

**Report to the Planning & Protective Services Committee
Meeting of Wednesday, January 25, 2006**

SUBJECT

Regional Context Statement for Highlands

PURPOSE

The District of Highlands has submitted a regional context statement forming chapter 10 of Bylaw No. 277, A Bylaw to Adopt the "District of Highlands Official Community Plan Bylaw No. 277, 2005", for Board acceptance (Attachment A).

BACKGROUND

Local Government Act, section 866, requires each municipality, within two years of the date of adoption, to amend its official community plan (OCP) by including an RCS. The RCS must identify the relationship between the OCP and the Regional Growth Strategy (RGS) and if applicable, specify how the OCP will be made consistent with the RGS over time. The context statement is prepared by the municipality as an amendment to the OCP. It is binding on the municipal council and therefore acts as a key implementation mechanism of the RGS. It should determine:

1. The extent to which the OCP is consistent with the RGS;
2. If it is not consistent, how the municipality intends to bring itself into consistency;
3. The elements of the RGS that *are not* applicable to the municipality;
4. The elements of the RGS that *should not* apply to the municipality; and,
5. The elements of the OCP subject to inter-municipal and regional review.

Under the Act, a municipality refers its RCS to the Board for review and acceptance. The board must respond by resolution within 120 days after receipt indicating whether or not it accepts the RCS and, if the board refuses to accept the RCS, indicating:

- a) Each provision to which it objects, and
- b) The reasons for its objection.

If the Board fails to act within the period for acceptance or refusal, the board is deemed by the Act to have accepted the RCS.

The Highlands RCS proposes the inclusion of an additional 258 hectares of land in southern Highlands within the District's existing portion of the Regional Urban Containment and Servicing Policy Area (RUCSPA) through a RGS amendment, primarily to permit the extension of regional sewer and water services to this area to serve development of lands including the proposed Highlands portion of the Bear Mountain project (Attachment B). The District's rationale for this proposal is summarized in a letter to the CRD dated November 21, 2005 (Attachment C).

ALTERNATIVES

1. That the Board refuse to accept the RCS for the reason that the proposed Highlands Servicing Boundary shown on Map 2.1 of the proposed OCP is inconsistent with the Regional Urban Containment and Servicing Policy Area boundary defined in the RGS, and notify Council and the Minister of Community Services to this effect.
2. That the Board accept the RCS and authorize inclusion of a Regional Urban Containment and Servicing Policy Area amendment to coincide with the proposed Highlands Servicing Boundary in the RGS bylaw interim update, and notify Council to this affect.

FINANCIAL IMPLICATIONS

There are financial implications for both the Regional Water Supply Commission and the Juan de Fuca Water Distribution Commission of extending water service to the District of Highlands (Attachment D). These include designating the Millstream water main as a regional main and shifting it to the asset base of the wholesale system, which would trigger a corresponding change to the water rate. Costs of upgrading the main to the Highlands boundary would have to be born either by the District of Highlands or potential developer contributions.

As noted in their submission attached, the District of Highlands considers development within the proposed Highlands Servicing Area as a way to address their concerns regarding local fiscal capacity and assessment imbalance.

REGIONAL SERVICING IMPLICATIONS

Under the RGS, the CRD can currently extend regional sewer and water service to the portion of Highlands within the RUCSPA on the east side of Millstream Road. To provide regional services to the entire proposed Highlands Service Area the CRD, to be consistent with section 865 (1) of the *Local Government Act*, would have to amend the RGS to include the entire proposed Highlands Servicing Area within the RUCSPA. Expanding the RUCSPA to include all of the proposed Highlands Servicing Area would likely require a corresponding upsizing of regional mains and trunks lines needed to service the larger area.

CRD Environmental Services notes that at present there is no additional capacity in the wastewater transmission system to accommodate development in the proposed servicing area. Should the District of Highlands not receive provincial permission for on-site sewage treatment and eventual discharge to the Millstream watershed, the service area would need to hook into the regional system either directly or through agreements with the City of Langford. This potential additional flow would likely require upgrades to the downstream trunk sewer system much earlier than currently anticipated (Attachment E).

The fiscal impact of any downstream system upgrade would be borne by the partners to the system, including the City of Langford, Colwood, and the Town of View Royal. There may also be an impact with regard to the Core Area Liquid Waste Management Plan, of which Highlands is currently not a member.

TRANSPORTATION IMPLICATIONS

Work undertaken for the District by NovaTrans Engineering (January 2005) evaluating the impact of the proposed Highlands portion of the Bear Mountain project provides an estimate of impact to 2014, the anticipated build-out year. The report suggests that 20% of the trips generated by the project would stay in within the Bear Mountain project area, rather than traveling elsewhere in the region for goods and services. Data from the 2001 Regional Origin and Destination Survey would suggest that the maximum percentage of people staying within a traffic zone may be closer to 10%, with the average percentage for all of the West Shore at 9.7%.

The impact to Millstream road by reducing the amount staying within a specific area from 20% to 10% would mean a marginal increase in trips (approximately 100 more trips than previously reported). This marginal increase plus continued traffic growth of 1 to 1.5% per annum to 2026 will require Millstream Road to be upgraded over time.

Development in the proposed servicing area would be largely auto-dependent, if it is comparable to the grades, geometric design, and subdivision layout found in the adjacent portion of the Bear Mountain project in Langford.

GROWTH MANAGEMENT IMPLICATIONS

Under the current Highlands OCP, the area west of Millstream Road proposed for inclusion in the RUCSPA is designated for rural residential development. It is located adjacent to the current RUCSPA in the City of Langford to the south and west, and to the Highlands portion of the RUCSPA on the east side of Millstream Road. The entire proposed service area is bracketed by Goldstream Provincial Park on the West and Thetis Lake Regional Park on the east.

The additional 258 hectares proposed for inclusion in the RUCSPA represents approximately 6.5% of the area (3,946 hectares) of the District of Highlands. In the regional context this would represent an increase of approximately 1.2% in the current area (16,420 hectares) of the RUCSPA.

Information provided by the District indicates that development in the area west of Millstream Road is anticipated to add approximately 100 more single detached homes than would be permitted if the area were developed under existing OCP designations (150 in total). As well, potential for 250 tourist accommodation units, 1100 square metres of commercial space near the Highlands Municipal Hall, an 18-hole golf course and ancillary facilities, and an existing 57 lot subdivision have been identified.

The RGS currently requires the District through its RCS, to generally limit development to the designated OCP capacity levels at the time of the adoption of the RGS. The proposed residential development represents an increase of approximately 15% over the District's forecast build-out under existing zoning and OCP designations of 1,001 single detached units. To put this in regional context, this represents an increase of approximately 0.15% over the RGS forecast regional total single detached/duplex units (97,700 units) to 2026.

The bulk of the land west of Millstream Road within the proposed servicing area is identified as Unprotected Green Space Policy Area in the RGS, and correspondingly included within development permit areas for steep slopes, water and riparian areas, and sensitive vegetation in the proposed Highlands OCP, as noted in the RCS. Nevertheless, significant portions of the lands within the proposed Bear Mountain Comprehensive Development designation were cleared for future fairways and building sites prior to the expiry of the RCS submission deadline on August 13, 2005, as part of work underway to develop the Highlands portion of the Bear Mountain project.

Although the RCS notes that OCP map 4.1 identifies park areas within Highlands that are not noted on RGS map 3 (having been acquired by the CRD and included within Thetis Lake Park after RGS adoption) this in itself is not an inconsistency, and would be addressed as a housekeeping amendment during the RGS interim update.

SUMMARY/CONCLUSION

Although the RGS was adopted in August 2003, the policy framework for implementation is not complete until context statements have been prepared by municipalities and accepted by the Board. Legislation provides municipalities with two years to undertake this work, during which time circumstances may change that lead a municipality to reconsider how best to implement its RGS commitments within the context of local capacity.

The District's RCS in the main is consistent with the vision of a rural Highlands set out in the RGS. Nevertheless, as is noted in the RCS, the proposal to establish a Highlands Servicing Boundary beyond the existing east Millstream industrial area is not consistent with the RGS. The District has presented a rationale for RUCSPA expansion on the basis of an identified local fiscal shortfall. This proposal in the first request the CRD has received to modify the RUCSPA boundary.

Although a regional growth management argument to expand the RUCSPA has not been presented at this time, a number of factors support consideration of this RCS proposal as a reasonable adjustment to the RUCSPA:

- 1) The proposed extension includes a number of properties, one of which (Bear Mountain) is currently subject to a development proposal for which land clearing works occurred prior to the RCS deadline of August 13, 2005 and which forms part of a larger development project currently under completion in Langford;
- 2) Regional servicing can be provided to the existing RUCSPA area in Highlands under the RGS already, and matters related to cost sharing, system upgrades and the like would have to be dealt with for this portion of Highlands in any case;
- 3) A golf course and some associated residential and commercial development serviced by groundwater sources and rural sewage treatment options could occur without an RGS amendment;

- 4) In the regional context, the proposed service area represents a fairly small increase in the area of the RUCSPA (1.2%) and in the total single detached/duplex dwelling unit forecast (0.15%) estimated in the RGS;
- 5) Impacts on the lands identified as older second growth forest in the sensitive ecosystem inventory have already occurred, and future impacts would be limited to some degree by the proposed inclusion of these lands within development permit areas within the proposed new OCP;
- 6) The District is endeavouring through rezoning and development permit processes, to secure a protected forested buffer strip along the proposed service area boundary west of Millstream Road, to tie in with the existing buffer area on the east side of Millstream Road. Securing this buffer through covenants would provide a physical expression of the RUCSPA boundary in this area, and a protected connection between Goldstream Park and Thetis Lake Park; and,
- 7) The RCS includes a policy that indicates that the District will not permit amendments to expand its servicing boundary except for the conditions permitted currently under the RGS.

RECOMMENDATION

That the Planning and Protective Services Committee recommend to the Board that:

1. the Board accept the District of Highlands Regional Context Statement, chapter 10 of Bylaw No. 277, A Bylaw to Adopt the "District of Highlands Official Community Plan Bylaw No. 277, 2005", and notify Council to this affect; and,
2. the Board direct staff to include an amendment to the Regional Urban Containment and Servicing Policy Area to coincide with the proposed Highlands Servicing Boundary in the Regional Growth Strategy bylaw interim update.

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Kelly Daniels
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Concurrence

COMMENTS: