Boundary Extension

The attached report on boundary extensions was submitted for Council's debate at the July 23, 2012 Committee of the Whole Meeting. As part of the report, it indicates the specific requests received from property owners requesting incorporation.

The specific properties indicated within the report were included to obtain direction from Council regarding boundary extensions. This resolution was passed at the August 13, 2012 Council meeting:

**Administration Report No. 194/12**
Boundary Extension Requests - Official Community Plan Version 2

RESOLUTION NO. 338/12
MOVED/SECONDED

“THAT, that Administration Report No. 194/12 – Boundary Extension – Official Community Plan Version 2 be received for information; AND FURTHER THAT, staff to provide draft ideas for a working master plan for boundary extension that includes:

• Squaring off the boundaries
• Consideration of current applications
• Feasibility of providing services
• Infrastructure deficit that could result due to incorporation.”

CARRIED
Council’s Strategic Goals:

- A vibrant and diversified economy where local businesses are retained and business opportunities are expanded; Citizens’ interests are represented and promoted efficiently through political and economic spheres; and the vitality of downtown is maintained and enhanced as a commercial and cultural destination.
- A planned and sustainable community where community infrastructure is well-maintained to meet the needs of both current and future generations; the natural environment is preserved, protected and enhanced; and where municipal spending and tax policies are affordable and sustainable over time.

For Council’s deliberation and direction.

CITY MANAGER’S COMMENTS:

Boundary expansion has a number of issues associated with it. In addition, boundary expansion can quickly become controversial. It is therefore recommended that Council approach the issue from a very firm and comprehensive policy base and that Council directs staff to prepare a draft policy that will define in more detail the provisions contained in the OCP.

Dianne Hunter, City Manager
CURRENT SITUATION:

The City continues to receive requests from property owners who wish to be incorporated into the City’s boundaries to either develop or enhance their property and obtain City services.

The OCP references boundary extensions and the following excerpts apply:

**Policy Statements**

- To clearly plan, define and manage growth within the municipal service boundary.
- Council will promote the infill of land within the City boundary, specifically densification within the City core.
- Council will consider boundary extension as needed, based on the land use designations outlined on the Land Use Map. Any proposed extension may only occur if 80% infill of specific land use designated under the Land Use Map has occurred and it can be illustrated that there is a vacancy rate of less than 5% within existing builds for the proposed use.
- Council will not extend services beyond the service boundary. City services will only be extended to a parcel of land if the following criteria are met:
  - The boundaries have been extended to encompass the area proposed for City service extension.
  - The services will be provided to Fort St. John development service standards.
  - The financial and overall impacts (including long-term operational costs) on the citizens of Fort St. John are positive.
  - There is a net benefit to the City of Fort St. John the area proposed for service extension has been previously identified by the City as a future serviced area.
- Council will require all development within the service boundary to connect to the community water, sanitary and storm drainage systems.
- Council will require that new development pays the portion of infrastructure cost directly related to servicing the new development.

As part of the OCP, a market vacancy study is planned to ascertain what percentages of vacant property is available within each of the land use zones. This study is scheduled for this year as part of Planning and Engineering’s work plan, although the final document may not be received until early next year. Due to the continuing uncertainty with Station 44’s development, the land uses within this parcel should be specifically identified in the vacancy study since it will alter the percentage.

The issue that some developers are facing is that their proposed developments are larger than the vacant parcels currently available within the City (not including Station 44). City staff has identified the problems associated with development directly abutting but outside of City boundaries since the development standards are lower thus creating additional complications if/when the property is incorporated.

Thus to consider incorporating fully developed areas is less attractive than a vacant parcel since the properties were developed to a lesser standard. That being said, if fully developed
areas were considered for incorporation, the cost of providing services to those properties would be the property owner’s responsibility (which is the same as a developer’s responsibility). There is a misconception that once the City incorporates parcels, that the City would extend services at the City’s expense. In accordance to the policy statements above, this would not be in the best financial interests of the citizens of Fort St. John to do this.

A boundary extension can be a long and difficult process if the City is considering the incorporation of a large parcel of land that triggers the inclusion of other property owners to be affected. The following need to be considered:

- whether or not the boundary extension would provide a benefit to the City. If a benefit can be established without costing City taxpayers’ money to take in this additional land, then the extension just makes sense. Parcels adjacent to City boundaries that are undeveloped may provide a benefit depending on the location, whereas some developed areas are problematic due to the expectation of services that comes with incorporation. To mitigate some of the negative impacts that a boundary extension may create, City bylaws have been established to ensure that developers provide a financial contribution towards the impact on the City’s infrastructure that their development will have (DCC Bylaw).
- Can the City’s existing infrastructure within a quadrant support the property being considered for incorporation and its proposed use?

