relation to subdivision in unincorporated areas where the BC Ministry of Transportation is the responsible agency. In the more urbanizing areas such as the Central Okanagan and North Okanagan, there are concerns that MOT has less capacity to deal with subdivisions than the regional districts. (Note: Subdivision authority may be delegated to regional districts.)

• Some communities also have concerns about their reliance on property taxes to pay for infrastructure and amenities. This burden is heavier if the resort community is highly seasonal, attracting higher numbers of visitors over a short time period.

3.3.3 Resort Real Estate Owners’ Perspective

• There are thousands of resort real estate owners across BC. They consume services provided by the resort, the local government or, in some cases, a third party. They pay full property taxes, and, in some cases, amenity fees, promotional fees and separate utility charges. Since property taxes are based on assessed value, they usually pay a disproportionate share of taxes for services that they do not consume. An often-cited service for which these owners pay taxes but do not use is the school system.

• Purchasers of resort property (condominiums, bare land strata, commercial fee-simple) are interested in ensuring that their costs are reasonable in relation to the services they receive. In some established resorts (e.g. Mt. Washington) where owners have had their properties for 15 years or longer, any increase in their costs is a concern and a potential stumbling block to the transition to any form of public governance. Although some of these resorts have “home owner associations”, they are advisory rather than decision-making.

3.3.4 Provincial Government’s Perspective

• Why should the Province become involved in services-related items? The Province has a strong interest in promoting tourism. If public heath and safety were to be compromised by inadequate services (e.g. fire protection, water quality) in a resort setting, this would have a negative impact on this sector.

• The Province wants all parties who are involved in the development and operation of large scale resort developments to follow “best management practices” and does not want to get involved in subsidizing either the capital or operating costs associated with any form of services.
• Provincial officials are of the view that existing legislation provides options for service delivery and, if those who are eligible to vote or petition want to change the way services are delivered, they have the latitude to do so. They acknowledge, however, that some assent provisions (e.g. 50%) are onerous for resort communities where the majority of owners live a distance from the community, including those who live in other provinces or abroad.

3.4 Suggestions For Further Consideration

This sub-section of the report puts forward suggestions to assist in improving servicing of resort communities – better planning, better use of marketing tools, and rethinking the existing Provincial “assist” factor.

3.4.1 Identify Long-term Services Needs

For resort development on Crown Lands, the availability and adequacy of services for long-term future growth should be discussed in the LWBC planning process, not only as one component of the required “Five Year Development Plan”. In each situation, recognizing that circumstances change over time, there should be initial clarity as to what entity is responsible for future capital investments on community infrastructure, who delivers which services, and how these are paid. If these things are not thought through and documented at the design stage, they are likely to lead to muddled situations in future years. In the same way that a developer-owner looks to local government for a “20-year” OCP, it seems reasonable that a 20-year servicing plan is also on the table.

Local government is the logical entity to plan and coordinate the range of services that will be needed in resort communities. As the permanent population grows, interest migrates from physical to social infrastructure – recreational facilities, schools, affordable housing. If local government were involved at the beginning, these needs could be identified as early as possible in order ensure that they will be in place when needed. While local government is not directly responsible for all aspects of social infrastructure, local government is best positioned to liaise with various agencies that do deliver these services (e.g. health authority, school district, BC Transit).

In existing situations where there are non-incorporated resorts communities, the regional district (or nearby municipality) may need to take a more proactive approach on these services matters.

3.4.2 Better Use of Marketing and Promotion Tools

The importance of marketing and promotion of a resort cannot be overemphasized. And, in order to ensure that this occurs systematically and consistently, all resort owners and resort-benefiting businesses should be contributing to these services.
As discussed in section 1.2.1.4, the Mountain Resort Associations Act enables two mandatory types of marketing and promotion mechanisms but there has been relatively little take-up. The reasons for this vary. In some situations, the resort has not been able to convince other businesses to become involved and have found the MRAA tools to be far too complex (elector assent), with the outcome stacked against existing resorts.

Some resorts, such as Red Mountain, Mt. Washington and Big White/Silver Star, the resorts themselves have taken on promotion and marketing role, including in some instances, a central reservation system. In other situations, a resort association is thought of as being premature until there are more commercial operators (e.g. Kicking Horse). Whistler and Sun Peaks are the only two resorts that have fully functioning Resort Associations.

With the “alternative approval” method in the Community Charter (Section 86 and Sections 210, 211, 213, and 215), it will be easier for resort developer-owners/local government to establish a BIA. Using the provisions of the Charter, a bylaw to establish a BIA, unless a petition against the proposal is signed by the owners of at least 50% of the parcels affected, and which owners are the owners of parcels that represent at least 50% of the assessed value of the land and improvements subject proposal. The awareness level of this “alternative approval” approach should be improved as more municipalities and regional districts use this recently enacted tool.

3.4.3 The Additional “Assist” Factor

The costs of services vary considerably. For new resorts, these costs can be quantifiable in advance and a system devised that aims at cost-recovery. In existing resorts, the true costs of services haven’t always been considered. Although the development of a financial program for resort communities is beyond the terms of this study, the topic was raised repeatedly during the study. Resort communities are unique in that they must provide services to a widely fluctuating number of people – seasonally, and sometimes weekly. As they grow, this becomes a greater challenge.

If the Province were to develop a financial program with a concentration on “resort communities”, the following items could be considered:

- additional infrastructure funds, per capita grants;
- RCMP cost phase-in;
- a multi-year arrangement for road maintenance;
- one-time upgrades to roads;
- other capital or operating items unique to a particular resort community;
- reduced school taxes for resort communities;
• increased revenue sharing on the Provincial “hotel tax”; or
• any combination of these.

It should be noted that past practice has been that the Province tied these “assists” to a restructure processes that leads to a form of local public governance. A more formal approach – focussed solely on resort communities – may be the extra incentive needed by existing unincorporated resorts to move to a form of local public governance. Similarly, a financing strategy aimed at resort communities in general would be beneficial to “greenfield” resorts.

3.5 Local Governance Issues

Local governance issues have taken on a higher profile in recent years in BC’s resort communities. This is, in part, due to the growth of some resort communities (e.g. Sun Peaks, Silver Star, Mount Washington) to a “critical mass” where they might be candidates to move further along the local public governance scale. Concurrently, there has been an increased awareness that there are many benefits from anticipating the pathway from private to public local governance at the time new (and expanding) resorts emerge.

Quoting from the *UBCM Communities Agenda*, “a community emerges when individuals agree to form a corporate entity and set aside certain individual interests for the greater good of all. Individuals also agree to put their trust in others to make decisions for the common good. When there are conflicts, the entire community’s rights and responsibilities should be clearly defined”.

This section discusses governance issues related to: when transitions should occur, appropriate models, marketing and promotion tools, value for taxes, accountability, and voter eligibility.

3.5.1 Resort Developer-Owners’ Perspective

• Resort developer-owners want flexibility in both the type and timing of transition from private to local public governance. Most view the transition to full democracy as something that should happen gradually, if ever. Some, such as Kicking Horse or Big White, would likely oppose any formal move to local government, either as an annexation or incorporation. Others prefer to remain unincorporated, with resident input in the form of an advisory body. Still others see a time to become a fully incorporated municipality, or to be annexed by an existing municipality, provided the financial benefits of doing so are clear.

• Resort developers and owners have made very large investments in resort facilities, and have assumed almost all the risks. Most are also real estate developers whose 100% ownership position dilutes over the course of the project’s development. Although their share diminishes, they still have a strong desire to have a continuing
influence on decisions that affect the resort. Most recognize that, at some point in an all-seasons development, the resort will move from a one-owner private governance model to a local public governance model. But, invariably, all want to continue to have a “special relationship” in order to exercise sufficient influence to ensure their business remain viable.

- Several resort representatives expressed concern about the amount of taxes paid relative to the services received in return. In an unorganized area, a substantial portion of the taxes is paid to the Province, while taxes for specific services are paid to the regional district. At Mt. Washington, for example, the resort and strata owners pay about $1 million in total property taxes; in Blue River the operation pays about $350,000.

- In some resort settings, even where the developer-owner is predisposed to move towards a form of local government, there are relatively few “eligible electors”, leaving the resort vulnerable to the election of a Mayor and Council that may not act in the interests of all who have investments in the resort.

- In some situations, the developer-owner holds a lease rather than owning property in fee simple. The owner of the head lease then sub-leases to subsequent commercial enterprises and strata owners. These sub-lessees are not entitled to vote in an election; they are, however, permitted to petition the regional district. Mt. Washington Resort on Vancouver Island is an example of this complex situation.

