

**Minutes of Community Information Forum (CIF) Meeting
Inn on the Harbour
Wednesday, April 4, 2018
5:00 p.m. – 6:30 p.m.**

Members present Luanne Roth
Dan Harris
Bill Mounce
Ken Shaw
Don Scott
Richard Mellis
Sebastien Pacquet

PRPA staff Present Ken Veldman
Irene Mills

Regrets Christine Danroth
Mark Rudderham
Ralph Weick
Bob Payette
Sheila Gordon Payne
Sarah Dantzer
Brian Musgrave
Ken Lippett
Peter Freeman
Michal Sluka
Harry Young
Jesse Palmer
Mike Slubowski

1. Call to Order

Ken Veldman called the meeting to order at 5:08 PM. West Coast Marine Response will be moved to meeting next month.

2. Last Meeting

○ **Minutes**

The February 28, 2018 minutes were circulated, no additions or corrections. Minute format changed to capture Q&A. Any feedback from this new format?

Q: Are the minutes on the website?

A: Yes, January minutes are at the bottom of the page, not in date order but we will work on that.

Action: The Port will put together a proposal for improving public awareness of CIF minutes on the website.

3. Business Arising from the Minutes

- a. **ECA Low-sulfur fuel Compliance regulations:** Information sent out to group. Are there any questions?

Q: Can Transport Canada be invited to meet and present on their role in the harbour?

A: Yes

Q: What are the regulations when working on a vessel when at dock in a residential area? Last year there was a vessel at dock and a big puff of black smoke was coming from the vessel. What exemptions are there, and do they do on board checking?

A: Those are questions that can be proposed to Transport Canada

- b. Prince Rupert Marine Fuel Services: Wolverine held their 2nd Open House last month and their 30-day Public Comment period is coming to an end shortly.
- c. Waterfront projects: Atlin Promenade on schedule and Rushbrook Trail grand opening tentative date May 12th.
- d. Inner Harbour Kelp Corridor: A member circulated a project concept to the group to establish artificial kelp beds in the Fairview and Rushbrook areas. The Port has successfully developed artificial kelp growth in Porpoise Harbour & the mouth of the inner harbour near Fairview as habitat compensation previous port projects and has had discussions with conversations with First Nations about future projects.

The proposed concept would aim to to establish a refugia along the harbour and incorporates the transfer of technology locally to create kelp seed. Port Edward Harbour Authority and DFO have expressed interest in the concept.

The Port is interested in exploring the concept for relevance to its potential use for future project compensation, or for its potential to be supported by the Community Investment Fund. The Port will commit to pulling together a meeting to flesh out this idea and see where it fits and what the Port's potential involvement would be.

ACTION: Set up meeting

Q: What does habitat compensation entail?

A: In projects that impact habitat, a proponent is required to compensate through revitalization/development of similar habitat. There is the ability to “bank” compensation work for future projects.

Q: Will kelp become an ‘invasive species’ in the future

A: Where and how artificial kelp is developed needs to be part of a deeper conversation on the project concept.

4. New Business Roundtable

a. Port-related local government revenues and property tax cap

Veldman reviewed the history of the BC Government’s Port Property Tax Cap legislation and asked members for feedback on their perception of port-related taxation as it relates to local governments.

The provincial legislation was developed in 2004 following concerns within the province related to property tax rates on terminals that was perceived as acting as a disincentive for investment in terminals. The legislation established a flat cap on the property tax rates, and the municipalities were given an annual ‘Port Competitiveness Tax Grant’ that equated to the difference between previous tax revenue and revenue under a cap (i.e. the difference in 2004). Financial compensation would not be provided as it related to new terminal investments. The capped rate is not applicable to vacant lands or non-terminal businesses (e.g. Ray Mont). Total annual revenues to the City (including capped, non-capped, govt compensation and payments in lieu of taxes) have increased from port lands to local government since 2004, increasing from approximately \$3.5 million in 2004 to \$7.5 million in 2017. Revenues from capped terminals have increased from \$1.8 million to \$2.9 million over the same period and will increase again as Fairview expansion and AltaGas terminal come onto the roll in 2018 and 2019.)

Q: Municipalities have no ability to adjust rates under the Cap?

A: Assessments fluctuate from year to year, but the capped rates are static. Industrial assessments are assessed differently than other categories and tend to reflect depreciation as opposed to market values. In other words, assessments increase when new investments are made into terminals, but tend to decline consistently after that.

COMMENTS:

- While its understood that taxes are being paid, there are less taxes being paid here than down south. The land in the lower mainland has higher assessed values and the density of

people and industrial land leads to lower property tax rates generally because the assessed base is larger. There is a perception of unfairness that the same capped rate is used here as it is in a location like North Vancouver.

- A public perception that holds locally is that if I'm doing well economically my house assessment increases and my taxes increase. If a port terminal is doing well, and their taxes are declining, how is that fair?
- There is an understanding that lower terminal tax rates stimulate investment, the economy and job growth.
- Local infrastructure seems to be in poor shape compared to other communities with strong industrial tax bases. It is a logical assumption that if taxes from the industrial tax base is being artificially constrained, the two are correlated.

Q. Didn't the City and the Port reach an agreement on payments in lieu of taxes that would provide additional revenue for local infrastructure?

A. The Port committed to the City an additional \$1.5 M above its PILT obligations to a special infrastructure fund that the City agreed to match. This fund has supported the upgrade to the pontoons for the airport ferry dock, design and engineering of the City's dam and paving 3rd and 2nd Avenue.

Q: If I make more money at work, I pay more taxes. Why is it not the same for the Port terminals?

A: Property taxes are not based on income, they are based on assessed value. Moreover, industrial property assessment is determined very differently than residential/commercial property assessment in BC. Industrial assessments reflect initial investment value and depreciate from there. Residential/commercial assessments reflect market value (i.e. the value if sold)

Q: \$3M doesn't get you much these days. If the cap was eliminated and mill rates doubled, an additional \$3M would go to the City. Would it really impact investment? Residents are shareholders in the port and its land and we need to participate in the wealth. No direct way for locals to participate other than taxes.

A. Annual property tax payments impact projected returns on investment. If returns are lowered it decreases the likelihood of investment, and history has shown this in every industry. A decrease in investment leads to decreased competitiveness in operations, less employment opportunities, and even investment in things like improved environmental

performance. It doesn't eliminate all investment, but there is a direct correlation between reduced projected returns and reduced investments.

Q: What's the cap in Vancouver

A: The maximum cap rates are the same, although some municipalities have industrial mill rates that are less because the mill rate is applied to all industrial properties, not just terminals.

Q: Does the capped rate apply to PRG and RTI? Concerns from the City before that RTI & PRG was almost bankrupt this would cause layoffs and taxes. That has changed.

A: The cap applies to all export terminals, both pre-existing and future terminals.

Q: Property tax and port revenues are a complex conversation. The Port should continue to find different ways to communicate this information and need to simplify it.

b. Dust control on Westview/CN Railyard road

Pinnacle has indicated they will be using a new dust control agent this year on the road with hopes it will be more effective.

Q: Did they look at a water-based sprinkler system?

A: They have and concluded it would be cost prohibitive.

c. Tsunami event communication

Q: Why did the Port not update their website during the Tsunami warning following the Alaska earthquake in January?

A: While noting that PRPA isn't a designated communications vehicle for public emergencies, the warning occurred at 3:00 am and was downgraded and determined not to be a threat before any communications could be implemented. The Port was in immediate contact with the City, and the Port executed its own emergency response that included Fairview & Ridley Island evacuation, and PSOC moved to higher ground.

d. Westview pump station – PRPA's pump station - water meter, backflow meter

Q: What's the building that was built on Graham Avenue by the Port?

A: The building is a shed that contains the water meter and backflow preventer for water supply to Westview. It is heated to prevent freezing and has lighting, so maintenance personnel can work inside.

e. Future Fairview Expansion:

Q: Is there consideration for future Fairview expansion to come further north?

A: DP World is conducting Geotech work as part of its future expansion investigation and are looking at northern options as part of the expansion. Northern expansion would have limitations, including maintenance of small craft harbour activities in Fairview.

Q: Will there be berth expansion to the south?

A: The current project being considered is focused on terminal land expansion, not additional marine berths.

Q: Would further expansion consider a socio-economic analysis that impacts local community such as the impact of volunteers from shift work?

A: Its unlikely that kind of impact would be regulatory, but its something we would consider discussing as a local business.

f. **Summer students:**

Q: When are summer students hired and do you hire high school students.

A: Interviewing college and university students now to start in May. Difficulty with hiring high school students is they are not available until July.

5. Next Meeting

- a. **Proposed next meeting date** – Wednesday, May 2, 2018 at the Inn on the Harbour.

The meeting adjourned at 6:28 PM.