RDOS Area "D" Service & Boundary Configuration Study
Incorporation Insight
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BOUNDARY CONSIDERATIONS

What is the purpose of this paper?

Electoral Area "D" of the Regional District of Okanagan Similkameen is currently undergoing a *Services and Boundary Configuration Study*.

The purposes of the study are to:

1) Examine the services provided in Electoral Area "D", identify any issues or concerns with services or governance, and gauge interest among citizens in pursuing incorporation.
2) Recommend a boundary after considering the high-level impact that incorporation would have on political representation, governance structure and service provision.

The *Services and Boundary Configuration Study* does not presume that an incorporation study will proceed. Ultimately the Study Committee, based on direction from the community, must contemplate whether an incorporation study might be an appropriate future step, and if so, identify the most suitable boundary for that subsequent analysis.

Therefore, as part of the *Services and Boundary Configuration Study*, this paper on boundary considerations shares with the Committee and residents the factors and criteria that are typically used to identify a municipal boundary. The paper is serves as a primer in advance of the boundary identification process that forms part of this study.

➢ Why is an incorporation boundary needed?

Prior to initiating an Incorporation Study, the Ministry of Municipal Affairs establishes an incorporation study area boundary. The boundary is required to enable the committee and its consultants to gather and analyze the data for the study, and is critical in determining the costs for each option being considered. It is only once the boundary is determined that the specific services provided to the area can be identified and quantified, assessment base totalled, and tax impacts calculated.

The process to determine the tax impacts and compare the existing costs and services to an incorporation scenario is comprehensive – it involves a considerable amount of work by the regional district, consultants, the Ministry of Municipal Affairs, and incorporation committee, as well as residents. The goal of the process is to provide information to the community so residents can make an informed decision on whether they would like to incorporate. Providing clear information is a key objective of the process; providing only one scenario helps to make this process straightforward for residents who must weigh the options.

➢ How is a boundary established?

Establishing a boundary for an incorporation study is a three-phase process. It involves:

- Data collection and review
- Gathering community input
- Establishing criteria

After the collection of both qualitative and quantitative inputs, and analysis of that information relative to key criteria, consultants provide some suggested options for review and subsequently identify a preferred option. Prior to being approved for the purposes of an incorporation study, the boundary is typically recommended by a committee, endorsed by the regional district, and approved by the Ministry. Ministry staff look to input from the

boundary study, including recommendations from consultants, the study committee and the regional district, to help inform a decision.

DATA COLLECTION AND REVIEW

Many of the factors considered in determining a boundary rely upon factual data that is collected and analyzed. Some data sources and information collected includes (but is not necessarily limited to):

- Regional Growth Strategies and relevant policies
- Official Community Plans or other land use plans
- existing settlement patterns
- land use or zoning regulations
- population and population density
- Statistics Canada Census information
- local government services (all types) and service areas
- infrastructure master plans and/or proposed capital improvements
- local road networks
- property assessment class maps/information
- property assessment values
- Agricultural Land Reserve (ALR) and farm property inventories

COMMUNITY INPUT

Community input is a key component of governance studies that are completed prior to an incorporation study. Community concerns are often the reason governance and subsequent incorporation studies are initiated.

Community input provides an opportunity for all community members to learn about who provides services, how the current system works, and share perspectives on what is working well, as well as identify concerns or needs that are not being met. Depending on the issues identified, options can be developed to address community concerns, including alternatives within the current governance framework as well as those that require changes to the governance structure.

As with any qualitative input, there is always a range of perspectives and opinions shared. Just because concerns are identified in a certain area does not necessarily mean that the area will be included within an incorporation study. Conversely, just because some members of a community are uncertain of the costs or regulations that might occur in an incorporation scenario does not mean the community would be excluded.

Community input is one of the factors considered by consultants, the regional district and Ministry of Municipal Affairs when determining a boundary. As noted previously, however, there are many factors that go into establishing a logical municipal boundary. It is normal to have a range of opinions within the incorporation study area; the incorporation study process highlights the changes and impacts of an incorporation, and provides all residents with the opportunity to hear about and understand the potential impacts. It is only once that information is available that residents can make informed decisions on the best path forward for their own property, and for their community.

DEVELOP CRITERIA

Once the quantitative and qualitative data have been compiled, the factors can be compared to criteria that are relevant to the community. Some criteria are considered for the incorporation of any community; others may relate to the specific situation and directions identified by the community. For example, there may be areas that would not otherwise be included within the proposed municipal boundary based on tax base, land use and service boundary analysis; however, if residents express a strong sense of connection to a specific neighbourhood, and desire to be included within the boundary rather than separated from the community with which they identify, then that community may be included.

Figure 1 provides a summary of some of the main data inputs or factors considered, related evaluation criteria and an explanation of why they are included as part of the process. The factors are not listed in any particular order – all factors are important and are taken into consideration.

The importance of every criterion, combined with the reality that it is unlikely that any single boundary option will maximize or fulfill all criteria, is what makes selecting a boundary so challenging. Ultimately once the data are considered together, and compared with the criteria, several boundary options and iterations may be drafted and considered before recommendations are made.

➢ Can the boundary change once it is established?

Once a specific boundary is used as the basis for an incorporation study, all the costs, tax impacts and budgeting created as part of that study are predicated on the specific assessment base, property class mix, and cost of services within that specific boundary. Minor changes to the boundary will not typically change the identified impacts significantly. Substantial changes, however, in terms of tax base, servicing or property class, could have significant impacts and warrant figures to be recalculated. Any re-examination of costs would be time-consuming, given that incorporation studies typically require between 1 and 2 years to complete. The primary objective of the boundary analysis, therefore, is to identify key concerns in advance to avoid the need for changes later in the process. Receiving endorsement of the boundary from a study committee, regional district and Ministry of Municipal Affairs helps to ensure that a range of perspectives were included, and reduces the need for changes later in the process.