- Developer-owners are only somewhat amenable to a transition to local government. They want to let go slowly, especially where services are concerned. In the long run, however, few see themselves responsible for general administration, labour relations, animal control, licensing and permits, bylaw enforcement, building inspection, recreation programs, parking regulations, etc.

- Resort developers, particularly those who intend to have an ongoing relationship with the recreational amenities of the resort, are concerned about the long-term viability of both their real estate and their businesses. These business people are focussed on the profitability of the resort, particularly during its first 10 years.

- Developer-owners are somewhat ambivalent to the mandatory provisions of the legislation – resort areas, for example, in mountain resort municipalities. Some say that their size doesn’t warrant such an approach; others are concerned that this will be viewed negatively, particularly in existing resorts where owners and businesses would
be asked to increase their costs. For some owners and businesses, they are skeptical of the value of, or need for, these services.

3.5.2 **Local Governments’ Perspective**

- Local government views about the best governance model for a newly developing or expanding resort community are coloured by their location within BC, their past history with resorts, and proximity to a large service centre. For these reasons, there is no one preferred model as to how and when decision-making should migrate from private to public sectors. Most would agree, however, that the existing unincorporated area advisory models (Local Community Commissions, Mountain Resort Improvement Districts) are hobbled because they do no have the authority to regulate land use or build infrastructure because of restrictions on borrowing powers.

- A number of RDs prefer to maintain the current governance model, whereby a regional board has decision-making authority with advice provided by local residents and property owners. Many think that Whistler is a one-time phenomenon and that all-seasons resorts in rural areas will never become true “communities” since most people are either visitors or part-time residents. If they are not true “communities,” some wonder, why should they become their own municipality?

- Regional districts and municipalities are concerned about the financial viability of resorts. Their primary concern is the public interest – to ensure that these settlements are efficiently planned, designed and engineered in the event that they inherit responsibility for them in the future.

- The prevailing view is that existing property owners in a resort (or any rural settlement) are unlikely to opt for higher taxes, unless they cannot get essential services any other way.

- Most RDs and those municipalities that are close to a large-scale resort feel that they are best placed to deliver/coordinate the full range of services. They feel that their board or council provides sufficient “accountability” to resort owners and residents.

- Local governments seem to be ambivalent towards mandatory marketing and promotion mechanisms. They are viewed as being largely outside their scope of local responsibility. *(Note: Whistler is an exception to this statement. The Resort Association (separate from the municipality) has been operating for a number of years, greatly increasing the exposure of the resort).*
• The question of voter eligibility is somewhat of a concern. In parts of the province where there is a high level of non-BC residency (particularly the Eastern Kootenays), there is awareness that the voter eligibility issue will have an increasing profile.

3.5.3 Resort Real Estate Owners’ Perspective

• For existing resort communities there will likely be resistance to any form of local governance where the total taxation is higher than if they remain as an unincorporated settlement within a regional district. What would it take to overcome this resistance? Some say:
  o if the Province decides to increase existing rural taxes;
  o there is a “transition subsidy” from the Province for existing owners;
  o there is reasonable payment for the infrastructure being transferred; and
  o there is an assumption of liabilities associated with existing infrastructure.

• Most resorts in the interior (particularly in the Kootenays and the Shuswap) have hundreds of condominium and cottage owners who reside in Alberta, in other provinces, the US or offshore and, therefore, are not eligible as non-resident electors.

• The level of involvement of resort real estate owners has been minimal. One exception to this is at Silver Star in the North Okanagan Regional District. For a number of years until it was disbanded three years ago, there was a “Silver Star Standing Committee”. This committee had considerable influence on decisions made by the RD. All resort real estate owners elected its members annually.

• Among long-time real estate owners (this includes commercial as well as residential owners), there is definitely a concern about the financial viability of the resort. Their investment – in business, in recreational real estate – would be destabilized if the resort does not maintain its infrastructure and other services.

• If a resort association is in place from the beginning, resort real estate owners become accustomed to paying for centralized marketing and promotion. If, however, this concept is introduced at a later date, there is likely to be a backlash from many property owners.
3.5.4 Provincial Government’s Perspective

- For more than two decades, the Province has taken the view that local communities know best what form of government is right for them. As the Provincial Ministry most directly related to local government, MCAWS provides assistance (staff time, limited consulting fees) when a local community wants to examine its governance options.

- The issues surrounding voter eligibility have not become a profile issue at the Provincial level. MCAWS officials are not actively examining changes to voter eligibility at this time. While there are currently no “advocacy groups” demanding enfranchisement, this is likely to become a hot button in some parts of the province.

- The Provincial government sets rural taxes. There has been ongoing discussion regarding the adequacy of the level of taxation and awareness that some rural settlements may find incorporation a more attractive option if Provincially established rural taxes are increased.

- Provincial officials are aware of the slow take-up of the provisions of the MRA Act but feel that this will work itself out as resorts reach a critical mass where pooling marketing efforts is the best approach.

3.6 Suggestions For Further Consideration

Destination resort owners in an unincorporated area have a choice to maintain a primarily private governance structure or move to one of several forms of “public local governance”. If there is a desire to move to public governance and more local decision-making, the existing legislation provides a range of options. Not all issues, however, can be dealt with through existing legislation and policies.

This sub-section of the report identifies a number of actions that should be further considered to ensure more efficient and successful transitions in local governance.

3.6.1 Non “Mountain Resorts” Resort Communities

The Province should consider legislative change to provide non-mountain resort communities with the advantageous mechanisms that are currently only associated with mountain resorts. This might involve mandatory resort associations but these communities already have access to business improvement areas. These may be particularly useful in communities such as Tofino, Osoyoos or Radium Hot Springs.

3.6.2 “Transition Team” to Proactively Facilitate

Where there is already a well-established resort (e.g. Mount Washington) and there is reluctance/complexity by either the resort or the local government to move forward on public governance, the Province could consider taking a more
pro-active approach through a formal “transitioning team”. At present, MCAWS is the agency that is best placed to undertake this; however, the ministry’s resources are stretched to respond to existing requests. A “transitioning team” might be tasked with three main responsibilities:

1. To more effectively communicate the range of local governance options already available to those areas experiencing tourism and second owner growth;

2. To provide “on the ground” support to those rural resorts that want to move more quickly towards annexation, or incorporation as a “limited” or “full service” municipality; and

3. To provide advice to existing municipalities that have experienced substantive growth in tourism and second homeownership with a particular focus on setting up “resort area associations” and “business improvement areas”, as well as accessing the special powers of a mountain resort municipality.

3.6.3 Examine Voter Eligibility

This study identified a group of stakeholders who are disenfranchised from voting for local government representation in resort communities – land owners whose primary residence is not in British Columbia. If BC follows the experience in the United States, it is likely that there will be increased interest in allowing out-of-jurisdiction non-resident electors to participate in local decision-making.

The issue of voter eligibility may become more significant, particularly in communities where a very high percentage of resort property owners have their primary residence in Alberta. As more of these second home owners shift from being primarily “weekenders” to semi-permanent residents, it is likely that this issue will become more prominent. This is particularly true for all-seasons resorts in valley locations.

3.6.4 Mandatory “Resort Areas”

The research confirmed the significant value of establishing a “resort area” (discussed in section 1.2.1.4) and “resort associations” and the challenges of actually trying to accomplish this when there are multiple resort real estate owners. To address this, consideration could be given to legislative changes to ensure that a “resort area” is established from the resort’s inception, concurrently with the MDA. And, if either a “limited” municipality or a “full municipality” were established at inception, the Letters Patent would include a provision making the “resort area” mandatory.

3.6.5 Governance Study for New Resorts

From the research undertaken, there is a fairly wide-spread appetite to form some nucleus of advice-giving and decision-making at the local level. Although
the regional district model has worked for some areas, there seems to be a prevailing view that a RD board does not sufficiently understand the unique circumstances of a resort community. Also, resort owners/communities find that it a challenge for one Electoral Area director to represent the interests of spatially scattered rural residents as well as the resort community.

There are several reasons for considering a change in governance in a rural area. This is particularly true for resorts that are planning for all-seasons operation and, eventually, permanent population. Reasons include:

• The owner-developer of the resort wants to concentrate on the operation of the resort and, as the resort grows, separate from the provision of municipal-type services. (Note: Some owner-developers prefer a gradual separation);

• Increased ability for businesses and property owners to chart their own destiny – more autonomy and more responsibility;

• There is recognition, particularly by the Province, that, as a resort community diversifies and grows, there is a “public interest” that needs to be manifested at the local level;

• More effective delivery of local services (e.g. water, sewer, fire protection, land use approvals);

• More opportunity to borrow money for capital improvements and use a broader range of financial tools; and

• Not being “penalized” for having higher property values and paying a “disproportionate” share for services that are not used.

As compelling as these reasons are, there are countervailing considerations:

• Potentially, increased costs through municipal status (e.g. own administration, higher level of services) and the impact on property taxes; and

• Some residents feel their rural lifestyle will be negatively affected – more regulation, more costly urban-type services.

The existing legislation – Local Government Act, Community Charter and Mountain Resort Associations Act – offer a range of options for a new or expanded resorts in relation to local governance. The Municipalities Enabling and Validating Act also allows for additional customization when uniquely local conditions arise.

Depending on local circumstances, some forms of public local governance may be better suited than others. The options are fully described in section 1.2.2, and include:
• forming a local community commission or standing committee that is advisory to the regional district or is delegated administrative or operational responsibility for a service;

• establishing a mountain resort improvement district to deliver specific services;

• establishing a “limited” municipality to provide a range of services and regulatory functions (similar to “resource” municipalities with unique Letters Patent);

• establishing a resort municipality with a full range of service-delivery and regulatory functions; or

• amalgamating with a nearby existing municipality and, potentially, accessing the powers of a mountain resort municipality.

3.6.6 Criteria for Assessing Appropriate Transitions

There are seven criteria that, in combination, help identify under what circumstances resorts could move from a private operation to various forms of local public governance. These same criteria could be used to determine the appropriate type of local governance.

1. Proximity to incorporated municipality

2. Seasonality

3. Bed Units at build-out

4. Current Percentage of build-out

5. Current number of permanent residents

6. Current percentage of resort-dependent jobs

7. Current taxable value of land and improvements

A set of indicators for each of the seven criteria is proposed as a framework for assessing the appropriate model of governance for resorts. These indicators, are set out in Figure 3.
**Figure 3 – Evaluation Criteria and Indicators**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Proximity to Large Service Centre</td>
<td>Near</td>
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<td></td>
<td>Remote (suggested: &gt; 30 km.)</td>
</tr>
<tr>
<td>2 Seasonality</td>
<td>Single, Multi-Season</td>
</tr>
<tr>
<td>3 Planned bed units at build-out</td>
<td>&lt;999</td>
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<tr>
<td></td>
<td>1,000-2,900</td>
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<tr>
<td></td>
<td>3,000-7,499</td>
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<td></td>
<td>&gt;7,500</td>
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<tr>
<td>4 Current percentage of build-out bed units</td>
<td>&lt;10%</td>
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<td></td>
<td>10-25%</td>
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<td></td>
<td>25-40%</td>
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<td></td>
<td>&gt;40%</td>
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<td>5 Current number of permanent residents</td>
<td>&lt;299</td>
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<td></td>
<td>300-749</td>
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<tr>
<td></td>
<td>750-1,499</td>
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<td></td>
<td>&gt;1,500</td>
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<tr>
<td>6 Current percentage of resort-dependent jobs</td>
<td>100%</td>
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<tr>
<td></td>
<td>Approximately 80%</td>
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<td></td>
<td>Approximately, 60%</td>
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<td></td>
<td>50% or less</td>
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<tr>
<td>7 Current total general purposes assessed values&lt;sup&gt;1&lt;/sup&gt;</td>
<td>&lt;$50M</td>
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<td>$50-300M</td>
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<td>$300-$600M</td>
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<td>&gt;$600M</td>
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</tbody>
</table>

Figure 4 on the following page is developed from the criteria/indicators from Figure 3 and illustrates how these might be applied to existing resort communities. Generally, the smaller the resort is a candidate for a “Local Community Commission” (or Standing Committee) that is advisory to the Regional District or is delegated administrative or operational responsibility for one or more services. As the resort increases in size, assessed value and permanent residents, it will become a candidate for becoming a resort improvement district, then a “limited” municipality, and finally a full-service municipality.
### Figure 4 – Suggested Criteria and Thresholds for Forms of Local Governance

<table>
<thead>
<tr>
<th>Criteria and Thresholds</th>
<th>Local Community Commission</th>
<th>Annexation to Existing Municipality</th>
<th>Resort Improvement District</th>
<th>“Limited” Municipality Interim Council</th>
<th>“Full” Municipality Elected Council</th>
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<tbody>
<tr>
<td><strong>Near existing incorporated</strong></td>
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<tr>
<td>• Primarily single season</td>
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<td>✓</td>
<td>✓</td>
<td>x</td>
<td>x</td>
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<tr>
<td>• Fewer than 1,000 bed units at build-out</td>
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<tr>
<td>• Less than 50% of build-out bed units</td>
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<tr>
<td>• Fewer than 300 permanent residents</td>
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<tr>
<td>• 100% resort-dependent jobs</td>
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<tr>
<td>• Less than $50M in assessed value</td>
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<tr>
<td>• All-season</td>
<td>x</td>
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<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>• More than 1,000 bed units at build-out</td>
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<tr>
<td>• More than 50% of build-out bed units</td>
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<td>• More than 300 permanent residents</td>
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<tr>
<td>• Less than 100% resort-dependent jobs</td>
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<td>• More than $50M in assessed value</td>
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<tr>
<td><strong>Remote &amp; All-Season</strong></td>
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<tr>
<td>• Fewer than 1,000 bed units at build-out</td>
<td>✓</td>
<td></td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>• Less than 10% of build-out bed units</td>
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<tr>
<td>• Fewer than 300 permanent residents</td>
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<td>• 100% resort-dependent jobs</td>
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<td>• Less than $50M in assessed value</td>
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<tr>
<td>• 1,000 - 2,999 bed units at build-out</td>
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<td>x</td>
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<tr>
<td>• 10 - 25% of build-out bed units</td>
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<td>• Between 300 and 750 permanent residents</td>
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<td>• Approx. 80% resort-dependent jobs</td>
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<tr>
<td>• Between $50M and $300M in assessed value</td>
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<tr>
<td>• 3,000 - 7,500 bed units at build-out</td>
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<td>x</td>
<td>✓</td>
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<td>✓</td>
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<td>• 25 - 40% of build-out bed units</td>
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<td>• Between 750 and 1,500 permanent residents</td>
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<td>• Approx. 60% resort-dependent jobs</td>
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<td>• Between $300M and $600M in assessed value</td>
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<tr>
<td>• More than 7,500+ bed units at build-out</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>• More than 40% of build-out bed units</td>
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<tr>
<td>• More than 1,500 permanent residents</td>
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<tr>
<td>• 50% or less resort-dependent jobs</td>
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<tr>
<td>• More than $600M in assessed value</td>
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✓ Suggested  ❌ Not Suggested
3.6.7  Commentaries on Alternative Governance Models
There is no “one size” solution for local governance. Across the province, resort communities are searching for a model that is a “best fit”, one that provides an appropriate level of services, offers some level of accountability, and ensures that property taxes are relative to the services provided. “Affordable local government” seems to be all stakeholders’ top objective.

The following sub-section provide a commentary on the various approaches that may be considered as a single-ownership private resort makes the transition into a multiple-ownership local governance resort community.

3.6.7.1  Commentary on Forming a Local Commission or Standing Committee
As outlined in Section 1.2.2.4, Regional Districts have the legislative authority to set up “Local Community Commissions” and “Standing Committees” that advise the RD Board in connection with a local settlement or administer and operate one or more services that are delegated by a regional district. The only mountain resort area with experience with such a body is the North Okanagan Regional District/Silver Star Resort.

An advisory body such as this may be useful in some situations, particularly where the resort is remote, spatially compact, with a planned build-out of less than 2,000. The questions of who is eligible to vote for the members of this body and what role the resort developer-owner plays are important to consider if this approach is to be used.

3.6.7.2  Commentary on Establishing a Resort Improvement District
A Resort Improvement District is one model to consider for resort communities in unincorporated areas, particularly where the regional district is not in a position to provide key services. To date, only one RID has been established – Sun Peaks. The intended focus for an ID, as outlined in Letters Patent, is primarily on delivery of essential services – water, sewer, street lighting, fire protection. The ID has no borrowing capacity through the Municipal Financing Authority.

This model may best serve resort communities that plan a build-out of between 2,000 and 7,500 and where it is unlikely that there will be a significant permanent population.

3.6.7.3  Commentary on establishing a “limited” municipality
From the research undertaken for this study, an argument can be made that any new (or significantly expanding) resort community be established from the outset as a “limited” municipality, provided it is relatively remote from an existing town or city (suggestion: 30 kilometers) and that at built-out it would have at least 2,000 bed units. Incorporation would occur at the time the MDA is completed. The new entity would be a member of the regional district. Importantly, through the Letters
Patent, provision would be made to ensure that decision-making and operations are friendly to the basic purpose of the resort.

This model is derived from BC’s history of incorporating “instant towns” for remote resource communities in the 1960s and 1970s to facilitate economic growth. (See Appendix B for a full description.) If this approach is considered, the following suggestions are offered.

- The municipal boundary would be large enough to encompass the entire area anticipated at build-out (infrastructure, associated real estate), and may be larger than this area in order to accommodate potential future growth – some refer to this as protecting the “front and back door”.

- The Letters Patent for each municipality would set out services provided and financial parameters, road service obligations, maximum business taxes, borrowing powers and debt levels.

- The Letters Patent would designate a “resort area”, leading to establishment of a resort association which would collect fees from all property owners for marketing and promotion purposes.

- The Letters Patent should make provision that the resort – as set out in the OCP and Master Plan at the time of the MDA – should not be prevented from pursuing the long term intended vision of resort development.

- The initial “limited” municipality could be governed by a five-member Interim Council. For the first municipal term, all Council members would be appointed by the Province. The Province would ask the resort owner to nominate some of the appointees.

- As more development occurred, the composition of the Interim Council would change from all appointees to all elected members. The timing would depend on the level of growth and the number of permanent residents.

- The developer should be required to disclose and describe how the transition to municipal status the into sale agreements with commercial and residential purchasers.

In practice, during the early days of the resort community’s development, these “limited” municipalities would have a skeleton organization – part time staff and/or contracted-out services. This is common in many small municipalities in BC.

3.6.7.4. Commentary on establishing a full municipality

There is a prevailing view that there will never be another Whistler and, therefore, no need to seriously consider a full service municipality. While Whistler is decidedly in a class of its own, there may be situations in resort communities
where growth and diversification warrant a full service local government approach. By the time a resort community reaches an assessed value of $600,000,000 and a permanent population settles in, a full-service municipality may be the best option to meet the needs of all property owners, businesses and residents.

3.6.7.5 **Commentary on amalgamating with a nearby municipality**

There are several situations in BC where the existing or expanding resort is close to a large centre – Mt. Washington/Courtenay; Revelstoke/Mount MacKenzie; Kicking Horse/Golden; Silver Star/Vernon.

Depending on the local circumstances, there may be significant “on the ground” advantages to both the resort and the existing municipality if amalgamation is considered. If, however, rural property taxes remain low in the unincorporated area, it is difficult to foresee a situation where a resort made up of a diversity of ownership would be amenable to this option.

3.7 **Looking Ahead**

The issues and their resolution are complex but not insurmountable. Figure 5 summarizes the various issues, and suggestions for their resolution, in a graphic format.

From the research that was undertaken, it is apparent that each situation has its own unique characteristics and that a “one size” doesn’t fit all resort communities. Using the panoply of existing models and the flexibility inherent in the *Local Government Act*, if resort developers, local government, property owners and the Province work together, a good outcome is achievable for all resort communities. Provincial leadership, not only responsiveness, may be required in order to facilitate transitions that, in turn, support the growth of the tourism economy.

The study revealed that, while there are differences of opinion, there is a significant amount of goodwill among the four stakeholder groups to seek out lasting solutions. Key among these are:

- Acknowledgement by the Province that “resort communities” face unique challenges as their ownership diversifies and that special arrangements may be necessary to facilitate efficient growth and economic development. The consultants have provided a definition of “resort community” as a guide;
- Involvement of local governments *at the beginning* when large-scale resort projects are contemplated, whether on private or Crown Land;
- Proactive facilitation by a Provincial “transition team” to search for solutions for difficult servicing, marketing/promotion, governance transition issues in existing resorts – in consultation with stakeholders; and
Validation of the ongoing role of the developer-owner as the resort moves from single to multiple ownerships and finding the appropriate ways with the evolving local governance model for the resort community to ensure that this occurs.

As discussed throughout the report there are many issues associated with transitions from a one-owner resort to a resort community with a diversity of property ownerships and interests. Their transitional pattern appears to be more like a “one industry town” than a typical settlement that begins with multiple ownerships and, over time, may follow a more conventional municipal governance track. Insofar as these resorts / resort communities are atypical, the governance structures, and potentially the financing of some services, require a customized approach.

While there is no one model of planning, servicing and governance that is ideal for every resort community, there is much to be learned from past and current experience. The accompanying figure graphically summarizes the main planning, servicing and governance issues raised in this report, along with suggestions for their resolution.
Figure 5

### ISSUES

- Planning
  - Participation
  - Capacity
  - Time Frame
  - Closure
  - Information Sharing

- Servicing
  - Availability
  - Adequacy
  - Range
  - Costs

- Local Governance
  - Appropriate Model
  - Voter Eligibility
  - Value for Taxes
  - Accountability
  - Financial Viability

### SUGGESTED RESOLUTIONS

- Early involvement of local government
- Clear time frame and closure
- Additional capacity for local governments
- Central repository of resort-relevant regulations

- Identify long-term services needs
- Better use of marketing and promotion tools
- The additional "assist" factor

- Authority for all resort communities
- "Transition Team" to proactively facilitate
- Examine voter eligibility
- Mandatory "resort areas"
- Governance study
- Criteria or assessing appropriate transitions
Appendix A  List of Interviewees

Industry Representatives
Darcy Alexander, Sun Peaks
Jim Greene, Red Mountain Resort, Rossland
Paul Plocktis, Vice President, Real Estate and Development, Schumann Resorts
Arijan Van Vuure, President, Kicking Horse Resorts
Herb Meiner, Development Manager, Kicking Horse Resorts
Mike Wiegele, Mike Wiegele Heli Skiing, President
Peter Greenway, Mike Wiegele Heli Skiing, Vice President and Chief Operating Officer
Andy Aufschnaite, Mike Wiege Heli Skiing, General Manager
Paul Bates, Resorts of the Canadian Rockies
Gord Ahrens, Intrawest (General Manager, Panorama Mountain Village at the time the MDA was adopted)
Jay Oddleifson, Director, Property Development and Finance, Mt. Washington Resort

Local Government Representatives
Ross McPhee, Chief Administrative Officer, City of Rossland
Barry Gagnon, Chief Administrative Officer, North Okanagan Regional District
Alan Patterson, North Okanagan Regional District consultant
Bob Whetham, Director of Development, Regional District of East Kootenay
Allan Chabot, Chief Administrative Officer, City of Fernie
Alan Kuroyama, Chief Administrator, Columbia Shuswap Regional District
Tom Knight, City Planner, City of Revelstoke
Bryant Yeomans, Director of Engineering, City of Revelstoke
Graham Inglis, Director of Finance, City of Revelstoke
Alan Mason, Director of Community Economic Development, City of Revelstoke
Paul Edgington, Administrator, Squamish Lilooet Regional District
Steve Olmstead, Director of Planning and Development, Squamish-Lilooet Regional District
Ken Arcuri, Director of Planning, Central Okanagan Regional District
Jim Doyle, Mayor of Golden
Ron Ozust, Electoral "A" Director, Regional District of Columbia-Shuswap
Kathy Gilbert, Manager of Corporate Administration, Golden
Marc Barrault, Manager of Development Services, Golden
Mike Vance, Resort Municipality of Whistler
Geoff Pearce, Clerk-Administrator, City of Langford
Leif Pedersen, Clerk-Administrator, District of Tofino

Provincial Representatives Interviewed
Derek Trimmer, Director, Local Government Structure Branch, CAWS
Elizabeth Brennan, Manager, Advisory Services Branch, CAWS
Doug Macfarlane, Director, Intergovernmental Relations, CAWS
Bill Irwin, Director, All Seasons Resorts, LWBC
Psyche Brown, Manager, Major Projects, All Seasons Resorts, LWBC
Raymond Chan, Director, Client Services, Tourism BC
Appendix B  Rural BC Settlement History

British Columbia’s post-European settlement history has been a pattern of rapid “urbanization” in remote rural settings. The pattern of “instant towns” has almost always been in response to an economic opportunity – gold, copper, silver, rail, forestry, coal, and, most recently, recreation. Much of the 19th and early 20th century settlement was lead by entrepreneurial individuals and corporate interests. By the middle of the 20th century, the Provincial Government was playing a more active role in facilitating economic development.

The Instant Towns Amendment

In the 1960s, the BC government pursued a very aggressive strategy to develop the province’s resources, particularly in mining, hydroelectricity, and pulp and paper. The strategy included the development of “instant towns” to provide an appropriate governance structure for settlements associated with large-scale resource initiatives. The creation of towns in resource development areas was seen as important to maximizing economic advantage.

During the 1960s, six new communities were developed and three smaller settlements were expanded: Gold River, Port Alice, Mackenzie, Fraser Lake, Granisle, Logan Lake, Elkford, Sparwood, and Port Hardy.

Prior to 1960, a new town was created by incorporating an existing settlement into a municipality. The Municipal Act laid out the rules for this process. These precluded the easy creation of resource-related towns. The rules of that time were:

- Local residents had to petition the Province
- Petition to include:
  - description of the proposed boundaries
  - name of town
  - “signatures of at least 3/5 residents of the area sought to be included in the municipality who are full age of 21 years and are owners of land in the area.”
- Acceptance by provincial government of petition
- Referendum

In 1960, the Municipal Act was amended to facilitate the creation of a resource-related town. This amendment was referred to as the “Instant Towns Act.”

“Notwithstanding Section 10, where … It is in the public interest to establish a municipality in conjunction with the development of a natural resource… [the Provincial Government] may, by Letters patent, incorporate … any area of land…"
into a municipality upon receipt of a petition from at least five owners of land within the area.”

Significantly, this amendment referred to owners – not residents – and required only five owners on a petition.

The details of the governance structure of these “instant towns” are found within the Letters Patent for each new town. While a comprehensive look into each new town was beyond the scope of this study, the research included that most Letters Patent included:

- a provision that prevented the town council from interfering with construction and development on lands designated for industry;

- a governance model that included Provincial appointees to the town council. These appointees were usually nominated by the company and its investors. The appointees were replaced by elected councillors one or two terms following incorporation.

From a conversation with Ms. Chalmers, Chief Administrative Office for Logan Lake, it was confirmed that all original five members of the “Interim Council” were managers from the Lornex Mining Corporation. According to Ms. Chalmers, they all eventually lived there, either as the town was being built, or shortly afterward when housing was available. The Letters Patent for Logan Lake included a provision whereby, the Council was permitted to purchase water and sewer systems from the mining company for no more than $1.00.

A conversation with former councillor Mae Stewart provided interesting background on the development of Gold River. The town was incorporated in 1965 and the first council consisted of six members, appointed by the Province. All were employees of the Tahsis Company – three lived in Gold River, three commuted from Vancouver for Council meetings. The first fully elected Council was in 1969.

**Tumbler Ridge – A Resource Megaproject**

The development of Tumbler Ridge in northeast BC was a different approach to new resource towns – through a public-private partnership. A consortium led by Dennison Mines and Teck Corporation, together with the Provincial Government, planned the development of this new community. The firms guaranteed the mining and export of up to 100 million tones of coal destined for Japan. In return, the Province was responsible for town planning and development, including a highway, a rail line, a power line and a deepwater terminal at Prince Rupert. Infrastructure funding came from both the Federal and Provincial governments. In return, property taxes from the coal industry were designated to repay loans for urban infrastructure.

From the earliest planning for Tumbler Ridge, the intention was to make a community independent from both the Province and the coal companies. The
mining companies played no formal role in the administration of the community. The Town was legally constituted in 1981, prior to the arrival of the first residents. A Commissioner was appointed by the Province to act as Mayor and Council on an interim basis. When the residents arrived in 1982, the Province appointed three councillors. In 1984, the first election was held with three additional councillors elected to make a seven person Council. By 1985, all positions were elected.

Whistler – A Recreational Magnet

In the early 1960s, several Vancouver businesspeople began to explore the suitability of London Mountain (now Whistler Mountain) as a potential site for the Winter Olympic Games. At that time the area was unserviced with very poor road access. The first ski operation opened in 1966. At that time there were about 25 people living in the Whistler Valley, an unincorporated area of the Squamish-Lillooet Regional District (SLRD).

During the early 1970s, as the resort became increasingly successful, the Provincial Government studied ways to facilitate further development. In 1975, with the concurrence of SLRD, the Province legislated the Resort Municipality of Whistler Act. Elections were held the following spring for a five-person Council – Mayor and three councillors. The Province appointed a fourth councillor – Al Raine who, at that time, was a provincial employee – Ski Area Coordinator, Ministry of Lands, Parks and Housing. After seven years, the Province increased the size of the Council to seven, all of whom were then elected.

In 1977, the Province sold Whistler 53 acres (at $10,000/acre) of Crown Land to construct the main town site; construction began the following year. An additional $10 million was invested through a Federal-Provincial program to support infrastructure development – the Tourism Industry Infrastructure Subsidiary Agreement (TIDSA). RMOW established a separate corporation – the Whistler Land Corporation – to act as the development vehicle for the village. Blackcomb Mountain was developed at the same time. The two mountains – Whistler and Blackcomb – operated cooperatively until 1998 when they merged under the corporate ownership of Intrawest.

Whistler provides local services and community infrastructure including water, sewer, roads, drainage, fire protection, law enforcement, parks, recreation and cultural programs, and resident housing. It also legislates and enforces land use and development and maintains municipal property, including Whistler Village. The primary source of income is through property taxes and user fees on utility systems. Utility parcel taxes and user charges, which pay for the sewer, water and solid waste services, are flat charges, regardless of property values.

Tourism Whistler, incorporated under the RMOW Act, is an association of land owners and business operators to promote, facilitate and encourage the marketing of resort lands. It operates a central reservation system, offering
activity booking and information services to Whistler visitors, and operates the
Whistler Conference Centre and Whistler Golf Course.

As of December 2001, there were 13,290 assessed properties in Whistler,
assessed at a total of $5.2 billion (CDN). By 2003, the assessed taxable value
was $8.2 billion. The RMOW has about 400 employees.

General municipal elections are held every three years to fill six councillor
positions and one mayoral position. Non-resident property owners may vote,
provided they meet Provincial eligibility criteria that include being a Canadian
citizen and resident of BC for at least six months before voting. A non-resident
property owner may only vote once regardless of how many properties owned.

Sun Peaks – A Mountain Resort Improvement District

Sun Peaks Resort is a rapidly developing all-season recreation development
located approximately 45 minutes drive from Kamloops. This resort, originally
a community-based ski hill known as Tod Mountain, was purchased by Nippon
Cable in 1992. The Master Development Agreement (MDA), which set out the
terms of development, was signed between the Province and the owner in 1993.
In 1994, the Thompson-Nicola Regional District (TNRD) adopted a Zoning Bylaw
for the resort. TNRD subsequently supported the formation of an “Improvement
District” as an alternative to the direct provision of services by TNRD.

The Sun Peaks Resort Improvement District (SPRID) was issued letters patent
by the BC Government in March, 1995. The letters patent are broad, including
sewer, water, parks, recreation, fire protection, street lighting, storm water
drainage, and snow removal. At present, however, the RID provides only fire
protection, garbage collection and street lighting. Provincial approval is required
for the RID to provide additional services beyond those set out in the Letters
Patent.

At the time of incorporation as SPRID, the Province appointed a seven-person
Board of Trustees. In 1998, this was changed to four elected-at-large and three
appointees (one from the resort, one from LWBC, one from Tourism Sun Peaks
(resort association).

The Letters Patent specifically prevent SPRID from borrowing money, either in
the short or long term. TNRD is responsible for planning, zoning, and building
inspection as well as general services provided to all residents. Water, sewer,
cable TV and piped propane are provided by the Sun Peaks Utilities Co. Ltd.
Appendix C  Other Canadian Jurisdictions

A scan of other Canadian provinces identified three provinces that have made special provisions for resort and seasonal communities. These “special provisions” vary considerably and are tailored to the unique settlement history and tourism patterns of the province.

Province of Prince Edward Island – Resort Municipality

The Province created its first and only “Resort Municipality” in 1991 under the authority of a 1989 amendment to the Municipalities Act. (Section 8.1, Resort Municipality). The Resort Municipality is an umbrella for five north shore communities and is referred to as Cavendish.

Cavendish has a year-round, fulltime population of 280 people. In summer that number of residents climbs to 1,000 and tens of thousands of daily visitors visit the town during the summer season. Cavendish is the third largest community in PEI in the summer, but one of the smaller in winter. During the winter season, there are only two full time businesses open: the resort municipal office and Home Hardware.

“Temporary residents”15 can vote in the resort municipality if they are Canadian, 18 years or over and registered land owners in the municipality, or if they operate a business in the municipality (and in this case they do not have to own land). They can also be elected to office but are precluded from holding office in any other municipality. Schedules for reviews of budgets and annual meetings are changed in the act for resort municipalities to accommodate the seasonal nature of the community, where the bulk of the population lives between June 1 and September 30.

The Resort’s Administrator would like to see the Municipal Act changed so that there is a minimum requirement for businesses to be housed in at least 500 ft2 of floor space, implying the need for a fixed roof structure and accompanying investment in outfitting and maintaining the space.

Province of Saskatchewan – Resort Villages

In Saskatchewan, an area may be incorporated as a resort village if it contains at least 100 people and 50 or more separate dwellings units or business premises and the incorporation is supported by a petition with at least 30 signatures of persons who would be electors of the proposed resort village if it were to be incorporated.

An individual who is Canadian, 18 years of age and owns or leases land in a resort village for at least 3 months is eligible to vote, as is his or her spouse. Such an individual is also eligible to hold elected office if they have resided in Saskatchewan for at least 6 months. There does not appear to be any limit on that person holding office in more than one municipality. The Local Government Elections Act makes provision for elections in resort villages to be held in the
summer (July or August) and conveys discretionary authority to the council to establish polling areas outside the area and establish advance polls.

**Province of Alberta – Summer Villages and Improvement Districts**

Alberta is governed through three general types of municipalities – urban, rural and specialized. Among the latter group are “summer villages”.

Summer Villages are lakefront seasonal communities that have, generally, been subdivided in the form of a village. Elections and annual meetings are held in the summer. There are 52 summer villages in Alberta. They are governed by the same *Municipal Government Act* as any other municipality, but the Act makes provision for individuals who own property in a summer village, as well as others over the age of 18 and resident in the summer village on election day, to vote. Summer villages are governed by a mayor and 3 councillors.

The Province is disinclined to create any more “summer villages” for two main reasons:

Residents of summer villages are the only Albertans that have the right to vote twice, in their primary municipality and their summer village. This tends to disenfranchise other Albertans who may own second homes in municipalities that are not in summer villages.

The small population of summer villages means that they struggle with small budgets and adequate provision of services.

Alberta Municipal Affairs has direct responsibility for all functions of local government in improvement districts. This includes the levy and collection of taxes. The residents of an ID elect representatives, who are subsequently appointed by the Minister to an advisory council that assists in the administration of each district. The council, consisting of 7 or 9 members, guides the activities of the ID manager and staff. Most power has been delegated to these councils.

Another specialized form of local government is found in southeast Alberta. The “Special Areas” covers about 5 million acres and is comprised of 2 million acres of privately held land, 1.5 million acres of Crown land and 1.5 million acres of tax recovery land. It is administered by a board of three people who are appointed by the Province who are assisted by an advisory council of 13 elected people. They were established under the *Special Areas Act* in 1938 due to extreme hardship during the drought years.
Appendix D  Selected American Jurisdictions

Our research included several Western U.S. states and mountain resorts. The research was confined to American locations for three reasons:

- they are BC’s ski-destination principal competitors;
- there are a number of similarities between Canadian and American local government systems; and
- the information is easier to access and more relevant for comparison.

State of Colorado: “Home Rule”

The State is home to 2,100 local jurisdictions. Colorado has a system that permits municipalities to be incorporated either as “home rule” or through the state legislation. The former are sometimes referred to as “charter municipalities” as their responsibilities and revenue sources are outlined in a separate charter. Home rule municipalities can establish their own sales tax.

Most Colorado ski resorts have had a previous life as a mining or forestry community and have been incorporated for many years. Their decision-making is generally well established in the form of Mayor and Council.

Vail is a “home rule” and collects its own sales tax (currently at 8.9%). There is an additional short term lodging tax of 1.5% used to repay bonds to build and operate a conference facility, as well as a 1.4% local marketing district tax charged on rooms/accommodation within Vail and used for marketing Vail’s summer season. Colorado voters who own property in Vail are permitted to vote in the District’s election for tax and bonding issues and for members of the Board of Directors.

Related to the issue of non-resident voting, Telluride residents voted against a November 2003 ballot referendum to allow non-resident second homeowners to vote in municipal elections. The adjacent resort town of Mountain Village, however, does allow second homeowners the right to vote.

Colorado Association of Ski Towns is initiating a Benchmarking Process towards maximizing effectiveness and efficiency. They will be comparing performance and service levels to other communities, processes and industries.

State of Utah: Resort Community

The State of Utah has used its revenue-generating authority to support the growth of tourism and tourist-based communities. The State has enabled local governments, which are home to resort communities to collect tourism taxes. A resort community is one where the transient room capacity is greater than or equal to 66% of the permanent census population. Resort communities are permitted to impose a sales tax of up to 1% on specified transactions. They may also impose an additional resort communities sales tax less than or equal to .5%
if the governing body passes a resolution approving the tax and voters approve the tax.

Counties may impose taxes that shift taxation to visitors and away from residents. This includes a tax on sales and uses but it must offset the tax revenue through a reduction in property tax. The new tax is subject to two public hearings and a referendum. Small counties may use up to 1/3 of county-wide transient room tax revenues to fund services: solid waste disposal, emergency medical, search and rescue, law enforcement.

Similar to Colorado, many of today's mountain resorts had a previous economic life as mining and ranching communities. For example, Park City was incorporated in 1884 and, at one time, was the second largest silver mining town in the US. Park City is now the primary base for three resorts: Deer Valley, Canyons, and Park City Mountain Resort. Park City is governed by a mayor, 5 councillors and a manager. Non-resident property owners do not have a vote in local elections. The issue does come up but there has been no move to address it.

Montana: Resort community, area, district

Similar to Utah, Montana has primarily used financial tools to assist in the growth of tourism-based communities. These are formally defined as “resort communities”, “resort areas”, and “resort area districts”, all of which have the authority to impose, amend or repeal a resort tax with the approval of the majority of electors voting on the question..

A “resort community” is incorporated with an elected council and a population of less than 5,500.

A “resort area” is an unincorporated but defined contiguous geographic area with a population less than 2,500. It may be established by a petition signed by at least 15% of electors residing in the proposed area. The question of whether to establish the resort area is submitted to electors residing in the area in a special election or the next regularly scheduled election.

A “resort area district” may be established by a petition to the board of county commissioners signed by at least 10% of the registered voters within the resort area. The governing board of the resort district area may impose tax and spend tax revenue as identified in the resolution creating a resort area district.

The State has been actively facilitating a process of making provision for any part of a county with a destination recreational facility of more than 100,000 visitors annually to apply to be organized into a city of town. Draft Bill No. 222 established criteria for voting in resort area municipal elections and also proposed that certain non-resident property owners be permitted to vote under certain conditions. While this legislation did not proceed to the Senate, an amended bill (LC0012) is proceeding as of Autumn, 2004. (Note: While this
legislation would apply state-wide, it is widely understood that Big Sky would be the likely first take-up of this legislation.)

State of California: Charter Jurisdictions

The four basic units of local government in California are cities, counties, special districts, and regional bodies. Cities and counties may choose to adopt a charter rather than be governed by the California Government Code. In this case, they are referred to charter jurisdictions and can exercise more latitude in how they run their jurisdictions.

Special Districts in California are a complex and varied form of local government. They are governed by a board, provide services and facilities and have defined boundaries. They can provide a single service or function or multiple services. They can operate as an enterprise on generally a cost-recovery (and sometimes profitable) basis where very little revenue comes through property taxes, or a non-enterprise basis where services such as fire protection are virtually impossible to charge out on a fee-for-service basis. In this case, the majority of the revenue comes through property tax. They can be independent with their own elected governing Board or dependent, under the governance of an existing legislative body.

California has made provision for counties to establish a transient room tax.

Most mountain resorts in Placer and Nevada counties are unincorporated and are governed by the county. In keeping with California's reliance on "special districts" for service delivery, several of these resorts have established special districts for specific purposes.

Northstar at Tahoe provides an example of a typical California arrangement. It is an unincorporated area of Placer County and governed by the elected County Board of Supervisors. Development applications are made to Placer County. There is a North Star Community Services District that provides water, sewer and snow removal services. Of approximately 1,400 dwelling units, there are about 80–100 registered voters, with many non-residents from out of town and out of state. Permanent residents only vote on County board seats and North Star Community Services District board seats. There is a county-wide transient room tax of 8% on overnight accommodation. Roughly 75% of revenue is generated by the resorts.

State of Idaho

The State of Idaho is home to several mountain resorts. Sun Valley is, perhaps, the best known of these.

Sun Valley is an incorporated city of approximately 1,400 people, very few who stay there year round. Sun Valley is governed by an elected mayor and a city council. There is a full time city administrator in Sun Valley and an appointed planning commission that works with city planners on planning and zoning. Sun Valley is one of two communities in Idaho that are authorized by the state to
impose a local option sales tax. In Sun Valley the rate is 3% on lodging and retail sales. Exemptions apply to groceries, medical, building materials and lift tickets.

In 2003, the State advanced a ballot initiative (subsequently withdrawn) to change its tax code to allow a “resort county” to levy a sales or use tax. The definition of “resort county” was “any county having a population of more than seventeen thousand (17,000), and which county derives a major portion of its economic well-being from businesses catering to recreational needs and meeting needs of people travelling to that destination county for an extended period of time.”

State of New Hampshire

New Hampshire, while much smaller in area and population than BC, has a number of coastal and mountain resort communities. Bretton Woods at Mount Washington is perhaps the best known destination-type resort. There are, however, a number of communities whose economy is heavily dependent on visitors. Waterville Valley is one such example.

The Town of Waterville Valley, incorporated in 1829, is a small island of about 500 acres in the middle of the 42,300-acre White Mountain National Forest. Until the mid-1960s, Waterville Valley was a small summer resort. In 1966, a private developer purchased most of the land in the valley and developed a year-round resort with an initial focus on Mt. Tecumseh Ski Area. The Town is now about 75% built-out, with a large hotel, commercial complex, and approximately 1,200 condominiums, private homes, and time-shares. The total property valuation in 1999 was about $165M (USD)

There are approximately 230 year-round residents, but on any given weekend there are between 4,000 and 6,000 people in the town. The range of services provided by the town include a tertiary wastewater treatment facility, water system, solid waste pickup, 24-hour police, a recreation department, a volunteer fire department, a medical emergency division and a refrigerated ice arena. The Waterville Valley school has up to 45 elementary students.

The Town of Waterville Valley is governed by a three-member elected Board of Selectmen and a Town Manager. Although the full-time population base is very small, residents take an active part in the development of the Town with citizen’s committees often being formed to deal with critical situations as they might arise.
Appendix E  Sampler of Mountain Resorts

There are about 30 mountain resorts in BC, either operating or in the advanced planning stages. Many are winter operations only; some are already multi-season resorts and others have plans to become multi-season. In addition to destination-type resorts there are a number of established communities that are becoming increasingly economically associated with tourism. Notably, a collaborative of these established municipalities have come together to discuss common challenges and exchange ideas. This group meets twice each year\(^\text{17}\).

At present there is no inventory of what exists either at destination resorts or in established resort communities with respect to governance, planning and services. This appendix is a “sampler” of five mountain resorts – Canoe Mountain, Kicking Horse, Red-Rossland, Silver Star and Sun Peaks. The descriptors used for each resort or resort community are set out in the table on the following page.
## Appendix E1 – Resort Descriptors

| Primary Descriptors | General Location  
|                     | Jurisdiction  
|                     | Distance from large service centre  
|                     | Access to international airport  
|                     | Access to regional airport  
|                     | Level of Service by road  
| Resort Descriptors | Land Tenure  
|                    | Number of Ski Lifts/Runs 2004  
|                    | Bed Base 2004  
|                    | Bed Base 2010 / Build out  
|                    | Comfortable Carrying Capacity @ Build out  
|                    | Golf Course(s)  
|                    | Other Amenities  
|                    | Resort Association  
| Community Descriptors | Permanent Population 2004  
|                      | Permanent Population 2010  
|                      | Assessed Value 2004  
|                      | Form of Political Representation  
| Planning | Resort Master Plan/Master Development Agreement  
|          | Economic Development – Promotion  
|          | Community Planning (Official Community Plan)  
|          | Rural Land Use Bylaw/Zoning  
|          | Development Permitting  
|          | Subdivision  
|          | Building Inspection  
| Property Services | Water  
|                   | Liquid waste collection system  
|                   | Liquid waste treatment system  
|                   | Storm water  
|                   | Solid waste  
|                   | Snow clearing and removal  
|                   | Road maintenance  
|                   | Street lighting  
| Administrative Services | General administration and regulation  
|                        | Business licensing  
|                        | Bylaw enforcement  
|                        | Tax collection  
| Emergency Services | Police  
|                    | Fire Protection  
|                    | Ambulance  
|                    | Primary Health Care  
| Utilities | Energy Providers  
|           | Telecommunications Providers  
| Community Services | Schools and School access  
|                    | Community recreation  
|                    | Non-market housing/employee housing  
|                    | Transit  

## Appendix E2 – Sampler of Mountain Resorts

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<th>Resort Descriptor</th>
<th>Canoe Mountain</th>
<th>Kicking Horse</th>
<th>Red Mountain</th>
<th>Silver Star</th>
<th>Sun Peaks</th>
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</thead>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Location</td>
<td>North Rockies</td>
<td>Central Rockies</td>
<td>West Kootenays</td>
<td>North Okanagan</td>
<td>Centra</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Regional District of Fraser Fort George Area H</td>
<td>Columbia Shuswap Regional District, Area A</td>
<td>City of Rossland</td>
<td>North Okanagan Regional District</td>
<td>Thompson Okanagan Regional District</td>
</tr>
<tr>
<td>Distance from Large Service Centre</td>
<td>10 km from Valemont</td>
<td>14 km west of Golden</td>
<td>Within City of Rossland (population 3,700)</td>
<td>Vancouver - 438 km, Vernon 22 km</td>
<td>Kamloops - 50 km</td>
</tr>
<tr>
<td>Access to International Airport</td>
<td>3 hours to Prince George, 5 hours to Edmonton, Calgary</td>
<td>262 km, 3 hours to Calgary</td>
<td>30 minutes from Castlegar with links to Vancouver</td>
<td>Kelowna - 1 hr</td>
<td>Kelowna - 2.25 hr</td>
</tr>
<tr>
<td>Access to Regional Airport</td>
<td>1 hour to Jasper</td>
<td>Various DASH8 flights</td>
<td>30 minutes to Castlegar</td>
<td>Kelowna - 1 hr</td>
<td>Kamloops - 0.75 hr</td>
</tr>
<tr>
<td>Level of Service by Road</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Primary Descriptors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Tenure</td>
<td>Private</td>
<td>Private</td>
<td>Private and Crown</td>
<td>Master Development Agreement</td>
<td>Master Development Agreement</td>
</tr>
<tr>
<td>Number of Ski Lifts/Runs, 2004</td>
<td>Gondola; 10 runs</td>
<td>5 lifts, 96 runs</td>
<td>5 lifts, 83 runs</td>
<td>8 + 2 Tubing/107 runs</td>
<td>11/117 runs</td>
</tr>
<tr>
<td>Bed Base 2004</td>
<td>0</td>
<td>78 units; 175 beds</td>
<td>250</td>
<td>4,200</td>
<td>4,000</td>
</tr>
<tr>
<td>Bed Base 2010/Buildout</td>
<td>5,000</td>
<td>3,000</td>
<td>2,000 village + 4,600 mid-mountain</td>
<td>8,000</td>
<td>24,000</td>
</tr>
<tr>
<td>CCC @ Build Out</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Golf Course</td>
<td>1 Executive; 1 Championship</td>
<td>9-hole in M.P.</td>
<td></td>
<td></td>
<td>18 holes at resort, others in Kamloops</td>
</tr>
<tr>
<td>Other Amenities/Interests</td>
<td>summer hiking, sightseeing</td>
<td>hiking, mountain biking, summer gondola; Grizzly Bear Refuge</td>
<td></td>
<td>Swimming pool, valley trail, tennis, x-country, horseback, hiking, mtn biking</td>
<td></td>
</tr>
<tr>
<td>Resort Association</td>
<td>No</td>
<td>No, will be setting up</td>
<td>Yes, but different model; Red Mtn acts as central reservation office</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Community Descriptors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Population 2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Population 2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Form of Local Governance</td>
<td>RD Board of 8 (Chair and Eas)</td>
<td>RD Board of Directors – 11 Directors, including 1 from Golden and 1 from Electoral Area A (3 year term)</td>
<td>City Council of 7</td>
<td>RD and SS Community Standing Committee</td>
<td>RD and Sun Peaks Resort ID</td>
</tr>
<tr>
<td>Resort Descriptor</td>
<td>Canoe Mountain</td>
<td>Kicking Horse</td>
<td>Red Mountain</td>
<td>Silver Star</td>
<td>Sun Peaks</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>----------------</td>
<td>--------------</td>
<td>--------------</td>
<td>-------------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>BC Hydro</td>
<td>BC Hydro</td>
<td></td>
<td></td>
<td>Telus</td>
</tr>
<tr>
<td><strong>Telecommunications Providers</strong></td>
<td>Telus</td>
<td></td>
<td></td>
<td></td>
<td>Telus</td>
</tr>
<tr>
<td><strong>Schools and School Access</strong></td>
<td>Valemont</td>
<td>SD 6 Rocky Mountain</td>
<td>SD 20 Kootenay-Columbia</td>
<td>SD 22 Vernon</td>
<td>Heffley Creek - 31 km</td>
</tr>
<tr>
<td><strong>Community Recreation</strong></td>
<td>Valemont</td>
<td>Golden</td>
<td>Rossland</td>
<td>Greater Vernon Parks District</td>
<td></td>
</tr>
<tr>
<td><strong>Non-Market Housing</strong></td>
<td>No</td>
<td>No, plans for staff housing</td>
<td>No</td>
<td></td>
<td>Aux. suites, provisions for other sites in MP</td>
</tr>
<tr>
<td><strong>Transit</strong></td>
<td>No</td>
<td>Private seasonal shuttle bus service</td>
<td>RD – Boundary Transit</td>
<td></td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td>$100M investment</td>
<td>$670 M – highway; $40 M infrastructure</td>
<td>300 construction jobs</td>
<td>$15M in next 2-5 years</td>
<td>165 permanent on completion</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>420 employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$50M when complete</td>
</tr>
</tbody>
</table>
Endnotes

