



SPECIAL INFRASTRUCTURE SERVICES COMMITTEE

**Friday, May 22, 2015
SCRD Cedar Room, 1975 Field Road**

AGENDA

CALL TO ORDER 9:00 a.m.

AGENDA

1. Adoption of the Agenda.

REPORTS

2. Manager Transit and Fleet
Ports Funding

Annex A
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ADJOURNMENT

SCRD STAFF REPORT

DATE: May 11, 2015
TO: Infrastructure Services Committee – May 22, 2015
FROM: Rob Williams, Manager of Transit and Fleet
RE: Ports Funding

RECOMMENDATION(S)

THAT the Manager of Transit and Fleets' report dated May 11, 2015, titled "Ports Funding" be received for information.

BACKGROUND

The SCRD Board adopted the following resolution at their regular meeting on May 14, 2015:

??*/15 **Recommendation No. 6** *Ports Function*

The Infrastructure Services Committee recommended that the Administrative Assistant's report dated April 21, 2015 titled "Ports Function" be received;

AND THAT a Special Infrastructure Services Committee meeting be held to discuss past service withdrawals and funding allocation changes started in 2015 and proposed for 2016;

AND THAT the following additional items be discussed at the Special Infrastructure Services Committee meeting:

1. Asset values in the Ports Function including a breakdown by each of the nine docks;
2. Comparison of similar valued assets in the SCRD and how the maintenance and operations budgets for those assets is proportionally funded;
3. Items and issues identified in the February 10, 2015 staff report from the Manager of Transit and Fleet;
4. Concerns raised by the Town of Gibsons in 2008 and 2013 regarding their funding contribution and subsequent withdrawal of the Function;
5. The status of the letter sent to the Squamish Nation in January 2015 regarding their possible interest in doing contract maintenance work of the docks;
6. Opportunities for divestiture of assets, outsourcing of maintenance and an associated business case analysis, water taxi user fees analysis and

implementation plan, camp use contracts analysis and implementation plan, and other items significant to the ongoing operations and maintenance of the Ports Function assets;

AND THAT the Special Infrastructure Services Committee meeting be convened in the next 4 to 6 weeks;

AND FURTHER THAT the results of the referendum that led to the establishment of the Ports Function be available at the meeting.

1. Ports Asset Values

The following is a breakdown of 2013 estimated replacement values for all 9 SCRD docks:

Dock	Replacement Value (2013 \$)
Vaucroft	\$486,000
Halfmoon Bay	\$1,345,000
Keats Landing	\$1,024,000
Hopkins Landing	\$1,163,000
Gambier Harbour	\$1,051,000
West Bay	\$1,141,000
Port Graves	\$1,176,000
Halkett Bay	\$657,000
Eastbourne	\$462,000
Total	\$8,500,000

2. Comparison of SCRD Assets

The 9 SCRD docks are unique infrastructure assets which make it challenging to compare to other assets. However, looking at SCRD utilities, the total 2013 replacement value for all SCRD water systems is \$162,032,000 and \$11,952,000 for all wastewater systems. Annual projected operating costs are based on prior year average and actual budget figures. Utility operating cost are covered through user fees, parcel taxes, and grants.

As for SCRD building assets, these fall within each applicable service budget (recreation, utilities, transit, etc.) and therefore operating and capital costs are covered through associated revenue structures that include user fees and taxation. Total 2013 replacement values for all SCRD facilities is \$50,262,000. Facility operating budgets vary but can be based on prior year figures as well as capital and preventative maintenance plans.

It should also be noted that the SCRD has adopted an asset management plan in order to help guide the future management of all SCRD infrastructure assets.

3. Items Identified in February 10th, 2015 Ports Funding History Staff Report

A staff report was presented to the Infrastructure Services Committee on March 5, 2015, regarding recent proposed changes to the funding allocations for the Ports Function. In summary, the report outlined the chronology of SCRD Board resolutions that lead to the Town of Gibsons withdrawing from the Ports Function and the recent proposed changes to the ports funding allocation (see Attachment A).

4. Concerns that Lead to the Town of Gibsons Withdrawal

A Ports Services Review Committee was established in 2007 in order to work through the service review requested by the Town of Gibsons due to escalating cost of providing the service and lack of direct benefits to the Town. Several meetings took place between 2007 and 2008 and on June 5th, 2008 a staff report was presented to the Committee providing a history of specific events associated with the management of the SCRD Ports Function (see Attachment B). The Board adopted the following resolution at their June 26, 2008, regular meeting:

307/08 **Recommendation No. 11** *Ports Service Review*

THAT the referral from the Ports Service Review Committee meeting of June 5, 2008 be received for information;

AND THAT the Board advise the Town of Gibsons that the issues they brought forward have been addressed and are being monitored and that there are no grounds for their withdrawal from the Ports Service;

AND THAT a letter be sent to the Town of Gibsons requesting they reconsider their position based on the issues addressed by the process.

As noted in the February 10th, 2015 staff report, a second formal request by the Town of Gibsons to withdraw from the Ports Function was received by letter dated September 4, 2013, stating a priority by the Town to focus resources on their own Small Craft Harbours dock over the SCRD's regional ports service (see Attachment C).

5. Possible Maintenance Contract with Squamish Nation

An email was sent to the Squamish Nation back in January inquiring if they had an interest in providing maintenance services for SCRD docks, should the SCRD move towards outsourcing the general maintenance of the assets. A follow up email was also sent but to date no response has been received. Regardless if the Squamish Nation was interested, a formal bidding process would be required under the SCRD Purchasing Policy in order to outsource general maintenance for Ports assets. We are currently working on a Request for Proposals (RFP) for general dock maintenance in order to test the market for such services. This has been pursued in the past without success due to a lack of interested service providers in the area.

6. Divestiture, Outsourcing, and Revenue Opportunities

In July 2007 the SCRD undertook a review to consider divesting all or some of the SCRD dock assets. This process included significant public consultation. A staff report presented to the Infrastructure Services Committee on July 7, 2011, provides an overview and results of the process (Attachment D). Further to this report, the Board adopted the following resolution:

288/11 **Recommendation No. 5** *Dock Divestiture Public Consultation*

THAT the Manager of Transportation and Facilities' report entitled "Dock Divestiture Public Consultation" be received;

AND THAT the SCRD declares that it is committed to retaining ownership of all nine docks currently owned and managed by the SCRD;

AND FURTHER THAT the divestiture issue will not be revisited for at least 10 years.

As mentioned earlier, we are currently working on a RFP for annual general maintenance of all SCRD docks. Major capital maintenance and repairs will continue to be tendered separately following the annual program identified through the regular engineering inspection process.

The docks are primarily funded through taxation with a small amount of revenue collected from BC Ferries (\$1,200 annually) for the use of Keats Landing and Eastbourne Docks. There is also a use agreement in place with the Keats Island Moorage Society (\$900 annually) for the attachment of their floats to the Keats Landing Dock. A use agreement is also currently being established with Camp Artaban (\$900 annually) for their floats attached to the Port Graves Dock.

The idea of greater revenue generation from the docks has been previously explored. User fees is the primary opportunity for dock revenue generation. However, this revenue option is not likely to net significant dollars due to the logistics and cost of collection. Further, the usage of the docks is not consistent year around which would lead to an inconsistent revenue stream.

7. Referendum Results of Ports Function Service Establishment Bylaw

A referendum was held on October 30, 2000, asking residents of the participating areas of Town of Gibsons and Electoral Areas of Halfmoon Bay, Roberts Creek, Elphinstone, and West Howe Sound if they were in favour of the SCRD enacting a Bylaw for the acquisition and operation of ports. The final voting results are listed in Attachment E.

SCRD STAFF REPORT

DATE: February 10, 2015
TO: Infrastructure Services Committee – March 5, 2015
FROM: Rob Williams, Manager of Transit and Fleet
RE: History of Ports Funding Allocation Changes

RECOMMENDATION(S)

THAT the Manager of Transit and Fleets’ report dated February 10, 2015, titled “History of Ports Funding Allocation Changes” be received for information.

BACKGROUND

The SCRD Board approved the following resolutions from the Round 1 budget meeting on February 5th 2015:

065/15 **Recommendation No. 9** *Ports [345] – 2015 R1 Budget Proposals*

The Corporate and Administrative Services Committee recommended that the Manager, Transit and Fleet’s report titled “Ports [345] – 2015 R1 Budget Proposals” be received;

AND THAT the following budget proposals be referred to 2015 Round 2 Budget pending a staff report to the March 5, 2015 Infrastructure Services Committee Meeting with the history of Ports [345]:

- Budget Proposal 1 – MANDATORY – 2015 Ports Capital Work Plan, \$120,000 funded through Taxation and Capital Reserves;
- Budget Proposal 2 – MANDATORY – Bylaw Amendment Regarding Ports Funding allocation, \$3,500 funded through Taxation;
- Budget Proposal 3 – Annual Ports Capital Reserve Contribution, \$50,000 funded through Taxation;

065/15 **Recommendation No. 10** *Langdale Dock [346] – 2015 R1 Budget Proposals*

The Corporate and Administrative Services Committee recommended that the Manager, Transit and Fleet’s report titled “Langdale Dock [346] – 2015 R1 Budget Proposal” be received;

AND THAT the 2014 Deficit be funded by reducing the contribution to reserves in 2015;

AND THAT the budget for Langdale Dock [346] be moved to adoption;

AND FURTHER THAT the Ports [345] staff report to the Infrastructure Services Committee Meeting March 5, 2015, include information pertaining to Langdale Dock [346], specifically, components of the function and the total impact on taxation for the islanders.

