

CAPITAL REGIONAL DISTRICT

Staff Report to the Regional Planning Committee
Meeting of Wednesday, February 20, 2002

SUBJECT:

Regional Growth Strategy Implementation - Models and Financial Implications

BACKGROUND:

- Oct. 24, 2001: The Board reviews comments received on the pre-bylaw referral of the Proposed Regional Growth Strategy (RGS) and recommendations for revision from Regional Planning Committee (RPC). The Board directs Regional Planning Services Department (RPS) to prepare a draft RGS bylaw for review by Committee of the Whole early in 2002. The Board asks the Intergovernmental Advisory Committee (IAC) for comment and recommendations on the financial implications of RGS implementation.
- Oct. 30, 2001: IAC receives the Board's referral and forms a sub-committee composed of Mark Hornell, Russ Fuoco, Mike Williams, Rob Buchan and Cynthia Hawksworth to review the four referrals and provide IAC with recommendations.
- Nov. 16, 2001: The IAC subcommittee presents their recommendations to the full committee. IAC reviews the recommendations and refers them for review and comment to the Inter-Municipal Planning Advisory Committee (IMPAC).
- Nov. 30, 2002: IMPAC reviews and discusses the matters referred by the Board to IAC and the recommendations of the IAC subcommittee. Subcommittee members Russ Fuoco, Mark Hornell, and Cynthia Hawksworth are also members of IMPAC and took part in the discussions.
- Jan. 23, 2002: Chairman Causton and Director Lowe review a RPS report for IAC on the financial implications of RGS implementation for the CRD, and request that other implementation models be developed for the Board's review, that consider reduced staffing, greater use of consultants, and a longer implementation timeline.
- Jan. 25, 2002: IAC meeting with IMPAC review and give initial feedback on three broad and preliminary implementation models for the RGS and strongly endorse CRD leadership and co-ordination role for RGS implementation.

DISCUSSION:

On October 24, 2001 the CRD Board passed the following motion:

That IAC be directed to investigate, estimate and report on the financial implications for all member municipalities and the CRD of implementing the RGS and to report also on the priority of implementation actions, for circulation with the RGS bylaw after 2nd reading.

This resolution stemmed from concerns raised by several municipalities regarding the potential costs to the regional district and member municipalities implicit in the RGS, and the fact that no comprehensive assessment of these costs had yet been done. The IAC and IMPAC, as noted in the Minutes of their joint meeting on January 25th (Attachment A), have discussed the limitations to undertaking a full cost assessment of the financial implications of the adoption and implementation of the RGS.

The purpose of this report is to estimate where possible, the observable and potential financial implications for the regional district of the adoption and implementation of the RGS. The report does this by presenting three general RGS implementation management models and estimating the financial impacts that accrue to each under the implementation schedule currently proposed, and under a slower schedule phased over a longer time frame.

Before considering implementation model options, the report will summarize the implementation program currently proposed in the draft RGS Bylaw, including rough estimates of financial implications for the CRD where possible.

Ongoing Maintenance of the RGS Program - A Baseline Estimate

The Draft RGS Bylaw No. 2952 will be reviewed by Committee of the Whole on February 27, 2002. If the Committee finds the draft RGS acceptable and proceeds with a fast track process, 1st and 2nd reading and public hearing could be complete by mid-April 2002. Assuming a successful statutory referral process with member councils, where no significant disputes arise, the draft RGS bylaw could be ready for adoption on August 14, 2002.

This will effectively conclude the *Foundations for Our Future* process. The RGS will be complete and in place as a regional policy. However, the RGS will only have effect if it results in action consistent with its content and aims. As such, as with an official community plan, there is a minimum level of staffing and effort required for the maintenance of the RGS program.

The **core-budget for the program**, including salaries & benefits, operating expenditures and internal allocations **is estimated at approximately \$235,000 per annum**. This estimate does not include one-time single supplementary items related to strategic initiatives or the statutory five-year update of the RGS. Nevertheless, it is 36% less than the mean 5-year (96-01) actual RGS budget of \$366,386 per annum. This estimate assumes that implementation would proceed

to the five-schedule and with the full package of initiatives and actions currently described in draft RGS Bylaw No. 2952. RPC approved this core budget for 2002 on November 21, 2001. Committee of the Whole subsequently gave the 2002 RGS budget provisional approval on January 23, 2002.

