

Date October 25, 2024
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Subject Elk Valley Economic Development Service Establishment Consideration

REQUEST

Determine whether to proceed with an Elk Valley Economic Development service establishment bylaw.

OPTIONS

1. THAT a service establishment bylaw for an Elk Valley Economic Development service be prepared based on the following terms:
Tax Rate Limit: _____;
Voting Strength: _____;
Bylaw Expiry: _____;
and with the remaining terms based on the recommendations in the July 2024 report from the CAO.
2. THAT a service establishment bylaw for an Elk Valley Economic Development service be prepared based on the recommendation in the July 2024 report from the CAO.
3. THAT Economic Development initiatives in the Elk Valley be funded through grants requested individually from each of the jurisdictions.

BACKGROUND/ANALYSIS

Attached is a Request for Decision report considered by the Board in August. As per the Board resolution (Option 1) the report was forwarded to the municipal councils to consider the recommended bylaw parameters and confirm continued interest in the service. Informal responses based on discussions at council meetings indicated a need for further discussion prior to drafting a bylaw for consideration.

Comments Received

Fernie Council was supportive of advancing the service area, but with a lower taxation limit to fund the position only, and not the additional overhead or project costs. The delivery model would be based on the EVEI formalizing as an organization to receive the grant and oversee the position. They also expressed interest in putting an expiry on the bylaw with a 3 to 5-year duration to evaluate effectiveness.

Sparwood Council expressed interest in further discussion of voting strength of each jurisdiction, development and oversight of the workplan, and supervision of the position. They also indicated a continued interest in contributing revenue from inter-community business licenses to the program.

Elkford Council indicated continued support for the initiative.

Tax Rate Limit

As an update to the table in the attached report, if there is a desire to fund only the ED position and not operating costs, the tax rate limit would still need to be set at a level to cover inflationary increases, RDEK administration, and allow a buffer in case there is decrease in property assessments. Given that the \$75,000 figure is already a couple years old and will have been subject to inflation, a suggested minimum feasible tax rate limit has been suggested.

	Funding ED position only (\$85,000 grant)	Include operating costs, no project funding or RDEK oversight (\$140,000 grant)	Include operating costs, \$25K project funding, and \$20K RDEK oversight (\$165,000 grant)
Tax rate limit	\$0.013/\$1,000	\$0.021/\$1,000	\$0.027/\$1,000
City of Fernie	\$ 42,493	\$ 68,461	\$ 87,347
District of Sparwood	24,786	39,933	50,950
District of Elkford	15,340	24,714	31,531
Electoral Area A	25,381	40,891	52,172
Total	\$ 108,000	\$ 174,000	\$ 222,000

Voting Structure

As noted in the original report, the default voting structure would be based on one vote for every 2,500 population. This and some other options are shown in the table below. There are of course many other variations possible.

	Default weighting (1 vote per 2,500 population)	One vote per jurisdiction	Assessment-based (one vote per \$1M assessed value)
City of Fernie	3	1	3
District of Sparwood	2	1	2
District of Elkford	2	1	1
Electoral Area A	1	1	2
Total	8	4	8

Bylaw Expiry

Where there is a desire to establish a service on a trial basis or for a fixed term, establishment bylaws can include a limited time period. Without an expiration clause, it is otherwise possible to rescind a service establishment bylaw if it deemed no longer necessary or effective. The difference between the two options is that with an expiration clause, termination would be the default and approval of 2/3 of participants would be required to extend the service, and without it, continuation would be the default and approval of 2/3 of the participants would be required to terminate the service.

Inter-community Business License Revenue

Business license revenue received from municipalities can serve to make up part of the grant and would thereby reduce the level of taxation required. As the service would not be able to require municipalities to contribute those funds, it is recommended that this not be factored into the limits established in the bylaw, however they would reduce the actual requisitions in practice.

SPECIFIC CONSIDERATIONS

Process

If direction for drafting a service establishment bylaw is given at the November Board meeting, the bylaw will be prepared and presented to the Board for three readings in December, and then forwarded to municipal councils and Area A Director for consent. Following consent, it would be sent to the Ministry of Municipal Affairs for approval, and then brought back to the Board for adoption. If this all happens quickly enough, it could be adopted at the March Board meeting which would allow for taxation in 2025.

Attachment