History of Gibsons Withdrawal & New Funding Allocation

In 2008 the Town of Gibsons (ToG) expressed concerns to the SCRD regarding their participation in the Ports Function and requested a formal service review. A service review committee was established and a formal service review conducted by the SCRD between 2007-2008. At the end of the review process, the SCRD Board felt the concerns raised by the ToG had been addressed and were being monitored. The Town was informed of the Board's decision through an official response letter. The following resolution was adopted at the June 26, 2008, Board meeting regarding this matter:

307/08 **Recommendation No. 11** *Ports Service Review*

THAT the referral from the Ports Service Review Committee meeting of June 5, 2008 be received for information;

AND THAT the Board advise the Town of Gibsons that the issues they brought forward have been addressed and are being monitored and that there are no grounds for their withdrawal from the Ports service;

AND THAT a letter be sent to the Town of Gibsons requesting they reconsider their position based on the issues addressed by the process.

The ToG submitted a second formal request to withdraw from the SCRD Ports Function by letter dated September 4, 2013. Following review and discussion of the request, the Board adopted the following resolution at their September 12, 2013 meeting:

394/13 **Recommendation No. 3** *Service Withdrawal – Ports Service*

THAT the correspondence distributed by Director Tretick dated September 4, 2013 from the Town of Gibsons, regarding withdrawal from Ports Service be received;

AND THAT staff prepare a report on process and ramifications of a service withdrawal, for the October 2013 Infrastructure Services Committee meeting.

At the October 3, 2013, ISC meeting a staff report was presented outlining that if the ToG withdrew from the Ports Function the service establishment bylaw would need to be amended through the consent of 2/3 the participants and the approval of the Inspector of Municipalities. A table was also provided illustrating the ToG's 2013 financial contribution of \$44,317 (20%) to the Ports Function and that this amount would be absorbed by the remaining four funding partners if ToG withdrew. The Board then adopted the following resolutions at their October 10, 2013a regular meeting:

449/13 **Recommendation No. 2** *Town of Gibsons Request to Withdraw From Ports Service [345]*

THAT the Manager of Transportation and Facilities' report entitled "Town of Gibsons Request to Withdraw from Ports Service [345]" be received;

AND THAT the Town of Gibsons' request to withdraw from the Ports Service function be approved;

AND THAT staff expedite the relevant bylaw and Ministry approval documents in order to complete the withdrawal process by the end of 2013;

AND FURTHER THAT staff provide a report to a future Infrastructure Services Committee that outlines how the Ports Service function will operate in future years utilizing only the current funding contributions from the four participating electoral areas.

At the November 7, 2013, ISC meeting a staff report was provided highlighting the new funding allocations to the remaining four partners with ToG removed from the service. Options regarding the future use of capital reserve funds were also included in the staff report.

A special ISC meeting was held on December 10, 2013, where various Ports items were discussed including remaining 2013 and proposed 2014 work plan items along with the recommendation to update the Ports Business Plan.

At the March 6, 2014, ISC meeting discussion ensued regarding the equity amongst funding partners within the Ports Function and that the Electoral Area Directors for D and E raised an ongoing concern over increasing costs associated with the function. The following resolution was adopted at the March 13, 2014 Regular Board meeting:

164/14 **Recommendation No. 1** *Funding Ports*

THAT a report on the means of mitigating financial contributions to the ports function from Areas D & E be brought forward to the April Infrastructure Services Committee.

A staff report was presented at the April 3, 2014, ISC meeting summarizing the concern raised by Areas D and E regarding the current funding allocation and that an amendment could be made regarding apportionments within the existing service bylaw but this would require due process as per the *Local Government Act*. The following resolutions were approved:

224/14 **Recommendation No. 2** *Funding Ports*

THAT the Manager of Transit and Fleet's report dated March 26, 2014 titled "2015 Ports [345] Funding" be received;

AND THAT a report be brought forward to the June Infrastructure Service Committee providing information on Ports funding apportionment options;

AND THAT the report include how funding of extraordinary capital maintenance costs would be addressed.

224/14 **Recommendation No. 3** *Funding Ports – Area B Islands*

THAT the potential for higher funding apportionment to Area B Islands be included in the Funding Ports report for the June Infrastructure Services Committee.

At the June 5, 2014, ISC meeting staff presented several alternate funding apportionment options for the Ports Function including fixed apportionment, set annual contribution, and a budget allocation with multiple factors i.e. (population, assessment, number of ports, etc.). The following resolutions were adopted at the June 12, 2014 regular Board meeting:

325/14 **Recommendation No. 3** *Ports Funding*

The Infrastructure Services Committee recommended that the Manager of Transit and Fleet's report dated May 22, 2014 titled "2015 Ports [345] Funding" be received;

AND THAT the topic of Ports Funding be brought back to the July Infrastructure Services Committee meeting for further discussion.

Director Turnbull opposed.

The June 5, 2014, ISC staff report regarding ports funding was presented again at the July 3, 2014, ISC meeting as the Committee required more time to consider the various ports funding options. No decision could be reached and the following resolution was adopted at the July 10, 2014 regular Board meeting:

385/14 **Recommendation No. 6** *2015 Ports [345] Funding*

The Infrastructure Services Committee recommended that the Manager of Transit and Fleet's report dated June 24, 2014 titled "2015 Ports [345] Funding" be received;

AND THAT the topic of 2015 Ports [345] Funding be referred to the July Corporate and Administrative Services Committee meeting.

The June 5, 2014, ISC staff report regarding ports funding was presented at the July 24, 2014, Corporate and Administrative Services committee as per the July 3, 2014, Board resolutions. The following resolution was adopted at the July 24, 2014 regular Board meeting:

425/14 **Recommendation No. 5** *2015 Ports [345] Funding*

The Corporate and Administrative Services Committee recommended that the Manager, Transit and Fleet's report titled "2015 Ports [345] Funding" be received;

AND THAT a workshop be held in September 2014 with staff and all function participants to determine a process for Ports [345] Funding.

A ports funding workshop was held with Directors representing all four Electoral Areas Ports Function participants on September 8, 2014, to further discuss and reach consensus on a new ports funding allocation. The following is an excerpt from the minutes taken from the meeting:

The Transit Manager gave a brief overview and reason for the workshop.

Discussion ensued regarding ports funding options.

- *Areas D & E do not want to contribute towards the Town of Gibsons' funding share of the service.*
- *Areas D & E have no concern contributing their past financial share towards the operation and maintenance of the existing docks to maintain current level of service.*
- *Areas D & E do not want to contribute funds to service or asset enhancements.*
- *Suggested option to satisfy is to fix the percentage contribution from D & E to maintain current level of service and set up a new function to fund enhancements that would only be funded by B & F. Possible AAP required.*

The notes from the September 8, 2014, Ports Funding Workshop were included on October 2, 2014, ISC meeting agenda along with a staff report outlining a new proposed ports funding allocation. . The proposed funding allocation included a 5 year (2009-2013) allocation percentage prior to Gibsons withdrawing for Areas D and E, with Areas B and F splitting the remainder 30/70 based on the number of ports in each area. The following table summarizes the pre-Gibsons withdraw average percentages for all partners between 2009-2013 compared to the 2014 and new proposed percentages:

Item	Area B	Area D	Area E	Area F	TOG	Total
With Gibsons (5 year Avg, 2009-13)	20%	17%	12%	31%	19%	100%
Post Gibsons Withdrawal (2014)	29%	21%	15%	35%	0%	100%
New Contribution	21%	17%	12%	50%	0%	100%

To deal with ports enhancements, a new service function was proposed for Areas B and F funding partners as agreed during the workshop. The funding allocation would be the same as the allocation proposed for the existing ports service, or Areas B and F would split the total budget 30/70 based on the number of docks in each area. It was recognized that the process to establish a new function for ports enhancements would not be able to be completed in 2014, therefore, the following resolutions were adopted at the October 9, 2014 regular Board meeting:

503/14 **Recommendation No. 8** *Ports [345] Funding Allocation*

The Infrastructure Services Committee recommended that the Manager of Transit and Fleet's report dated September 15, 2014 titled "Ports [345] Funding Allocation" be received for information;

AND THAT an amendment to *Ports Local Service Establishment Bylaw No. 1038* be added to the 2015 work plan to reflect the following cost apportionment:

- Area B – 21%
- Area D – 17%
- Area E – 12%
- Area F – 50%

AND THAT the creation of a new service to fund Ports service level enhancements from Areas B and F be added to the 2015 Work Plan at the November meeting;

AND FURTHER THAT the relative funding apportionment and the relationship to property tax assessments be reviewed every five years.

Amending the current Ports Service Bylaw and the creation of a new Ports Enhancements Service Bylaw has been added to the 2015 staff work plan and is pending budget approval for the additional administrative and legal costs to complete this project. The change in apportionments would not take effect until 2016.

Langdale Dock

A service establishment bylaw was created in 2011 to enable the entering into a lease agreement with BC Ferries for SCRD Electoral Area F-Islands to have access to the Stormaway marine float. SCRD Electoral Area F-Islands is the sole funding participant in the service. The following table outlines the 2014 and proposed 2015 (R1) total taxation breakdown and budget for the Langdale Dock [346] function:

Year	Tax Rate per \$100,000 of Assessed Value			Total Budget
	Residential	Major Industry	Business/Other	
2014	\$7.32	\$24.89	\$17.93	\$32,826
2015 (R1)	\$7.60	\$25.84	\$18.62	\$34,401
Variance	+\$0.28	+\$0.95	+\$0.69	+\$1,575

It has recently come to the attention of both BC Ferries and Area F island residents that commercial water taxis from Horseshoe Bay have been using the SCRD leased float. To help recover a portion of the lease fees, the SCRD Board passed the following resolution at their September 11, 2015, meeting:

455/14 **Recommendation No. 7** *Water Taxi Use*

THAT the SCRD submit a formal proposal to BC Ferries to charge commercial water taxis that provide a scheduled service from Horseshoe Bay to Langdale Dock an appropriate user fee for use of Langdale Dock.

A formal letter was sent to BC Ferries on October 1, 2014, requesting approval to implement a \$600 annual fee on Horseshoe Bay commercial water taxis using the Langdale Dock with 100% of the revenue retained by the SCRD. Staff have had several discussions with BC Ferries who have recently agreed to the proposal and will amend the lease agreement once the SCRD

confirms the commercial operators that will be charged the user fee. Staff are currently working to confirm the regularly scheduled Horseshoe Bay water taxis using the dock.

New Brighton Dock

On November 12, 2013, the Squamish Nation entered into a five year transfer agreement with the Federal Ministry of Transportation for the operation and maintenance of the New Brighton Dock on Gambier Island. The SCR D continues to evaluate the future operating direction of the Ports Function and an email was sent on January 23rd, 2015, to a Squamish Nation representative inquiring if they would be interested in maintaining some SCR D docks if there was a future decision to outsource the maintenance of the docks. To date, no response has been received from the Squamish Nation regarding this matter.

SCRD STAFF REPORT

DATE: May 22, 2008
TO: Ports Service Review Committee – June 5, 2008
FROM: Brian K. Sagman, Manager Transportation and Facilities
RE: **PORTS SERVICE REVIEW – FINAL REPORT**

RECOMMENDATION(S)

THAT THE COMMITTEE RECEIVE THIS REPORT TITLED, PORTS SERVICE REVIEW – FINAL REPORT, FOR INFORMATION;

AND FURTHER THAT THE COMMITTEE REPORT BACK TO THE INFRASTRUCTURE SERVICES COMMITTEE ON ITS FINDINGS.

BACKGROUND

In the late 1990's the SCRD was approached by Transport Canada to determine if there was interest in assuming ownership of several docks on the Sunshine Coast and adjacent islands. In conjunction with the review of the feasibility of assuming ownership of the ports, the SCRD undertook a referendum in those areas and municipalities that had supported the proposal that included:

1. Area B – Halfmoon Bay
2. Area D – Roberts Creek
3. Area E – Elphinstone
4. The Town of Gibsons
5. Area F – West Howe Sound

The referendum was successful and ultimately resulted in the SCRD assuming ownership for nine (9) docks including:

Gambier Island	Keats Island	Thormanby Island	Sunshine Coast
1. Gambier Harbour 2. West Bay 3. Halkett Bay 4. Port Graves	1. Eastbourne 2. Keats Landing	1. Vaucroft	1. Halfmoon Bay 2. Hopkins Landing

Transport Canada and the SCRD entered into a Contribution Agreement that established funding levels from Transport Canada and the conditions under which the SCRD would operate and maintain the docks. The funding from Transport Canada limited the SCRD's exposure to unforeseen costs during the initial five year period of ownership. The five year term of contribution agreement was extended from 2006 to September 2008. At the end of the contribution agreement term, Transport Canada would no longer be involved in any aspect of the docks.

PORTS TRANSFER PLAN 1997

In August 1997 Ference Weicker and Company completed a Port Transfer Proposal that was designed to describe the ports to be acquired by the SCRD and the initial negotiating position for discussion with Transport Canada. In addition the proposal included financial projections of income and expenses, market assessment, support of local communities for divestiture to the SCRD and a governance model. The basis for the report was the acquisition of eight (8) ports from Transport Canada and later from the Department of Fisheries, the West Bay port on Gambier Island.

Public meetings were held and a questionnaire was distributed to gauge support for divestiture of the ports to the SCRD. About 77% of respondents indicated support for this initiative.

Revenues

The target markets identified for the ports were residents, transient recreational boaters, commercial transportation providers, church camps, and essential service providers who use the ports for short term and overnight moorage. The transient use of docks was determined not to be a key market due to the cost of enforcement.

Expenses

The report provided cost estimates for the ports for a five year period after divestiture. The projected costs included labour for wharfingers who would be responsible for multiple docks. Other costs included maintenance and repairs, insurance, and utilities.

The table below provides a summary of the financial analysis (see attached copy for details).

Ports Transfer Proposal	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Revenue:					
Moorage Revenue:					
Subtotal	14,430	21,645	28,860	33,780	34,020
Loading Zone Access:					
Subtotal	21,038	21,756	22,475	23,003	23,614
Other Revenues:					
Subtotal	19,000	19,000	19,000	19,000	19,000
Total Revenues	54,468	62,401	70,335	75,783	76,634
Expenses:					
Total Expenses	118,678	122,451	126,224	128,852	129,297
Net Income (Loss) Before Management and Depreciation	(64,210)	(60,050)	(55,889)	(53,069)	(52,663)

Governance

The proposed management model discussed the establishment of a Sunshine Coast Port Commission with representation from all communities involved with the Ports function. Direct management by the SCRD has since been implemented as the governance model.

PORTS DIVESTITURE FINANCIAL ANALYSIS

In July 1999 Ference Weicker and Company completed a 10 year financial projection for the ports including options for taxation. This report applied to eight docks that excluded New Brighton and West Bay docks. Ten different funding scenarios were included in the analysis. Expenses were based on the data included in the Port Transfer Proposal study and extended from a five to a ten year horizon. The scenarios were based on different funding formulas including region-wide funding to funding for each dock from adjacent communities. The level of expenses assumed that repairs would be undertaken only when absolutely required for the continued operation of each port. A capital reserve would also be established to address the costs of any future major repairs based on 3% of the replacement cost of each port.

Expenses included the costs of wharfingers, utilities, management and administration and a 20% contingency.

Potential revenues identified previously by Ference Weicker & Company and related to moorage and loading zone access fees were excluded from the analysis on the basis that:

1. It may take some time to get agreement of local residents and businesses such as water taxis to pay fees to use the ports.
2. New Brighton will continue to be operated by Transport Canada and will not charge any fees for use of the port. As a result, it would be difficult to compete with this port.
3. The time and cost to collect moorage and loading zone access fees might outweigh the revenues received.

Revenue estimates also included a license fee agreement with Imperial Oil for the use of the Hopkins Landing dock (subsequently abandoned).

The table below provides a summary of the 10 year financial projections for the eight docks (see attached detail).

Ports Divestiture Financial Analysis										
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Revenue	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Operating Expenses	212,776	215,167	217,561	219,191	219,552	205,099	205,099	205,099	205,099	205,099
Capital Reserve	105,790	105,790	105,790	105,790	105,790	97,354	97,354	97,354	97,354	97,354
Subtotal Expenses	318,566	320,957	323,351	324,981	325,342	302,453	302,453	302,453	302,453	302,453
Operating Loss	(253,566)	(255,957)	(258,351)	(259,981)	(260,342)	(237,453)	(237,453)	(237,453)	(237,453)	(237,453)

Note: operating loss is equivalent to property taxation

STRATEGIC BUSINESS PLAN 2006

Ference Weicker and Company undertook the development of a strategic business plan on behalf of the SCRD and provided a final report in June 2006. The plan was based on the eight docks divested from Transport Canada as well as the West Bay dock divested from the Department of Fisheries and Oceans in 2004. The methodology for the plan included open houses in the Town of Gibsons and North Vancouver as well as a survey questionnaire. In addition phone interviews were conducted with various stakeholders and community groups. The study included a SWOT analysis with the Public Wharves Advisory Committee, a review of other jurisdictions and an analysis of key operating procedures. Key findings were as follows:

1. The SCRD docks are considered an essential service for many islanders.
2. The projected service life of the docks is very good based on recent major repairs.
3. About 75% of survey and interview respondents indicated that they were “somewhat satisfied” or “very satisfied” with the overall level of service provided.
4. Only 34% of respondents indicated satisfaction with the level of enforcement of dock rules and regulations.
5. The lack of sufficient parking at the docks was a significant issue.
6. Public access to some docks is in jeopardy due to private upland owners.
7. There is some support for moorage fees for docks that have longer term moorage space. There is less support for charges to commercial users.
8. Use of local residents for enforcement and administration is cost-effective.
9. There is a need for more long term parking at Keats Landing.
10. There is a need for repairs to cranes.
11. There is little support for the divestiture of any of the docks.

The conclusions and recommendations from the study were:

1. Repair and Maintenance – inspect all docks within five years, undertake major repairs as necessary based on inspections within subsequent five years and use local residents to report on the need for minor repairs.
2. Enforcement – use local residents to assist in enforcement and to report abuse of bylaws.
3. Parking and Moorage – the SCRD should review the feasibility of providing additional parking and moorage.
4. Public Access – the SCRD should petition the province to remove the need for upland owner consent.
5. User Fees – The SCRD should consider implementing user fees where practical.
6. Divestiture of Ports – although there is a current need for all ports this option should be reviewed every five years.
7. Financing – the SCRD should approach the province to revise legislation to allow switching from a capital to an operating reserve.

The table below summarizes the five year financial projection for the Ports function along with the comparable figures from the Ports Transfer Proposal and the Strategic Business Plan.

Ports Budget Summary 2001 to 2008

SCRD Budget	2001	2002	2003	2004	2005	2006	2007	2008
Revenue:								
Federal Government Transfers	120,000	240,000	280,000	632,000	561,382	107,000		
Rental/Lease Buildings	5,000	19,900	19,900	19,900	1,200	1,200	1,200	1,200
Interest on Investments			50,000	25,000	5,000			
Revenue Required							5,401	
Surplus Prior Year		94,393	75,281	49,470	52,919	15,961	17,825	76,877
Subtotal Revenue	125,000	354,293	425,181	726,370	620,501	124,161	24,426	78,077
Expenditures	<u>352,105</u>	<u>504,754</u>	<u>519,523</u>	<u>746,377</u>	<u>620,501</u>	<u>215,732</u>	<u>164,292</u>	<u>132,245</u>
Budgetted Property Taxes	227,105	150,461	94,342	20,007	-----	91,572	139,866	54,168
Ports Transfer Proposal (1997)	(64,210)	(60,050)	(55,889)	(53,069)	(52,663)			
Ports Transfer Proposal - July 1999								
Estimated Loss	253,566	255,957	258,351	259,981	260,342	237,453	237,453	237,453
Estimated Property Tax (2006 Strategic Business Plan)							110,135	139,712

The table shows that the SCR D budget for ports has been far below the projections from the Ports Transfer Proposal that formed the basis for the original agreement to take over the ports from Transport Canada. In addition the Strategic Business Plan projected taxation amounts of \$237,453 for both 2007 and 2008 compared to the actual budget of only \$194,000 in total.

PORTS SERVICE REVIEW 2008

On February 6, 2008 the Gibsons Town Council made a resolution providing notice to the SCR D that the Town wished to initiate a service review for the Ports function (copy attached). At that time there was also a request for the SCR D to include implementation of commercial and docking and overnight moorage fees for ports facilities in the 2007 budget discussions.

The SCR D received a letter dated May 9, 2007 from Mayor Janyk advising that pursuant to Section 813.04 of the Local Government Act, that the Town wished to initiate a service review for the Ports function. The letter referred to the Town's concerns related to the operation and administration of the ports function that had not been addressed to the Town's satisfaction. The issues raised in the letter were:

1. The costs of upgrades and maintenance of the docks.
2. The lack of user fees for dock use including for commercial users and BC Ferries.
3. The projected escalation of costs in years 2006 to 2010.
4. The lack of direct benefits to the Town of Gibsons.
5. The lack of representation from the Town of Gibsons on the Public Wharves Advisory Committee (PWAC).

On July 10, 2007 the chair of the SCR D sent a letter to Mayor Barry Janyk acknowledging that the SCR D had received notice of the Town of Gibson's desire to initiate several service reviews. The letter went on to document resolutions adopted at the June 28, 2007 regular Board meeting concerning these service reviews. The letter also advises of the requirement for a first meeting prior to September 8, 2007.

SCRD staff prepared a report for the July 26, 2007 Corporate and Administrative Services Committee outlining the requested withdrawal from the Town of Gibsons along with a summary of the issues, potential impacts, financial analysis and potential options (copy attached). A resolution followed the discussion stipulating that the report be deferred to a meeting of the parties in September 2007.

Ports Service Review Committee – September 5, 2007

On Wednesday September 5, 2007 the first meeting of the Ports Service Review committee was held in accordance with section 813.06 of the Local Government Act. Attendees included the Director Area A (Chair), and representatives from the affected areas, the Town of Gibsons and the District of Sechelt (Agenda attached). The agenda for the meeting included a review of the establishment bylaw (No. 1038, 2000) for the ports function, the letter from the Town of Gibsons of May 9, 2007 and the SCRD staff report for the July 26, 2007 Corporate and Administrative Services Committee.

The Committee recommended that the issue of the Town of Gibson's withdrawal be tabled pending a staff report addressing:

1. Dock specifications, use and costs
2. Revenues
3. Economic benefits of docks
4. BC Ferry usage
5. Islands Trust divestiture

Ports Service Review Committee – November 1, 2007

A second meeting of the service review committee was held on November 1, 2007 consistent with the requirement under section 813.06 for a meeting to be held within 60 days of the preliminary meeting (agenda attached). The agenda included a report from SCRD staff that addressed the recommendation from the September 5, 2007 meeting. The committee recommended that staff send letters to BC Ferries and the various church camps regarding contributions for their use of the docks. The committee also recommended that staff define concerns, prepare fact sheets and develop options taking into account:

1. Growth of Keats Camp and increased development on the islands,
2. Public Wharf Advisory Committee structure and mandate,
3. Development Cost Charges through Island Trust,
4. Divestiture of docks,
5. Revenue from commercial island operations, and
6. Ference Weicker report review.

The committee further recommended that staff develop and explore revenue options for the next meeting.

Ports Service Review Committee – January 10, 2008

The third meeting of the committee included a staff report concerning the service review process, fact sheets, and actions taken on the basis of the recommendation from the November 1, 2007 meeting (agenda attached). The process documented in the report included six steps as follows:

1. Defining the problem
2. Constructing fact sheets
3. Developing options
4. Evaluating options
5. Reaching a decision
6. Documenting the results

Discussion during previous meetings had essentially defined the problem. The fact sheet for the Ports function led to the development of three general options as follows:

1. Address the issues raised by the Town of Gibsons
2. Revise ports funding strategy
3. Approve the Town of Gibsons request for withdrawal

The staff report was reviewed at the regular board meeting on January 31, 2008 and resulted in the following direction to staff:

1. Send letters to Camps Artiban, Keats, and Fircom regarding contributions for the use of the SCRD docks and invite them to meet with staff regarding the Ports Service Review,
2. Explore alternatives to Development Cost Charges that would have developers contributing financially to ports.
3. Review the options of divesting the docks,
4. Review the options of the islands carrying the costs of the docks and not paying into other functions such as libraries and transit services.
5. Arrange a meeting to engage the Public Wharves Advisory Committee in the discussion of options.

Ports Service Review Committee – April 3, 2008

The committee received a report providing an update on the progress to date and to confirm the actions taken in response to the staff direction from the SCRD Board dated January 31, 2008 (agenda attached). The agenda also included a letter from the Chair of the SCRD to Mr. David Hahn President and CEO of BC Ferries requesting that BC Ferries make a contribution to the maintenance of docks that they use.

The committee also received a report concerning the financial implications of the Town of Gibson's desire to withdraw from the function.

The committee recommended that staff:

1. Report on the number of residences on the islands
2. Review taxes paid by camps including exemptions
3. Report on upland ownership and public access to docks
4. Review the expiry date and agreements with the Keats Moorage Society and Camp Artiban
5. Confirm the status of a barge that sank in Gibsons Harbour that may be moored at Keats Landing.

Ports Service Review Committee – May 1, 2008

The final meeting of the committee was held on May 1, 2008. The agenda included staff reports in response to the recommendations from the April 3, 2008 meeting (attached). Verbal reports confirmed that lease agreements were negotiated with upland owners in 2007 and remain in effect for five years. In addition, staff confirmed the basis for the use agreement with Camp Artiban. Staff were unable to confirm that the barge that sank in Gibsons Harbour was at any time moored at Keats Landing, however it was reported to be moored at Plumper Cove.

DISCUSSION

In the initial correspondence from the Town of Gibsons five issues were raised related to the ports function that formed the basis for their request to withdraw from the function:

1. The costs of upgrades and maintenance of the docks.
2. The lack of user fees for dock use including for commercial users and BC Ferries.
3. The projected escalation of costs in years 2006 to 2010.
4. The lack of direct benefits to the Town of Gibsons.
5. The lack of representation from the Town of Gibsons on the Public Wharves Advisory Committee (PWAC).

This section of the report responds to each of these and other issues raised through the Service Review process.

Costs

The net costs of the docks since divestiture in 2001 have been consistently lower than the projections that formed the basis for the referendum that resulted in the agreement to assume ownership for the docks. In 2007 much of the funding for dock repairs and maintenance was funded from the capital reserve that subsequently reduced the property taxation for 2008 from a level of \$131,000 to \$54,000. Recent changes to the administration of the ports function have increased the amount of control over inspections and all maintenance such that costs will be minimized in the future. It should be noted that there is a need for full inspections of the docks in 2009 that will likely result in more significant repairs and maintenance. These inspections are done every five years.

User Fees

The SCR D is pursuing funding from BC Ferries for their use of the docks on Keats and Gambier Islands. This recognizes that BC Ferries is a prime user of certain docks that in turn contributes directly to the costs of maintenance.

The SCR D is also reviewing opportunities to implement further user fee arrangements with organizations and agencies that make significant use of the docks. These include church camps and commercial users.

Other options for generating funding that have been identified through other studies and the Service Review process include implementation of a permitting system for longer term dock use as well as daily charges for transient use. The difficulty that has been recognized throughout the studies of the docks is that the costs of enforcement can often outweigh the revenues. The option of using local volunteers for enforcement has not proven effective in the past because of

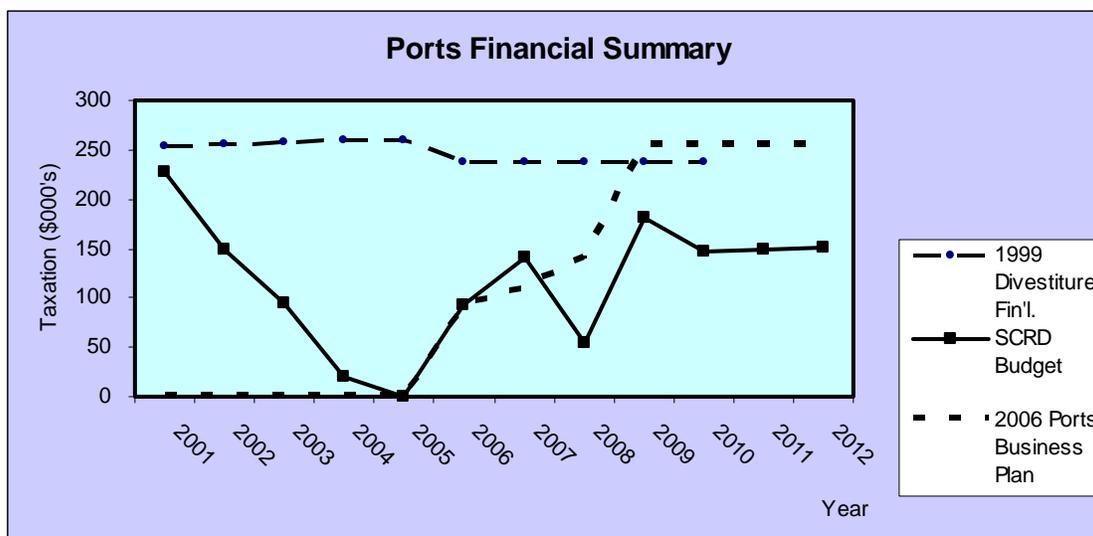
harassment of the volunteers. Therefore any initiatives in this area would have to be based on minimizing the need for enforcement.

Cost Escalation

The cost of dock maintenance in 2006 was \$215,000 based on funding from the federal government of \$107,000. Budgeted costs in 2007 and beyond are as follows:

<u>Year</u>	<u>Expenditures</u>
2007	164,292
2008	132,245
2009	182,447
2010	147,603
2011	149,294
2012	152,000 (preliminary)

In addition to the review of expenditures, the following chart summarizes the actual and projected property taxation from the 1999 Divestiture Financial Analysis, the SCRД budget and the 2006 Ports Business Plan.



The chart shows that property taxes have consistently been below the amounts contemplated in the 1999 Divestiture Financial Analysis, and with the exception of 2006 and 2007 have also been below the levels anticipated in the Business Plan.

The funding from Transport Canada that was in place through the period of the Contribution Agreement ended in 2006 such that 2007 was the first year where there was no federal funding. However contributions made since 2001 to the capital reserve has resulted in a balance of about \$629,000. As noted previously the current financial plan for the ports function assumes costs far lower than those in the divestiture plan of 1999 which formed the basis for the public referendum.

Benefits to the Town of Gibsons

The Town of Gibsons letter makes reference to a perception that the SCRD docks do not result in any measurable economic benefit to the town. The economic benefit of the ports to the Town of Gibsons has not been measured however the island residents have certainly been adamant that they use the SCRD docks to gain access to the Gibsons Harbour in order to shop and use services in the Town of Gibsons. In fact the extensive use of Gibsons Harbour by commercial vessels was the subject of a recent initiative by the Harbour Authority to restrict access to the dock ramp. The assumption is that the commercial traffic is to a large extent being generated by demands from island residents. While economic benefit is difficult to measure, it is certainly evident that Town of Gibson's businesses directly benefit from trade with island residents.

Participation on the SCRD Public Wharves Advisory Committee

The public Wharves Advisory Committee (PWAC) terms of reference stipulate that there will be a representative from the Town of Gibsons. In the past there was a representative from the Gibsons Harbour Authority who provided the link to the Town. However the lack of a dedicated Town of Gibsons representative was a concern and therefore a representative was approved by the SCRD board on September 6, 2007. The PMAC also continued to have a representative from the Gibsons Harbour Authority on the basis that the two organizations would have the opportunity to share information.

Other Issues

The discussions at the meetings of the Service Review Committee identified the following additional issues:

Divestiture (Vaucroft Dock)

One of the issues or options that arose through discussion at the Service Review Committee meetings involved the option of divesting docks to local community organizations, agencies or stakeholders. This option was raised as a way of reducing costs to the SCRD. There was further discussion at the January 31, 2008 Regular Board meeting that resulted in a resolution for staff to consult with residents of Thormanby Island and North Thormanby Island for the purposes of determining if there is interest in purchasing the Vaucroft Dock.

On February 22, 2008 staff began mailing survey forms to property owners on Thormanby and North Thormanby Islands asking if they support the concept of assuming ownership of the Vaucroft dock. The results indicated that 19 of 40 responses were in favour of the proposal or about 48%. Many of the responses were qualified on the basis that taxation would not increase and various issues would have to be negotiated. The 52% that did not support the divestiture cited concerns with privatization, costs, access to the dock, and the lack of services received from the SCRD for tax dollars.

Although there was some support for the divesting of the Vaucroft dock it is unlikely that a majority of residents would support an agreement given their stated concerns.

Development Cost Charges

The use of Development Cost Charges (DCC's) has been an effective funding source for many municipal infrastructure projects and services. However there are numerous restrictions that govern the use of DCC's including the following:

1. The use of DCC's must be related to the capital costs of providing, constructing, altering or expanding sewer, water, drainage and road infrastructure and for capital costs of providing and approving parkland.
2. The DCC must be to service, directly or indirectly the development for which the charge is being imposed.

The provision and maintenance of docks fails to satisfy either of these key requirements and on that basis would not be supported by the Inspector of Municipalities who must approve all DCC bylaws.

Staff efforts to identify alternative methods of seeking funding from developers were unsuccessful.

Public Wharves Advisory Committee (PWAC)

When the SCRd took over the ports from Transport Canada in 2001 a public advisory committee was formed to provide input to the board. The purpose of the committee was to act as a liaison between the SCRd board and the communities that use the docks and to increase local involvement in ports planning and operations. The committee was originally based on a maximum of 10 community representatives and met quarterly.

Through 2001 to 2006 the committee evolved in terms of its perceived role as well as representation. During this period the committee members took on the role of advocates for their specific docks and the number of committee members rose to 12. When the Ports function was transferred to the Transportation and Facilities Division, staff made changes to the work program to improve the level of responsiveness to maintenance issues. This involved a greater use of staff resources in place of private contractors that has resulted in more timely completion of major and minor repairs. The plan is to continue to use private contractors where the project and expertise is outside the scope of internal resources. The model for addressing maintenance requirements is to undertake regular inspections of the docks to identify the work that is required. These inspections are done by the SCRd Building Maintenance staff who have the expertise to determine what work is required and the priorities. In the past the PWAC members took on a major role in identifying work requirements for their individual docks. This led to inconsistencies in terms of the work program and also expanded the work program. An ongoing problem has been that PWAC members tend to refer to any deficiency as a safety issue has also made it difficult to prioritize the repairs. The use of SCRd staff to takeover this function has greatly reduced the cost of addressing repairs and allowed priorities to be established independent of local advocacy.

At this time the PWAC has only seven (7) members from local communities of which two are representatives of the Town of Gibsons and the Gibsons Harbour Authority. The remaining five (5) members generally represent and advocate for their individual docks. This was particularly evident during 2007 when a shelter was designed for the Eastbourne dock that was based on the need to allow for golf carts to be able to manoeuvre in the area. The design far exceeded requirements to the extent that staff

had to recommend that the scope be changed to reduce costs to more appropriate levels.

The Halfmoon Bay, Hopkins Landing, Halkett Bay and Port Graves docks do not have representatives on the PWAC at this time. However through the SCR D's inspection process as well as feedback from the public, the maintenance program for those docks has been effective in addressing issues as they arise.

Given the need to control costs and based on the effectiveness of the current Ports maintenance program, the ongoing need for the PWAC is questionable.

Outstanding Issues

A number of issues remain outstanding that may have some relevance to the discussion and review of options for addressing issues raised through the service review process. Specifically discussions with BC Ferries and with the camps on Gambier and Keats Islands concerning funding for their use of the docks are ongoing. In addition the budget for the docks for 2008 was reduced significantly by the SCR D as a result of reallocation of 2007 costs and use of capital reserve funds. Staff have also outlined options for revenue generation including permits for the use of docks by residents and commercial users.

Although the SCR D has agreements with Camp Artiban and the Keats Landing Moorage Society for their use of the docks, the options to revise the terms of those agreements are somewhat limited in the short term due to existing obligations.

The SCR D has been advised in the past to pursue a provincial lease or right of way relating to areas adjacent the docks in order to eliminate the need for upland owner consent. This action will be pursued by staff prior to expiry of the current leases with upland owners.

Conclusion

Staff suggest that the issues brought forward by the Town of Gibsons have been addressed and ongoing issues will certainly be monitored. The next decision to be made by the committee is to report out to the Infrastructure Services Committee and the SCR D Board on its recommendation. Staff recommend that the committee advise the Board that there are no grounds for a withdrawal by the Town of Gibsons from the Ports Service and further that the Town of Gibsons be provided with a copy of this report together with a letter requesting that they reconsider their position based on the issues addressed by the process.



TOWN OF GIBSONS

"The World's Most Liveable Town" 2009

Office of the Mayor

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*Emailed
9/4/13*



September 4, 2013

Chair Garry Nohr and Board of Directors
Sunshine Coast Regional District
1975 Field Road
Sechelt, BC V0N 3A1

Dear Chair Nohr;

Reference: Service Withdrawal – Ports Service

Section 802.3 of the *Local Government Act* outlines special provisions respecting service withdrawal. The Town of Gibsons hereby gives formal notice of its desire to withdraw from the above noted service in accordance with this section.

The Town agreed to participate in this function when the federal government undertook its divestiture program in 2000. Since then, working with the Board, it has always been the intent of Town to seek ways and means to offset the significant costs for upgrades and maintenance associated with these federally offloaded facilities. These docks are all within the Islands Trust jurisdiction and within two rural areas of the SCRD – West Howe Sound (Area F) and Halfmoon Bay (Area B). There are no participating wharves within the Town of Gibsons. All docks except Hopkins Landing and Halfmoon Bay are on Gambier, Keats and Thormanby Islands.

The Town of Gibsons, through its own corporate adjunct – the Gibsons Landing Harbour Authority, manages its own Small Craft Harbour facility and must offset its costs, in part, through moorage fees and provincial and federal funding. It is our belief that the substantial capital investments made in the Gibsons Harbour are a benefit to the whole Sunshine Coast, without the assistance of regional funding. The continued success of this facility requires our full attention and financial support, some of which is being diverted to the regional ports function. Thank you in advance for considering the Town's request and we look forward to a positive response from the Board.

Yours Truly,

Wayne Rowe
Yours truly,

TOWN OF GIBSONS


Wayne Rowe
Mayor

SCRD STAFF REPORT

DATE: June 10, 2011
TO: Infrastructure Services Committee – July 7, 2011
FROM: Brian Sagman, Manager, Transportation and Facilities
RE: DOCK DIVESTITURE PUBLIC CONSULTATION

RECOMMENDATION(S)

THAT the Manager of Transportation and Facilities' report entitled "DOCK DIVESTITURE PUBLIC CONSULTATION" be received for information.

BACKGROUND

The concept of the divestiture of one or more of the SCRD's nine docks was first raised during the 2009 budget discussions, when the Board directed staff to review the divestiture of the Port Graves dock with the Public Wharves Advisory Committee (PWAC). That discussion was delayed while new members of the PWAC were recruited and approved by the Board. The issue was discussed at the PWAC meeting of October 2009 at which time the committee recommended that rather than focussing only on the Port Graves dock that the scope be expanded to include an evaluation of all of the docks. The rationale was that other docks may be more appropriate for divestiture than Port Graves depending on the criteria to be applied. A report was prepared for the December 3, 2009 meeting of the Infrastructure Services Committee that outlined the discussion at the PWAC meeting and provided recommendations as follows:

THAT the Infrastructure Services Committee receive the report entitled "PWAC Review of Dock Divestitures" for information;

And THAT the Infrastructure Services Committee direct staff to develop criteria for evaluating docks for possible divestiture

The report led to the following directive from the Board (Ref. #492/09 Rec. #3 sub-recommendation #4):

Recommendation No. 4 PWAC – Divestiture of Docks

THAT staff review the criteria used to determine which docks are most viable for divestiture.

Staff reviewed possible criteria with PWAC at the meeting of January 18, 2010 that included usage levels, impacts on community access, impacts on emergency access and costs. The PWAC agreed that staff would develop a list of criteria including a strategy for measurement for each dock. This matrix would then form the basis for further discussion.

The criteria and measurements were reviewed at the PWAC meeting of April 19, 2010. The committee agreed that staff should move towards evaluating each dock and assigning a

preliminary rating for each of the identified criteria such that the total score for each dock would determine its suitability for divestiture.

Staff presented the matrix of criteria and ratings at the July 19, 2010 PWAC meeting. The committee found it difficult to rationalize the ratings for each dock as compared to the others. Staff suggested that as an alternative to rating all the docks, that the discussion could focus on reducing the number of docks under consideration by eliminating those docks that were critical to the community and would not be suitable for divestiture. The committee agreed with that approach and identified four docks that would appear to warrant consideration for divestiture subject to public consultation. The committee members agreed to provide feedback on these four docks based on discussions within their respective communities and their own perspectives. The four docks that the PWAC viewed as being candidates for divestiture included:

- West Bay (Gambier Island)
- Halkett Bay (Gambier Island)
- Port Graves (Gambier Island)
- Vaucroft (Thormanby Island)

Staff completed an analysis of each of the four docks based on available use and cost information. A report was submitted to the September 9, 2010 meeting of the Infrastructure Services Committee.

Based on the September 9 report the Board provided the following direction (ref. #388/10):

Recommendation No. 9 *Dock Divestiture Evaluation*

THAT the Manager of Transportation and Facilities' report entitled "Dock Divestiture Evaluation" be received;

AND THAT staff provide a report outlining recommendations with respect to a public process for all contributing areas of docks;

AND FURTHER THAT staff follow up with the Public Wharves Advisory Committee (PWAC) members for their comments and include this information in the report.

The issue of the possible divestiture of one or more docks was discussed further at the November 16, 2010 meeting of the PWAC. Staff received some feedback at the meeting but also sent out a request for further input via e-mail based on the Board resolution and with the September 9, 2010 report as a reference. Only one comment was received as follows:

- Involve the Gambier Island Community Association in the development of the public consultation process.

A further opportunity for feedback was provided to PWAC members via e-mail in early December to ensure that members had every chance to contribute. No further comments were received.

Throughout this process the Board has maintained a desire to explore the option of divestiture as opposed to directing staff to specifically begin the process of divesting one or more docks. This approach had the benefit of allowing the PWAC to have the opportunity to provide

feedback throughout the process. Based on the schedule of PWAC meetings this has extended the time line for this project, but has had the benefit of establishing a foundation for the public consultation process by ensuring that PWAC representatives remain informed.

There was further discussion of the issue of divestiture at the November 15, 2010 meeting of the PWAC that was referred to the Board through the meeting minutes. This led to the following Board resolution from the meeting of December 9, 2010 (Ref. #504/10):

Recommendation No. 5 *Public Wharves Advisory Committee*

THAT the Public Wharves Advisory Committee (PWAC) minutes of November 15, 2010 be received;

AND THAT staff report back, no later than July 2011, with recommendations for Public Wharves divestiture and including results of the completed public consultation process;

AND FURTHER THAT staff consider holding public consultation meetings on the North Shore as well as the Sunshine Coast and islands to enable more property owners to attend.

In addition to the direction concerning public consultation the Board also has a resolution related to negotiating with the church camps for a fee structure that recognizes their use of the docks and that they do not pay taxes.

DISCUSSION

Based on the Board’s direction staff conducted public meetings as follows:

May 30 th	Gibsons and Area Recreation Center	7:00 to 8:30 pm
May 31 th	Coopers Green	7:00 to 9:00 pm
June 4 th	Keats Landing (Clam shack) Gambier Community Hall	10:00 to noon 2:00 to 4:00 pm
June 7 th	West Vancouver Library – Welsh Hall West	7:00 to 8:45 pm

The session at the Gambier Community Hall also included a review of options for the repair or replacement of the Gambier Harbour float.

A letter was sent via bulk mail to all island residents on April 6, 2011 that provided background information concerning the open houses. In addition staff posted a notification on the SCRD website and put advertisements in the Coast Reporter. Island residents were encouraged to spread the word through their affiliations with local organizations. Further to this, notifications were posted at all docks showing the dates and times of the meetings. Staff also arranged for notification on the local cable channel community notice board.

Public Meeting Format

All the public meetings followed the same basic format with staff providing a PowerPoint presentation that summarized the background, objectives of the sessions, and the next steps in

the process. Staff specifically focussed on the goal to obtain information through these sessions on the potential community impacts of dock divestiture.

The open houses provided the opportunity for interested parties to voice their opinions on this issue or to provide written comments.

May 30th - Gibsons and Area Community Center (GACC)

The session at the GACC ran from 7:00 to 9:00 pm and was attended by approximately 12 people in addition to Director Turnbull and Alternate Director Clegg and one member of the media. Although there are no SCR D docks within the Town of Gibsons, this meeting recognized that the Town is included in the function and provided the opportunity for feedback from area residents. The comments we received were generally as follows:



- The docks provide a focus for family and community events.
- Docks that have a MOTI right of way to the dock head are of higher value given that there is no need to negotiate with an upland owner for water lot lease consent.
- Contractors rely on the docks for access to projects on the islands. Specifically in relation to the Gambier Harbour dock and discussion concerning repair/replacement.
- Docks that have a church camp as the upland owner can be subject to the rules and regulations of the church, given that dock users have to enter church property (criminal records checks of contractors).
- Is there the possibility of establishing a road right-of-way through the church property? This would require negotiation with the church which can be dependent on other considerations including the fact that they currently have free use of the docks.
- Halkett Bay and West Bay are serviced by the Mercury Marine water taxi.
- The United Church is reportedly no longer the upland owner of the Halkett Bay dock due to a negotiated takeover of land by private developer who in turn allowed it to be converted to a MOTI right of way.
- The Halkett Bay dock has an adjacent barge ramp that is within the MOTI right of way and as such represents a valuable associated asset of the dock.
- Removal of a dock would result in an increase in travel distance for water taxis and on land which translates into increased GHG emissions.
- Establish a business license fee for all SCR D businesses in order to fund SCR D services.
- When evaluating the repair/replacement of the Gambier Harbour float, include the option to separate the float into two sections that are connected to allow each to move independently and address the impacts of the wave action.

May 31st - Coopers Green

Staff arranged for a session at Cooper's Green in Halfmoon Bay in order to provide a convenient location for residents to comment specifically in relation to the Vaucroft dock. The Vaucroft dock had the lowest rating by staff, which subject to community feedback, made it the most suitable for divestiture at first glance.

The divestiture of the Vaucroft dock to North Thormanby property owners was the subject of a survey in 2008. Although the responses were almost evenly split, those who were in favour of assuming ownership for the dock were concerned about the costs and whether property taxes would be significantly reduced.

The following comments were received at the meeting that was attended by approximately 13 members of the public as well as Chair Nohr, Director Turnbull and Alternate Director Clegg:

- One of the key messages was that the docks provide access to SCRD and other facilities including foreshore areas and parks on the islands.
- The docks have value as heritage sites given that most are at least 40 years old.
- The docks provide public access to the islands that would be lost if they are privatized.
- The SCRD should take a long term view to the value of the docks in light of development that is occurring on the islands.
- The MOTI uses the SCRD docks to move equipment and supplies to the islands. The loss of a dock could impact their ability to maintain the roads.
- The docks were established as a community asset and should be retained even if there are costs to maintain them. The loss of one could lead to others being privatized.
- Water taxis and other businesses rely on the docks for their livelihood. In addition contractors and property owners rely on the docks to move materials and equipment.

As the discussion progressed it was interesting that the participants moved from a position of supporting the retention of all the docks and began to question the community value of the Port Graves dock. There is a definite perception that the church monopolizes that dock to the extent that people have reported that camp staff have discouraged the public from using the dock.

June 4 - Keats Island

The session on Keats Island was scheduled to provide an opportunity for input even though none of the docks under consideration are on Keats and the use of the Gambier docks by Keats residents would be expected to be minimal. This session was therefore expected to generate more comments of a general nature concerning the Ports function and SCRD services. The session was attended by about 12 members of the public as well as Director Turnbull and Alternate Director Clegg. Director Turnbull provided a summary of the Board's position on dock divestiture and noted that the Board appreciates the value of that service to the community as well as the annual garbage pick-up.

The following is a summary of the comments raised at the meeting:

- The docks provide public access to interior developments
- The SCRD should take a long term perspective on usage and consider that development of the islands will contribute to an increase in demand for these types of facilities.
- As development progresses, property value will increase and reduce the impact of the dock maintenance costs.
- The Port Graves dock provides access to the Sea Ranch development and the rest of Brigade Bay.
- The SCRD could look at downsizing the docks rather than eliminating any docks.
- Once a dock is divested it is lost to public use and it is unlikely that future needs could be met with the construction of additional facilities due to the difficulty obtaining the required water lot lease.

June 4 – Gambier Island

Three of the four docks under consideration for divestiture are on Gambier Island. As a result it was expected that property owners there would have the most concern about any of the options surrounding divestiture. The public meeting at the Gambier Community Hall was attended by about 45 residents and stakeholders in addition to Chair Nohr, Director Turnbull and Alternate Director Clegg. Staff had the assistance of the President of the Gambier Island Community Association, Lynn Bell, in facilitating this meeting. Director Turnbull again summarized the Board's position and noted that islanders value the docks and garbage pick-up very highly. The overview of the agenda by staff included the dock divestiture component as well as a discussion concerning the options for repair or replacement of the Gambier Harbour float. The Gambier Harbour float issue is the subject of a separate report.

In general there was more animosity towards the concept of divestiture at this meeting than at others and more focus on the SCRD services that are provided to the islands in comparison to taxation. However there were also some interesting comments and perspectives that were offered that included the following:

- Attendees noted that dock divestiture would increase the generation of GHG's by increasing the travel distances for boaters and also adding to the use of vehicles to provide transportation between communities.
- There are few parks in the area of West Bay dock so people tend to congregate on the docks.
- The loss of a dock would negatively impact property values that would in turn reduce property taxes.
- The use of the docks will increase over time as development on the island continues.
- The docks play a central role in attracting residents to Gambier Island and as such the SCRD should be looking to add more docks rather than divesting docks.
- The SCRD should petition the province to change legislation that allows churches to avoid paying property taxes.

June 7 – West Vancouver Library

Many property owners within the SCRD and specifically on the islands have principal residences on the Lower Mainland. A public meeting was scheduled for the West Vancouver Library to provide a more convenient site for those people to attend and provide input. Because of the seasonal use of their properties, these people had a somewhat unique perspective on the value of the docks. There were approximately 45 members of the public at the meeting and Chair Nohr, Director Turnbull and Alternate Director Clegg also attended.

Because this was the last in the series of public meetings many of the concerns with dock divestiture had been voiced at other venues. However other issues included the following:

- There was a specific concern with the impact divestiture would have on the accessibility that is necessary for the elderly and mobility impaired.
- Attendees noted the advantage of having centralized dock facilities that can be used by multiple property owners as an environmentally sustainable option in comparison to having multiple private docks cluttering up the shoreline. In addition the existing docks can be used in the winter months when conditions may not allow use of smaller private docks.

- The need for the SCRD docks is going to expand as development progresses, particularly in the case of Gambier Island where there has been considerable development over the past 10 years.
- There was also some discussion concerning the use of the docks by church camps and the possibility that the camps would not have adequate funding to purchase and maintain the docks.

During the discussion Chair Nohr specifically addressed the basis for the dock divestiture review and the benefit of having a better appreciation for the value of these facilities to the community. He reinforced that the SCRD was not pursuing divestiture of any dock at this time.

Comments via E-mail

The notifications and advertising that were sent out in regards to the public meetings provided interested parties with the opportunity to e-mail or mail their comments to staff. Many individuals took advantage of that opportunity due to commitments that prevented them from attending one of the public meetings. A summary of the comments is as follows (check marks indicate the docks referenced):

Comment	West Bay	Halkett Bay	Port Graves	Vaucroft	All
The docks are one of few services that islanders receive for their property taxes		✓	✓	✓	✓
The dock is needed based on development in the area		✓	✓	✓	
The dock is required for emergency access	✓	✓		✓	
The docks contribute to tourism			✓	✓	✓
The dock is a drop-off point for water taxis.	✓			✓	
Many residents do not have boats so rely on the docks for access to their properties.	✓	✓	✓	✓	
Some residents do not have cars on the island so cannot use alternative docks.	✓				
The loss of one dock would result in a parking problem at other docks, specifically New Brighton	✓				
The dock is a focus for family and community activities	✓	✓		✓	
The road network is not an alternative for water access		✓			
The local community cannot take on the financial burden of the dock through divestiture.		✓			

Loss of a dock would increase boat and auto travel, increasing GHG emissions.					✓
Loss of the dock will reduce property values and as a result, taxes		✓			
The Town of Gibsons should not be paying for docks given that they are remote and the Town does not benefit from them					✓
The Town of Gibsons and District of Sechelt benefit from dock generated business and tourism			✓		
The dock is essential for church camp operations		✓			
The dock provides access to other community facilities such as parks.			✓	✓	
Once divested it would be difficult to acquire a new water lot lease			✓		
The SCR D should review options for increasing funding instead of reducing services.			✓		
The docks provide access to the church camps that are highly valued					✓
Loss of the dock will put more pressure on remaining facilities.			✓		

OFFICIAL COMMUNITY PLANS

One reference source for evaluating the general concept of the divestiture of docks is any Official Community Plans (OCPs) that exist. The OCP can provide some general guidance to the objectives for the docks in terms of the growth of a community.

Gambier Island OCP

In the case of Gambier Island, the OCP provides the following community goals relating to the provision of dock facilities:

2.8 to maintain for the immediate future a water access Gambier Island community with sufficient community docking facilities, limited roads and the absence of a car ferry.

2.9 to maintain flexibility, while planning for a water access community, to provide for road and transportation requirements of a more developed Gambier Island community in the longer term.

These goals would appear to support the ongoing provision of the docks as a way to limit the development of the internal road network and recognizing the lack of a car ferry service. The plan also establishes criteria for determining land and foreshore use as follows:

Policy 3.1

- the impact of any new development on existing public services and infrastructure and the ability to accommodate any deficiencies in such services or infrastructure at minimum public cost;

Policy 3.7 (iii)

- to protect marine and riparian habitat and water quality; and
- to maintain a view of the coastline that is rural in character and relatively pristine in appearance.

These policies reflect the commitment to environmental stewardship and the preservation of the natural habitat of the island but put more onus on developments to include consideration of the impacts on public services.

The plan includes objectives for residential development which include:

- 4.2 to promote a form of residential development on Gambier which retains a set of distinct settlement nodes (or neighbourhoods) physically separated from one another by tracts of undeveloped land retained in its natural state and connected by trails and country lanes;
- 4.5 In new subdivisions, located in areas outside of the planning area's existing public road network, access by water (from the sea) to upland parcels should only be considered in locations where a public road right-of-way may be constructed to provide each upland lot with access to a location fronting on navigable water which is able to reasonably accommodate a site for boat moorage.

The plan is that the internal transportation network will be developed to link communities which would thereby reduce the necessity for docks that currently provide water access to communities that are not linked. In addition there is an onus on new developments to consider and account for the need for water access if the development is remote from the MOTI right of way.

The plan designates advocacy policies for areas that lie outside the responsibility of the Islands Trust that includes the provision of dock facilities. Of particular note is Advocacy Policy 6.2:

“Gambier Island’s existing inventory of public wharves should be retained and maintained as they represent an important means of accessing the island’s trails and crown lands.”

Based on this cursory review it is apparent that the docks are a key component of the planned development of Gambier Island.”

One of the marine and foreshore policies (Policy 7.32) promotes zoning to allow:

“Cooperatively owned or operated docks to provide marine access to residential areas as a means of minimizing the need for upland road links between residential communities and to limit the need for multiple dock development along the shoreline;”

This policy points to the need to retain dock facilities to maximize the marine access to residential areas.

There are policies concerning heritage resources (Policy 8.29) that advocate for the retention of the docks as follows:

“Wharves constructed by the Federal Government for access to Gambier Island should be retained as they also represent an important part of the island’s culture and heritage.”

This policy is also reflected in the policies concerning water transportation.

