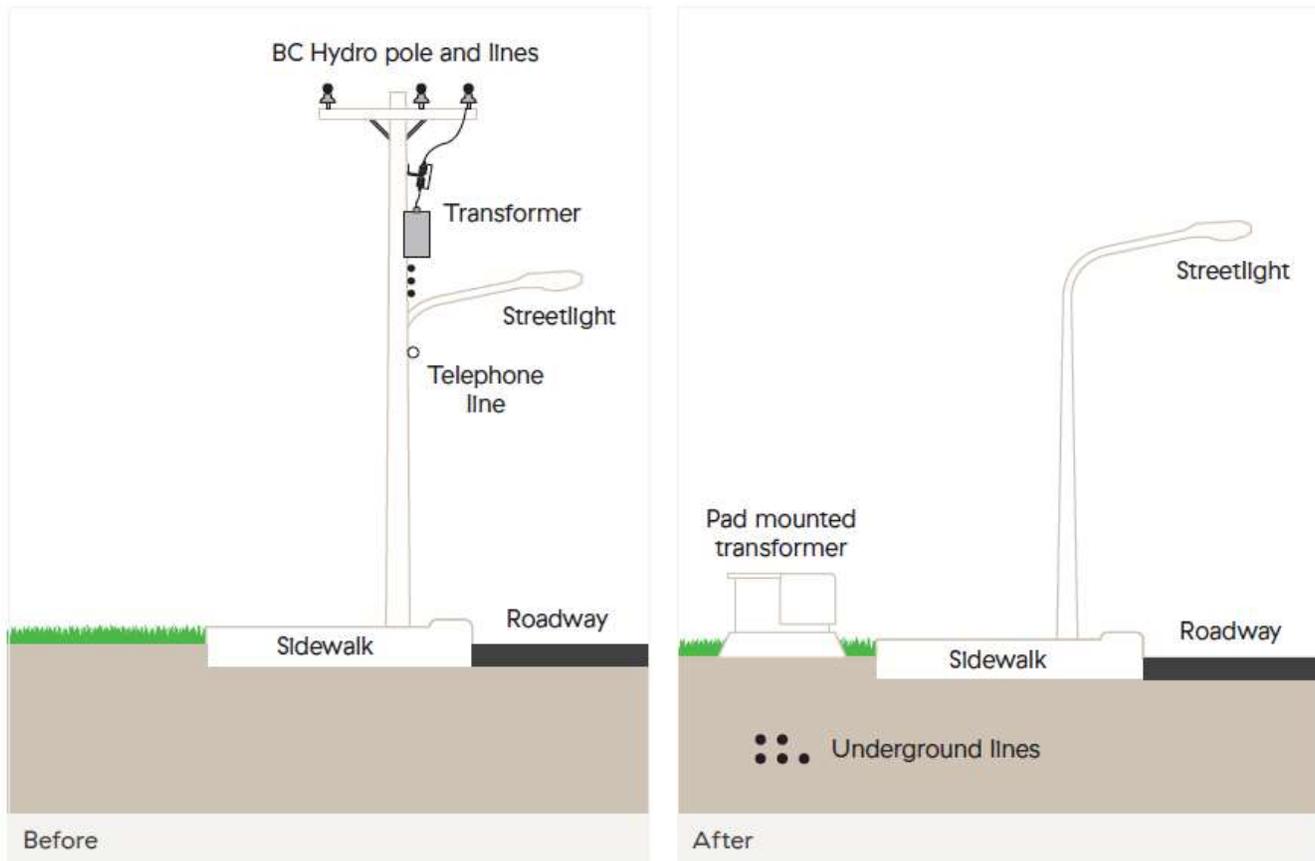


Undergrounding of Overhead Services

A typical overhead electrical service can be moved underground. The example below includes relocation of a transformer, streetlight, and telecommunication lines and removal of poles.



The Petition Process and a Local Area Service Tax structure

Ultimately provided by bylaw, a Local Area Service designation provides a 'service' to a geographic segment of the community that petitions successfully for the service. The expense is funded by the municipality and recaptured through a tax applied only to parcels located within the service area. In this manner, a local service tax is a property value tax or parcel tax levied over a 'sub-area' of a municipality (e.g. a neighbourhood within a municipality). A municipal council may establish a local area service to provide any type of service that will benefit a portion of the municipality (e.g. sewer service, water service, sidewalks for a neighbourhood, etc.).

Section 212 of the *Community Charter* provides the right for owners located within a 'sub-area' to petition for a local area service. Guided by the requirements of s.212 of the *Community Charter*, to become a 'sufficient and valid' petition a minimum of 50 per cent of the parcels, representing a minimum of 50 per cent of the land and improvement value, that would be subject to the tax, must express informed support for the local area service tax.

The residents of the Alta Vista neighbourhood have expressed a collective interest in pursuing a petition process to create a Local Area Service to fund the undergrounding of the overhead utility services (BC Hydro, TELUS, Rogers, etc.). If the petition process is successful, the RMOW would provide project oversight, liaise with utility providers, and cover the up-front costs of the undergrounding

process. All project costs, including project management costs and the opportunity cost of invested capital would be recovered over time from owners of the parcels located within the designated service area.

BC Hydro Beautification Fund

BC Hydro's Beautification Fund provides financial assistance to municipal governments for conversion of overhead service to underground facilities to enhance and improve the use of public spaces. Successful applicants receive, from the Beautification Fund, funding to equal to one-third of BC Hydro's estimated project cost. The remaining two-thirds are funded by the municipality. Cost sharing is based on the original project scope, and does not include any costs for work on private property or work to relocate other utility attachments such as telecom cables.

In support of the petition process initiated by Alta Vista residents, the RMOW will apply for funding under the BC Hydro Beautification Fund for the proposed project prior to the deadline of September 30, 2020. The Beautification Grant application requires, a formal expression of Council's support to cover the remaining two thirds of estimated BC Hydro costs is required.

POLICY CONSIDERATIONS

The proposed resolution is consistent with s.212 of the *Community Charter*, and the potential undergrounding of the overhead utilities in the White Gold neighbourhood is consistent with the Corporate Plan Goal that states: "Corporate policies and operation ensure continuous excellence in infrastructure, facility and program management".

BUDGET CONSIDERATIONS

The RMOW will incur some costs to prepare the petition information. These costs would not be recoverable if the petition process is ultimately unsuccessful.

However, in the case of a successful petition process, 100 per cent of associated project costs would be ultimately restored to the municipality through the Local Area Service taxes assessed on municipal taxation notices over the amortization period. Further details with respect to the gross project cost, the project timing, amortization period and associated interest rates will be considered by Council in subsequent steps in the petitioning process.

A successful petition process for the proposed undergrounding project would have associated cash flow implications for the organization across the amortization period, but these implications appear to be manageable.

COMMUNITY ENGAGEMENT AND CONSULTATION

No additional community engagement is required or anticipated at this point. Once the outcome of the grant application is known, residents located within the proposed Local Area Service will commence an internal petition development process for submission to Council.

SUMMARY

This Report seeks to secure Council endorsement for BC Hydro Beautification Grant funding, as required for the application. The grant application is associated with a petition-driven Local Area Service Tax request for the undergrounding of the overhead utility services in the Alta Vista neighbourhood.

Respectfully submitted,

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for
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