If an incorporation occurs, and a municipality is established, there are opportunities and processes identified in the *Local Government Act* for property owners to apply to bring their properties in or out of a municipal boundary. This adjustment process follows a similar restructure process, albeit on a smaller scale. A property owner (or group of owners) would submit a request for inclusion or exclusion to the municipal council. If council approved the request, it would be forwarded to the Ministry of Municipal Affairs for processing. Before a boundary change could occur, elector approval from all municipal residents would be required through a vote (similar to a referendum), unless this requirement is waived by the Minister.[1]

[1] The Minister of Municipal Affairs can waive the requirement for elector assent from the entire municipality in the case of a reduction of a municipal boundary (boundary exclusion).

Figure 1
Boundary Considerations
Factors and Criteria

Factor	Criterion	Explanation
Future Growth and Development	Incorporation boundaries encompass areas identified for future growth/development in Regional Growth Strategy and Official Community Plan. Incorporation scenarios minimize the amount of protected agricultural land, and lands designated in the OCP as Agricultural, within the boundaries. Incorporation scenarios represent areas that are large enough to allow for future growth, but sufficiently compact to facilitate efficient and cost-effective servicing.	The RGS and OCP were developed through processes that included a considerable amount of public engagement. The plan identifies growth areas, and land use categories that reference where future development may occur, and that speak to allowable uses and densities. A range of land uses, such as Commercial, Medium Density Residential, Town Centre and Industrial may be important to include within the Incorporation Study Area boundary.
Property Assessment Class	Incorporation scenarios include properties that together cover a range of property assessment classes. Incorporation scenarios seek to minimize properties identified by BC Assessment as Class 9 Farm, due to the tax impacts to those Class 9 properties (loss of residential exemptions) after incorporation.	A diverse tax base allows for sharing of the tax burden across the various property classes, and provides opportunities to balance contributions from different uses during the establishment of tax rates.
Agricultural Land Reserve	Incorporation scenarios minimize the amount of ALR land included within the municipal boundaries.	Given that Class 9 (farm) properties lose tax exemptions in a municipal incorporation scenario, incorporation can present a burden for some ALR properties.
Local Government Services and Service Areas (water and sewer)	Incorporation scenarios include the whole of individual service areas, particularly for utility infrastructure (water and sewer).	Wherever practicable, efforts should be taken to include whole local service areas within a proposed municipal boundary. Service planning, governance, finance and operation are easier to manage when the entire service area is contained within one jurisdiction under the responsibility of one local government, and one jurisdiction has responsibility and control for both land use and utilities.

Factor	Criterion	Explanation
Local Service Areas (Fire)	Incorporation scenarios consider including whole of fire service areas within a municipal boundary, and consider implications of including areas not serviced within the municipal boundary.	The local fire service area boundaries reflect the response times for fire events, given fire hall locations and local road networks. Fire departments can provide services beyond municipal boundaries, so while it is administratively easier to include the entire service area boundary within one jurisdiction, it is not critical that the entire service area be within the incorporated area. It is less common to provide two different service levels within one municipality (i.e. to have portions of a municipality that receive no fire service, and other areas that do).
Potential Infrastructure	Incorporation scenarios accommodate the need for future infrastructure development, in particular anticipated expansion of sanitary sewer collection and treatment systems.	'Hard' infrastructure services are most efficiently provided where the jurisdiction has control over the utilities and the land use.
Local Road Network	Incorporation scenarios include only those roads that are required to facilitate efficient transportation and land use planning, complete communities and that are important to the local community. Incorporation scenarios, wherever practicable, include complete local roads, and do not create "orphan" road ends by excluding portions of no-thru roads.	Minimizing the number and length of local roads is an important cost consideration for any municipality. The longer the road network, the greater the operation and maintenance cost borne by the community.
Tax Base	Incorporation scenarios create an assessment base that is significant in value to support the municipal needs.	In addition to the diversity of the tax base, having a significant base helps to reduce the tax burden, particularly for fixed costs, contributes toward financial resiliency and increases the borrowing power.
Parcel and natural/physical boundaries	Incorporation scenarios follow established lot lines, and do not create municipal boundaries that divide lots. Incorporation scenarios use natural areas or community divisions, where possible, to help	The use of logical contiguous boundaries assists in providing efficient servicing, and fosters a sense of community between neighbours.

Factor	Criterion	Explanation
	preserve communities of interest, and create logical, contiguous boundaries.	
Population	Incorporation scenarios should have sufficient population to sustain a resilient community, including long-term options for municipal candidates and representation. Incorporation scenarios should represent areas with population densities that set the areas apart from their rural surroundings, and allow for the development and financing of efficient infrastructure.	While several municipalities in BC have small populations, larger populations are generally associated with economic viability and resiliency. Furthermore, larger populations are needed to ensure sufficient pool of candidates to fill council positions over time. Concentrations of people is a key factor in differentiating between urban development nodes and rural living. Density is also critical to the development of efficient infrastructure networks and more urban local services.
Community Input	Where practical, include whole settlement areas or communities within the boundary instead of dividing communities that identify as a node or place. Preference given to communities where issues regarding services, service levels and/or governance have been identified and where incorporation provides a potential solution to those issues.	Statistics Canada identifies Designated Places and Designated Centres based on input from the Province of BC. The boundaries of these designations may speak to sense of community. Other communities may develop or define themselves based on subdivision patterns, or key features or community hubs such as a park or local commercial area. Unless identified for inclusion through other criteria, areas that are satisfied with the current regional district model of services, service levels and governance, and have not expressed any interest in incorporation are generally not included.