Core Implementation Measures Currently Under Way and Planned

Four implementation measures establish the core institutional mechanisms at the regional and local level required by statute to give the RGS effect. These include:

1. Preparation of a **Master Implementation Agreement** working with member municipalities and participating agencies of government. Ongoing component of reviewing and update of RGS to reflect changes in local OCPs, as well as components regarding best practices for the delivery and management of environmental services and integrated watershed management.
Timeline: completion by end of Summer 2004.
Estimated cost to CRD: included in core program cost.
2. Preparation and ongoing implementation of a **RGS Monitoring Program**, including publication of annual monitoring reports as required by statute.
Timeline: estimated completion - Summer 2003 and ongoing on an annual basis.
Estimated cost to CRD: Included in core program cost, plus single supplementary costs for data acquisition and development unknown at this time.
3. Preparation, negotiation and adoption of **Regional Context Statements** for all 13 member municipalities as required by statute.
Timeline: estimated completion - Summer 2004.
Estimated cost to CRD: included in core program cost.
4. Preparation and adoption of a CRD **Corporate Implementation Strategy**, to permit the CRD to demonstrate compliance with statute as regards implementation of the RGS.
Timeline: estimated completion - Summer 2003.
Estimated cost to CRD: included in core program cost; costs to other CRD departments unknown but would consist in some dedicated staff time and budget to support process at Department Head level.

In addition to these core initiatives, recently the Board initiated three key RGS implementation measures:

5. Participation in the preparation of the **Regional Transportation Strategy (RTS)** - although BC Transit is leading this project, it requires participation of RPS staff for technical, policy and process input throughout. Preparation of the strategy is expected to take about 12 - 18 months. Subsequent implementation measures include incorporating key components into the RGS through an interim update, as well as other implementation measures that are unknown at this time.
Timeline: estimated strategy completion - possibly 1st or 2nd quarter 2003

- Estimated cost to CRD:** included in core program cost plus \$80,000 in one time financial contribution to overall project costs. Future costs associated with ongoing funding and governance of transportation planning and service delivery that may be proposed in the RTS are unknown at this time.
6. Leadership of the **Regional Housing Affordability Strategy (RHAS)** process and the subsequent interim RGS amendment process to incorporate it into the RGS
Timeline: estimate strategy completion - 1st quarter 2003
Estimated cost to CRD: included in core program cost, plus \$50,000 as a one-time financial contribution to overall project costs. Future costs associated with ongoing participation in housing affordability partnership proposed in the RHAS are unknown at this time.
 7. Participation on the project management team of the **Regional Economic Development Strategy (REDS)** and subsequent process to amend the RGS to incorporate key elements.
Timeline: estimate strategy completion - 1st quarter 2003.
Estimated cost to CRD: included in core program cost, plus \$35,000 as a one-time financial contribution to overall project costs. Future costs associated with ongoing participation in regional economic development partnership proposed in the REDS that are unknown at this time.

Remaining Implementation Measures Proposed in draft RGS Bylaw No. 2952

The RGS contains a number of additional implementation initiatives. These include:

1. Two phase **interim update of the RGS** to define a regional urban containment and servicing area in the District of Sooke and the Juan de Fuca Electoral Area, and incorporate revisions stemming from the regional strategies for transportation, housing affordability, and economic development.
Timeline: estimated completion of both phases - Spring 2006.
Estimated cost to CRD: included in core program cost plus single supplementary costs related to amendment process and consultation unknown at this time.
2. Develop **partnerships with the nine First Nations Councils** in the Capital Region that will lead to their ultimately joining the RGS as full partners.
Timeline: estimated completion currently unknown but perhaps targeted in time for the first 5-year update, in 2007.
Estimated cost to CRD: included in core program cost plus single supplementary costs related to consultation unknown at this time.

3. **Ongoing co-ordination with the Cowichan Valley Regional District and the Islands Trust** to ensure that long term planning in those jurisdictions is compatible with the CRDs growth strategy.
Timeline: ongoing as needed but participation could increase if federal funding for a Vancouver Island transportation demonstration project is approved.
Estimated cost to CRD: included in core program cost.
4. Leadership or participation in study process to **review of long term strategic resource needs** for the Capital Region, including assessment of needs for aggregate, water, food, and energy and possible regional aggregate strategy.
Timeline: estimated completion - