

# PLANNING FOR AMENITY MIGRATION?

CAN AMENITY MIGRATION PAY FOR ITSELF?

DOES IT?

SHOULD IT?

WILL IT?

MOUNTAIN COMMUNITIES CONFERENCE

BANFF

May 15 - 19, 2008



**PLANNING FOR  
AMENITY MIGRATION?**

**CAN AMENITY MIGRATION  
AFFORD TO PAY FOR ITSELF?**

**YES.**

# PLANNING FOR AMENITY MIGRATION?

DOES IT?

NO.





# PLANNING FOR AMENITY MIGRATION?

SHOULD IT?

YES.

# PLANNING FOR AMENITY MIGRATION?

WILL IT?

UNLIKELY.

- Difficulty of assessing all cumulative impacts
  - Housing, infrastructure, police, health, social services, environment, facilities.....

# PLANNING FOR AMENITY MIGRATION?

THANK YOU!

QUESTIONS?





# Introduction

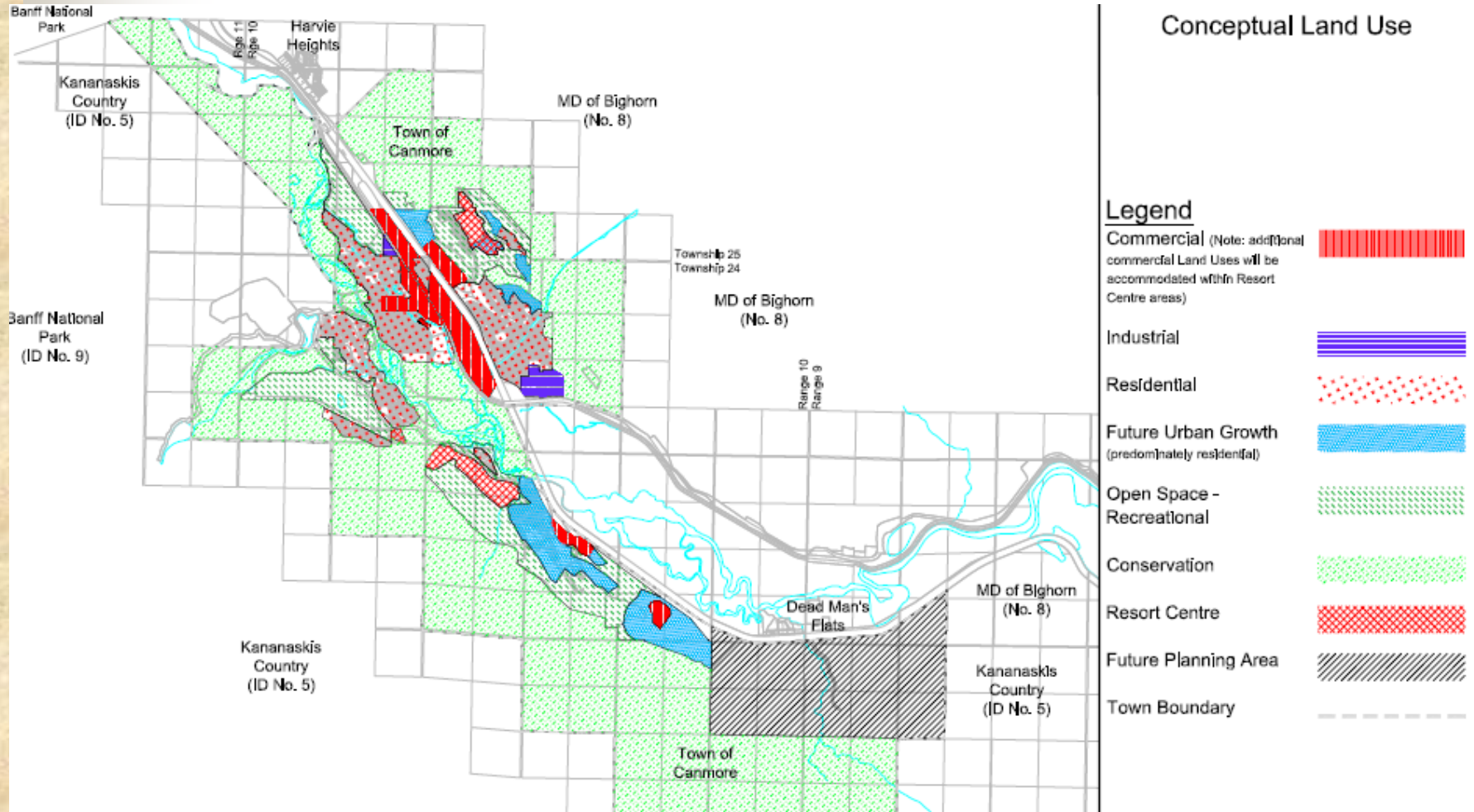
- How does / can an amenity migrant community plan and manage a capital financial plan?
- How does an amenity migrant community manage infrastructure impacts?
  - Infrastructure planning
  - Development cost charges / off site levies
  - Provincial grant revenues & grant funding
  - Tax sources & issues
  - Infrastructure maintenance
  - Other municipal service costs



# Introduction

- Canmore Background
  - “Canmore.....transformed from a blighted former coal-mining town to one of Canada's best-rated cities for quality of life.”
- Late 1980's
  - Hooked our bandwagon to tourism redevelopment
- 2 major “resorts”
  - 5,000 accommodation & dwelling units
  - Only seen residential development around golf courses