The following requests have been received by staff in the last six months and maps are attached to this report:

**West Boundary**
- Plan X Architecture Inc. - 54 acres. This land directly abuts the City’s boundary and is undeveloped. The developer would like to construct commercial businesses on this parcel.

**Southeast Boundary**
- Double P Restoration Specialist Inc. – 10 acres. This request has been withdrawn. Double P Restoration had an offer to purchase on this property with an extended closing date of June 23, 2012. The proponent was unaware of the process and time involved to incorporate property into the City, thus decided not to proceed with the purchase.
- Bouffioux – two quarter sections. Mr. Bouffioux has been trying unsuccessfully for years to have his property removed from the ALR. The ALR opposed Mr. Bouffioux’s property being incorporated into the City that resulted in a revised boundary extension application being submitted to the Ministry on November 13, 2007 to remove his properties.

**Northeast Boundary**
- BGR Properties Inc. – 105 acres. This property directly abuts the south City boundary. That being said, this property is directly north of 100 Avenue and if incorporation were considered for just these parcels, there would be two quarter sections that would not be part of the extension thus enhancing the City’s irregular boundaries. Additionally, if incorporation were considered by Council, there would be a section of 100 Avenue that would become the City’s
responsibility to maintain with a section in between that would continue to be YRB’s [Ministry of Transportation’s contractor] responsibility. This scenario has happened with previous extensions and the City continues to remediate these logistical maintenance nightmares. 86 Street between 100 and 107 Avenues is an example of this. MOT will be upgrading this road to City specification this year and then transferring the road into the City’s name. The BGR lands identified are also outside of the areas identified in the 2005 Fort St. John and Area Comprehensive Development Plan. The CDP noted that areas located further from the City were, at the time, rejected by the Agricultural Land Commission. BGR Properties’ proposal for a light industrial park on this quarter section does not adhere to the Peace River Regional District’s North Peace Fringe Official Community Plan (NPFA OCP).

The NPFA OCP stipulates that “within the Agriculture” designation, the minimum parcel size will not be less than 63 ha, with the exception of:
- Creating a new parcel through a Homesite Severance
- Creating a new parcel where it is separated from the remainder of the parcel by a railway, road ROW of topographical consent
- Creating a new parcel where the proposed parcel has low agricultural capability.

On pages 43 and 44 of the NPFA OCP, the document also makes reference to the PRRD’s policies on services and utilities. With regards to the provision of water and sewer services, the OCP states that lands within Area 1 (Airport Road/100 Ave), which include the presently developed BGR Properties are limited to a minimum parcel size of 8 ha (20 acres) unless connected to a community sewer system. Staff’s interpretation is that unless properties are located within identified priority sewer service areas and/or connected to community sewer, the minimum parcel size would be as set forth in the designation applicable to the property.

Southwest Boundary
- Acceleration Signs – two parcels. These lands were included as part of the infamous 2007 boundary extension Area 4. This application was formally withdrawn by the City on February 13, 2012 due to the opposition received from residents in this area, which included Acceleration Signs. On February 7, 2012, Acceleration Signs submitted a letter to the City stating that they had reconsidered their position and were in favour of incorporation.
- BC Hydro Site C property – 237 acres. BC Hydro hasn’t made a formal request to the City for incorporation of these parcels that are planned for Site C’s multi-use site during dam construction. Site C representatives have verbally conveyed to the City that Hydro would like City services on these parcels. 2007 boundary extension Area 4 map is included as background documentation to provide a visual of this area in its entirety.

Boundary Extension Process:
- The Ministry’s existing position of one parcel one vote remains the same, regardless of the size of each parcel. Thus a ½ section would have the same voting rights as a 50’ x 150’ lot.
The Ministry encourages larger boundary extension applications versus an application that has one or two parcels due to the number of applications they receive.

The Ministry will not force amalgamation.