1 BC Stats is able to provide data regarding transient room capacity within a defined geographic area on a custom basis. The source of this data is from the Ministry of Finance. (An alternative to this is the BC Tourism annual accommodation guide.) The equivalent census population is also available on a customized basis from BC Stats. The term bed units refers to the definition used in the Commercial Alpine Ski Policy (CASP).

2 Incorporation of a mountain resort municipality

11 (1) If a vote under section 8 is in favour of incorporation, the minister may recommend to the Lieutenant Governor in Council incorporation of a municipality as a mountain resort municipality.

(2) Despite section 8, in the case of an area that is a mountain resort improvement district, the minister may recommend incorporation of a new mountain resort municipality to the Lieutenant Governor in Council, in accordance with the letters patent of the improvement district.

(3) On the recommendation of the minister under subsection (1) or (2), the Lieutenant Governor in Council may, by letters patent, incorporate the residents of an area into a mountain resort municipality.

(4) If an existing improvement district is located in a municipality incorporated under subsection (3), the Lieutenant Governor in Council must dissolve the existing improvement district by repealing its letters patent.

(5) Section 17 applies with respect to the incorporation of a mountain resort municipality under this section.

3 Incorporation of municipality in conjunction with resource development

10 (1) The Lieutenant Governor in Council may, by letters patent, incorporate the residents of a rural area into a municipality without holding a vote under this Part if the Lieutenant Governor in Council is of the opinion that it is in the public interest to establish the municipality in conjunction with the development of a natural resource.

(2) Letters patent under this section may

(a) include exceptions from statutory provisions,

(b) specify the effective period or time for an exception, and

(c) provide for restriction, modification or cancellation by the Lieutenant Governor in Council of an exception or its effective period.

(3) For a municipality incorporated under this section, on the recommendation of the minister, the Lieutenant Governor in Council may, by supplementary letters patent, provide for further exceptions and conditions.
A regional service area does not have any planning or regulatory power, nor do its residents receive any additional representation beyond that available through their Electoral Area Director on the RD Board. However, the RD, with the assent of electors, delegate the administration of the service to an elected Local Community Commission to provide additional representation. The commission has day to day management authority to provide services and may enter into service delivery agreements.

As outlined in Section 8 of the Local Government Act. Section 10, which deals with resource municipalities, does not require an election to be held.

Panorama Resort Amenity Co. looks after the pool, tennis court, festive lighting and banner, gondola, trail, landscaping through revenues generated by a nightly user fee based on occupied room nights. BC Gas Utility Co. is responsible for water, sewage, street lighting, and gas distribution. Revenues are raised through connection and consumption charges. The RDEK provides fire protection.

If these services were run by a local government, fees could not be set below costs.

As a working definition in this report a “resort community” – refers to a spatially contiguous area where the transient room capacity, measured in bed units, is greater than or equal to 60% of the permanent census population. A resort community may be an unincorporated settlement within a regional district, an incorporated municipality or a combination of both. A resort community has a diversity of property ownership.

There are precedents for a reduction in provincial charges on property taxes in resort communities. One example is Tofino where residential property owners were given a reduction on their school taxes. Tofino’s argued that that Ucluelet had a higher permanent population with more children but property taxes in Tofino were twice those of Ucluelet due to much higher value assessments. This was presented as an unfair disparity. The result was a lesser mill rate for school purposes for Tofino, by about 25% than other properties in the regional district. This was “validated” through the MEVA and subsequent Order in Council.


For comparison purposes: Of BC’s municipalities in 2003, the median assessed value for taxation purposes was $319 million – this was Invermere.

In Whistler, the majority of directors are elected; the municipality appoints two directors and the resort (Whistler-Blackcomb) appoints another two directors.

Resort Municipality of Whistler Act:
Excerpts from Hansard record of second reading of the Resort Municipality of Whistler Act, which took place June 24, 1975.

HON. MR. LORIMER: Mr. Speaker, this is an attempt to come to grips with situations which occur in the province where we have, as in this particular case, a recreational area where there are very few permanent residents but where the population on any given weekend, or through the winter months may be very, very large.

Facilities required for such an area are facilities required for a population of a substantial amount greater than what is actually permanently residing there. Obviously the costs of services this type of community cannot be borne totally by the permanent residents and by the general population of that particular area.

There are two or three methods we have looked at, I might say, in extensive consultation with the regional district with whom I have met over the past year, I suppose, better than half-a-dozen times in dealing with this particular subject. Due to the fact that there has to be a substantial amount of provincial government money put into the area, and the fact that the provincial government owns a very high percentage of the land in question, and the fact that the area is basically for the benefit of the people of the province as a whole and not strictly the local residents, it's an isolated case.

There are three methods we did look at. One was a method whereby we would go the instant town route and appoint five aldermen to look after the community for a period of five years to get it set up and established, and then look at the permanent structure that would be used at that time. The second proposal was to use a system like they have in the endowment lands: to have a manager and handle the operation as an endowment.

The third one was the method that we did arrive at wherein there will be one appointed representative from the province but the other four will be elected; and the mayor will be elected by the residents of that community.

We don’t know how it’s going to work. It’s an experiment. We believe that there may have to be changes as time goes along, but this has been studied at great length and I believe we have covered most of the problems that might arise. So I think that I will try and answer your questions and move second reading."

14 Only nine municipalities have higher taxable values than Whistler: Burnaby, Coquitlam, Delta, Kelowna, North Vancouver District, Richmond, Saanich, Surrey and West Vancouver.

15 Temporary residents are defined in the PEI Municipal Act.

Temporary resident means a landowner in a resort area who is a seasonal resident or the operator of a business in the area or a farmer who lives outside the area but owns and farms land in the area."
Tourism, recreation, cultural and convention tax imposed on motor vehicle leases and rentals (up to 3%), prepared foods and beverages in restaurants (up to 1%), room rents in public accommodation (up to .5%) for specific tourism-related uses. Sales tax of 1/10 of 1% specifically to fund recreational facilities and botanical, cultural and zoological organizations.

This collaborative is comprised of the municipalities of Fernie, Golden, Invermere, Penticton, Rossland, Tofino, Prince Rupert, Radium Hot Springs, Kimberley, Banff and Whistler (source: RMOW).