# Introduction



# Introduction

- Amenity migrant towns face all their issues on top of the usual laundry list...
  - Infrastructure deficits
  - Limitation of property tax base
  - Resistance to tax increases
    - Locals & non-permanents
- We also have the “affordable housing” issue





# Infrastructure Planning

- Infrastructure peak demands often significantly higher than traditional towns
  - seasonal influx of residents and visitors
- Town of 3,000 could need water / sewer system to handle peak load for 30,000
- Municipal property tax system is not able to derive revenues in proportion to this volume
  - Demands don't decrease due to temporary residency

# Infrastructure Planning

- Developers construct all required (on site) infrastructure
- Town does not “front-end” any on site infrastructure
  - Avoids all these costs
- Helped by fact there are only three, unconnected, independent developers
  - No physical integration
  - Endeavour to assists may be required in other cases
  - Otherwise development may be stifled / halted



# Infrastructure Planning

- Indirect (growth related) infrastructure / utility plans prepared municipally
  - Roads / water / sewer / storm water
- Integrated with all resort plans
- Funded through off site levies / development cost charges

# Infrastructure Planning

- Issues & concerns with development cost charges / off site levies
  - Town up fronts the costs
    - Interest / finance costs are included
  - Town risks development not occurring
    - Town carries all the risk if infrastructure installed but development does not happen
  - Limited range of infrastructure
    - Excludes soft services
      - Police, emergency services, social services, housing.....

# Grant Funding

- From Provincial government
  - Frequently conditional
- Prov. – Munic. grants as % of munic. Revenue
  - 50% - 1971
  - 25% - 1993
  - 20% - 1997
- Canmore grant funding (gross revenues)
  - 12% 2005
  - 15% 2006

# Grant Funding

- Grant allocation often per capita based
- Grant allocation often based on permanent population
- Non-permanent / seasonal population not included in allocations
- Services still need to be supplied
- Costs still incurred
  - “No, we don’t actually turn of the sewer plant when you leave....”
  - “No, we don’t close roads during the week....”



# Grant Funding

- Alberta – 2008
  - \$468 per capita grant allocation
  - Permanent population – 11,600
  - Non-permanent population – 4,800
- Grant “gap” of \$2.246 million
  - Annually
- Gap will widen over time
- Town still has fixed costs / to provide services

# Grant Provision

- Home owner assistance grants
- Rebate of portion of taxes to permanent residents
  - Shifts burden to non-permanent residents
  - Lessens tax burden to permanent residents as assessments increase
- Tool to retain community members
- Can also consider tax deferrals for permanent residents
  - Especially for seniors
  - Administratively complex

# Tax Sources

- Property Taxes
- Residential vs. Commercial Assessment
  - Residential tends to be cost neutral or cost negative
  - Commercial tends to be revenue positive
- Canmore has seen only golf course and residential development
  - Commercial development has not materialized

# Tax Sources

- Fiscal evaluation of “buildout” completed – 2008
- Revenue positive with commercial resort development
  - Possibly significant positive revenue
- Revenue neutral with only residential development
  - No noticeable positive impact
  - No better off than present, fiscally

# Tax Issues

- Complex tax roll
  - Global mailing list of property owners
    - British Virgin Islands to Kazakhstan
  - Costly to maintain / notify
- Fractional property titles
  - Multiple division of title
  - Multiple owners (hundreds)
    - Complex to track
    - Complex to maintain

# Infrastructure Maintenance

- Sewer services principally
- Increased maintenance due to lower levels of use than anticipated
- Sanitary lift stations – limited volume
  - Pumps don't kick in, material becomes anerobic
  - Has to be pumped out – expensive
  - Have to install odor scrubbers – very expensive



# Infrastructure Maintenance

- Sanitary sewer manholes
  - Designed for certain flow
  - Self scouring
    - Dry out and plug
  - Require additional flushing
- Additional grease from restaurants
  - Large numbers





# Impacts on other Municipal Services

## ■ Fire – EMS

- False alarms on second homes
- Additional calls for rescues
  - Skiing, biking, climbing, hiking

## ■ Police

- Additional resources for late night establishments
- False alarm responses
  - Overtime expenses

# Impacts on other Municipal Services

- Parks & Trails Maintenance
  - Often valued by second home owners
  - Higher expectations
- Social Services
  - Cost of provision in small communities
    - Wide range of services demanded / needed
    - Typically a Provincial Federal responsibility
  - Serving communities in crisis / on the edge
    - Housing costs, working multiple jobs, substance abuse, young

# Affordable Housing

- An increasing social imperative
- An extremely expensive initiative
  - A personnel drain
  - A resource hog
  - A time hog
- Only likely to increase in the future



# Conclusions

- Developer should install all direct infrastructure
- Implement off site levies / development charges / impact fees
- Don't be too far ahead of infrastructure needs
- Try to widen the scope of services covered by impact fees
- Lobby for grant allocation changes
- Consider municipal granting systems

# Conclusions

- Ensure commercial and not just residential development
- Review infrastructure design with ongoing maintenance in mind
- Look for cost recoveries on other services
- Plan to spend a lot of time and money on housing



# Thank You

## Questions? & possibly some answers?

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