The Ministry’s criteria for boundary extensions taken from their website:

*The Criteria define the technical and process requirements for a boundary extension to proceed. Generally, a proposal must meet the following basic technical requirements:*

- The area proposed to be included within the municipality must be contiguous with the existing municipal boundary;
- The proposed municipal boundary should not divide legal parcels;
- Roads and road rights-of-way adjacent to the boundary extension area should be included in the municipality;
- Indian reserves will not be included within municipal boundaries; and
- The ministry prefers to see one proposal for a logical block of parcels, rather than a number of incremental boundary extensions over time to include the same area.

Points for Council’s consideration:

- The City has had a policy in place since the 1970’s that states it will not provide services to properties outside of its boundaries. This alleviates the “cherry picking” of opting for paying for some services but not all services that the City provides.
- Boundary extensions take time. If everything goes smoothly, a boundary extension can take a year to obtain approval. As recent history indicates, it can take a lot longer with no guarantee of success.
- The market vacancy study won’t be completed until later this year at the earliest and may extend into 2013 which would reveal what vacant land use percentages are at in accordance with the Official Community Plan.
- It is also important for Council to clarify whether the provisions in the OCP refers to vacant land “available for sale” or just vacant land. This clarification is requested as there is vacant lands in the City that are not currently on the market and may not be in the foreseeable future. If the City includes these non-market lands into its percentages then it is possible that the City will not initiate a boundary expansion even though there is no land on the market for a designated purpose. Staff would like some discussion on this issue.
- Is the 80% land use with a vacancy rate of less than 5% within existing buildings for the proposed use quoted in the OCP too high considering the length of time it takes for a boundary extension to be finalized?
- Site C is currently in the environmental review stage which is estimated for completion in 2014. If the project is approved, construction could commence as early as 2015. This is a three year timeframe for the City if Council decides to proceed with a boundary extension which does not leave a lot of time to go through this process and if successful, for the engineering work to be completed to extend services to these newly incorporated parcels.
- This would be a new application, thus the process would start from the beginning and there should be one designated staff member who is responsible to oversee this work if Council decides to proceed with a boundary extension application.
A boundary extension is not identified in the City’s strategic priorities chart for 2012 although Site C’s action plan is.

Plan X’s property should be relatively easy to incorporate since it is an individual parcel although BC Hydro and Acceleration Signs could pose a problem due to other property owners being affected.

BGR would not be recommended by staff as a parcel to be considered for incorporation at this time since there are additional property owners that should be consulted for incorporation, these are developed lands and the proposed use does not comply with the NPFA OCP.

Does the City even want to entertain another boundary extension?

BACKGROUND INFORMATION:

The 2007 boundary extension application was withdrawn due to resident opposition, the recognition that any boundary extension should reflect the City’s new OCP Bylaw and that any extension that was undertaken would be strategic and in the best interests of the City for the long-term rather than responding to individual property owner requests.

OPTIONS:

- Analysis of Options
- Interdepartmental Implications – Planning and Engineering, Finance, Administration
- Policy Implications - none

BUDGET IMPLICATIONS:

A any boundary extension would take staff time to review the new areas that the City may be considering for incorporation and to update the data of Area 4.

ALTERNATE RECOMMENDATIONS:

1. “THAT, Administration Report No. 194/12 - Boundary Extension Requests – Official Community Plan Version 2 be received for information, AND FURTHER THAT, those property owners who have requested incorporation be advised that the City has received their request and will not be proceeding with a boundary extension at this time.”

2. “THAT, Administration Report No. 194/12 - Boundary Extension Requests – Official Community Plan Version 2 be received for information, AND FURTHER THAT, until such time as BC Hydro makes a formal request to the City for incorporation of their lands that the City will not proceed with a boundary extension due to the small number of properties making this request.”

3. “THAT, staff be directed to provide a report to Council identifying the feasibility of service provision to incorporate the following properties within City limits: (select from the following):
   - Plan X Architecture Inc.
   - Area 4,
AND FURTHER THAT, this report identify any infrastructure deficit that could result due to incorporation.”

ATTACHMENTS:

- Plan X Architecture Inc. Property – Boundary Extension Request - Map
- BGR Properties – Request for Incorporation Map
- BGR Properties Inc. – Request for Incorporation –Larger – Map
- Acceleration Signs – Request for Incorporation – Map
- BC Hydro Site C Property – Possible Request for Incorporation – Map
- Original Area 4 Boundary Extension Map

RESPECTFULLY SUBMITTED:

Janet Prestley
Director of Legislative and Administrative Services
July 9, 2012