RDOS Area "D" Service & Boundary Study
Fact Sheets
November 2021

ECONOMIC DEVELOPMENT SERVICES

➢ What service is provided?

Electoral Area "D" participates in two economic development services – one is a regional service that is set up to provide a grant to the Okanagan Film Commission, and the other is a service focused solely on promoting economic development within Electoral Area "D."

Film Commission
The Okanagan Film Commission offers location scouting, tech surveys and liaison and facilitating services. The Film Commission also provides a digital photo library of locations and a crew database of experienced workers in the Okanagan. The Commission is jointly funded by RDOS and the regional districts of the North Okanagan, Central Okanagan, and Kootenay Boundary. Additional funding is provided through the Province of British Columbia.

Electoral Area "D" Economic Development
In 2007 Weyerhaeuser announced that they would be closing their Okanagan Falls plant. In response, the RDOS, on behalf of Electoral Area "D," applied for a grant to assist in economic development for the area. As part of that proposal, the RDOS established an economic development service for Electoral Area "D" and an Economic Development Service/Community Services Office in Okanagan Falls.

Initially the service was focused on finding a new user for the Weyerhaeuser site; however, the broader purpose is to assist the area in attracting business and industry, supporting the health and growth of current businesses and industry, as well as promoting uses that will create jobs.

The service is provided through an office located in Okanagan Falls, separate from the RDOS main office in Penticton. The office is to provide a local point of contact for those seeking information on the electoral area, its economy, community, local services, programs, businesses and development opportunities. The office also provides a home for the volunteers who operate the Okanagan Falls Visitor Information Centre. The service is supported by a website and is led by an economic development coordinator.

An Economic Development and Recovery Plan was completed for Okanagan Falls in 2020. The plan identified 7 goals, and key action items for each goal were developed to provide a work focus for the community and RDOS staff for the next three years. Many of the action items require collaboration, so strong working relationships with the RDOS, Okanagan Falls organizations, and residents are required to implement the plan.

➢ Who makes decisions?

The entire RDOS Board makes decisions regarding the Electoral Area "D" Economic Development service, due to the fact that one Electoral Area Director cannot make decisions on a service alone. Decisions are made on the advice of staff.

The OK Film Commission has an 8-person Board that makes decisions for the Commission. The Board includes representatives from the four regional districts, including one representative from RDOS.

➢ Who delivers the service?

The economic development service is delivered by RDOS staff, under the direction of the Manager of Planning. The service has an economic development coordinator, as well as administrative clerk working in the Okanagan Falls office.

➢ What is spent by RDOS on the service?

Figure 1 shows the total 2021 budgeted cost for delivering the regional and Electoral Area "D" economic development services. The amount of the Area "D" service can vary depending on the projects undertaken. In 2021 the overall service cost was greater due in part to a surplus from a previous year (which then permits a greater contribution to the operating reserves). The service is generally budgeted to have a cost of approximately $180,000 over the next few years.

Figure 1
Cost of Services
2021

Service	Cost[1]
Regional Ec. Dev. - OK Film Commission	$36,050
Economic Development - Area "D"	$211,894
Total	**$211,894**

1 Cost estimates are from adopted 2021 budget figures

The regional economic development service cost is based on a $35,000 annual grant contribution to the OK Film Commission (plus administration). The grant amount is not budgeted to change in the upcoming years.

In addition to the service cost, there is also an operating reserve account created for the Electoral Area "D" economic development service. The reserve total is shown in Figure 2.

Figure 2
Reserve Total
2020

Service	Reserve Total[1]
Area "D" Economic Development Reserve	$15,883

1 Reserve totals are as at the end of 2020.

➢ How are the costs recovered?

Property taxes are the source of funding for both economic development services. Occasionally grant funding or prior years' surplus may be available, but the service is typically funded through property taxes on land and improvements. The Electoral Area "D" service is only recovered from property tax levied on Area "D" properties.

The regional economic development service costs (OK Film Commission) are recovered from all jurisdictions within the RDOS through property tax on assessed values. As noted previously, four regional districts – RDOS, RDNO, RDCO and RDKB provide funds to the Commission, as well as the provincial government.

➢ What is the cost to a typical residence?

The cost of the economic development services are recovered from Electoral Area "D" taxpayers on the basis of property assessments. In 2021 a residence assessed at $450,000 in Area "D" paid approximately $63, as shown in Figure 3.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Regional Ec. Dev	$36,050	0.0014	$0.63
Area "D" Ec Dev	$186,386	0.1379	$62.06
Total			**$62.69**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

➢ What impact would incorporation have on these services?

It is expected that a newly incorporated municipality would continue to participate in and contribute to the regional economic development service (contribution to OK Film Commission).

A new municipality would be able to decide whether it wanted to provide and deliver an economic development service focussed solely on the municipality, or whether it wants to participate in a broader initiative with the surrounding electoral area(s). While communities often benefit from a broad marketing of the area, often it is difficult to create consensus about the direction of shared economic development services, or the right focus or funding levels, and there can be a sense of "competing" to attract developers or employers to the area. While a more regional model is used in some areas of the province, others prefer the narrower focus of providing a municipal economic development service.

It is therefore difficult to predict the impacts of incorporation on the service that is divided. It may depend in part upon the boundary, and how much of the area surrounding Okanagan Falls would be contained within a municipality boundary. Given that the Electoral Area "D" service is only provided to that area, it can be estimated that a similar service could be provided at a similar cost by a new municipality. The cost for taxpayers may change, however, depending on the boundary, and who is contributing to the service cost. Providing the same service to a smaller tax base may not result in proportional decreases in service costs.

Regardless, there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the service, service levels, and whether to participate in a broader regional service or to create a local service provided by the municipality.