Gambier Associated Islands OCP

Although North Thormanby does not have its own OCP it falls within the scope of the Gambier Associated Islands OCP. That document was developed by the Gambier Island Local Trust Committee (LTC) and applies to the Vaucroft dock on North Thormanby Island through the following policies:

3.9 Policies for Marine and Foreshore Uses

The LTC should permit and encourage the construction and use of common, community, or communal docks where feasible in order to limit the need for multiple private dock development along the shoreline.

4.3.12 Objective and Policies for North and South Thormanby Islands

Marine zoning should permit existing and future community docks. Regulations should limit the proliferation of additional individual or private docks.

Summary of OCP Guidance

The Gambier Island OCP supports the maintenance of the dock facilities on Gambier in order to provide adequate transportation and access to waterfront and interior properties. The docks are clearly seen as an alternative to car travel and a way to reduce the need for expansion of the road network.

The Gambier Associated Islands OCP recognizes the need for public docks to prevent an increase in the development of private docks.

DOCK CRITERIA AND RATINGS

Staff undertook an initial evaluation of the four docks under review in an attempt to quantify their strategic value to the community. This evaluation was recognized as a starting point for a public discussion and a way to generate feedback from the community given that five different public meetings were scheduled. In fact there was less focus on the criteria or ratings than expected and more focus on specific impacts if divestiture were to go ahead. The table below shows the criteria and ratings that staff applied and presented at the meetings:

Dock Ratings by Staff

Criteria/dock	West Bay	Halkett Bay	Port Graves	Vaucroft
Service impacts	4	5	3	2
Alternative/Emergency access	1	5	5	5
Public access	4	4	3	1
Level of use and types of use	4	3	2	1
Revenues – existing and potential	2	5	4	1
Economic Impact	2	4	3	1
Market Value	1	4	3	3
Total	18	30	23	14
Costs:				
Annual Avg. Maintenance cost (2007-2009)	\$643	\$3,124	\$1,894	\$5,131
Avg. Capital Cost– (2007-2009)	\$4,906	\$131	\$1,884	\$4,233
Planned Repair Costs (2011-2014)	\$66,000			\$7,000

Notes:

The criteria and ratings are designed to measure the relative importance of each dock to the community. A scale of 1 to 5 has been used with higher ratings reflecting a dock that is more valuable to the community or one that would be expected to have a higher value if put up for bid.

Service impacts refer to the degree to which various community services rely on the dock.

Alternative/emergency access refers to whether there are other docks in the area that could be used by emergency services.

Public access measures to what degree the public including non-residents, use the dock.

Level of use and types of use is a non-quantified estimate of use and whether there are multiple uses of the dock for example for water taxis, contractors, etc.

Costs - capital were rated similar to maintenance costs and reflect the costs of major repairs between 2007 and 2009.

Planned repair costs have been rated based on expected repairs that will have to be carried out as identified in major inspections that are done about every five years.

Revenues - existing and potential reflect whether there is an option for either the SCRD or other owner to implement charges or permanent moorage as a way of offsetting costs.

Economic impact is a measure of whether the dock is relied upon by businesses including church camps.

Market value is a rating that indicates whether the SCRD can expect to obtain funding through the divestiture of a particular dock. This again takes into account the potential for a new owner to generate revenues.

Summary of Ratings

Although there is a significant focus among residents and property owners on the value of the docks for emergency access, this need was not borne out in a staff review with the Gibsons ambulance services. The ambulance services staff did not see the loss of any of the docks as a major issue from the point of view of extricating people, specifically from Gambier Island where there are multiple public and private docks that could be used. In addition there is an expectation that an injured person would have to be moved via the road network to reach a point where they could be transported by boat if necessary. Search and rescue and other emergency services staff could use the SCRD docks for a marshalling area but would use beach access or private docks if they provide better access to the site of their operations.

Vaucroft

The staff ratings for the docks resulted in the lowest rating for the Vaucroft dock indicating that it is the most suitable for divestiture. In general the low rating for Vaucroft is because historically there has been less use by the general public apart from local property owners. In addition the limitations of the water lot lease would not allow for any development of permanent moorage. There are virtually no retail, commercial or institutional services on the island that would be impacted by the divestiture of the Vaucroft dock.

The one area of concern from the public that may not be fully captured in the criteria is the public use of the dock to access beach areas on the island as well as the Buccaneer Bay Provincial Park at the south end of the island.

West Bay

The second lowest overall rating was for the West Bay dock where staff viewed the ongoing high maintenance costs combined with the availability of alternative dock facilities at New Brighton as key considerations in the evaluation.

The West Bay dock received a low rating for Alternative/Emergency access on the basis that other docks connected by the road network provided an alternative for access. Some attendees thought that the rating was too low and does not adequately reflect the use of that dock by residents who are moving an injured person or the use by police.

Even though there is an expectation that the Vaucroft dock will require ongoing periodic dredging, the West Bay dock presents the highest risk for significant maintenance costs in the longer term due to its proximity to the prevailing waves. The table shows that repairs identified through the major inspection in 2010 will require an outlay of approximately \$66,000 which could increase depending on the condition of internal components that cannot be inspected without the demolition of external components. In addition the West Bay dock is about 233 meters in length with 72 pilings, of which eight require replacement in the short term. The ongoing costs of the maintenance of this dock will be high due to its length.

Port Graves

The focus on the Port Graves dock has been to some extent based on the perception that Camp Artaban is the primary user of the dock. In fact there is a general view that the camp goes so far as to try to limit the public use of the dock based on their security requirements. This issue has not been identified at either the Halkett Bay (Camp Fircom) or Keats Landing (Keats Camp) where the proximity to campers is the same. The Port Graves dock is somewhat unique in that maintenance costs have been low. It is quite likely that any action to divest this dock would attract interest from Camp Artaban on the basis of their dependency on this facility to move campers and materials to/from their facilities.

Halkett Bay

The Halkett Bay dock has evolved from a local community dock similar to West Bay to a dock that is serving the general development on the island. Recent residential development in the interior of the island has put additional demands on the Halkett Bay dock for water access to properties that do not have road access. Much of the justification for not divesting the Halkett Bay dock comes in the form of the long term needs related to the development of the island. There was some consensus that this dock will evolve to provide access to more services on the island and offers a barge ramp that is now within the Ministry of Transportation and Infrastructure (MOTI) right of way.

Recently the MOTI road right of way that reached to a point on a bank above the dock was extended to the foot of the dock through the acquisition of land from the church. Therefore this dock will no longer require the upland consent of the church when the SCR D renews the water lot lease. The lack of private upland ownership could be viewed as a consideration for retaining this dock as opposed to other docks that are not located on MOTI right of way.

The advantages of divesting the Halkett Bay dock are that it would likely attract the attention of developers and other stakeholders based on its location and because the water lot lease is sufficient to permit installation of permanent moorage.

CONCLUSIONS

Based on the overall review of the docks staff have concluded the following:

- The island property owners see the docks and annual garbage pick-up as the two services that are of particular value and question property taxation that is in support of other functions.
- The docks are more than infrastructure for water transportation, but are a focal point for families and the community.
- The OCP for Gambier Island recognizes the community value of the docks and promotes their retention.
- There is a concern that once a dock or docks are divested it will be difficult to acquire the necessary water lot leases to meet future needs.
- There is no recognition of any need to evaluate the necessity for the current level of service within the ports function and no support for divesting docks to reduce costs.

In the event that the Board elects to pursue the divestiture of one or more docks, staff have concluded that the priorities should be:

1. West Bay
2. Vaucroft
3. Port Graves
4. Halkett Bay

REPORT

To: Sunshine Coast Regional District Board
From: Chief Election Officer
Date: October 30, 2000
Issue: Ports Local Service Other Voting

Please find attached the official results of the Ports Local Service Other Voting held on October 21, 2000 which indicate that 55.95% voted in favour of the following question:

“Are you in favour of the Sunshine Coast Regional District enacting Bylaw No. 1038 to provide for;

- **establishing the “Sunshine Coast Regional District Ports Local Service” within the Town of Gibsons and the Electoral Areas of Halfmoon Bay, Roberts Creek, Elphinstone and West Howe Sound to establish, acquire and operate ports, and**
- **annually requisitioning up to a maximum of \$0.15/1,000 of net taxable value of land and improvements, other than land and improvements exempt from taxation under the Hospital District Act, to pay for the ports local service?”**

Voter turnout was 14.29%.

J. E. Harvey
Joan Harvey, Chief Election Officer

SUNSHINE COAST REGIONAL DISTRICT

PORTS LOCAL SERVICE OTHER VOTING

October 21, 2000

OFFICIAL RESULTS

YES/NO	Advance Voting Opportunities		Coopers Green	Roberts Creek	Frank West	Town of Gibsons	Langdale Elementary	Gambier Island	Keats Island	West Vancouver	Total
	SCRD & Gibsons Oct 11th	SCRD & Gibsons Oct 13th									
YES	27	35	108	79	73	123	70	61	54	122	752
NO	50	30	78	78	142	140	59	5	2	8	592
TOTAL	77	65	186	157	215	263	129	66	56	130	1344

VOTERS' LIST	74	58	167	153	211	236	125	45	32	34	1135
NEW REGISTRATIONS	3	7	20	4	5	27	5	21	24	96	212
TOTALS:	77	65	187	157	216	263	130	66	56	130	1347

Number of Electors Voting 1347
 Number of Eligible Electors 9428
 x 100 = 14.29 %

Dated at Sechelt, B.C. this 24th day of October, 2000

J.E. Harvey
 Joan Harvey, Chief Election Officer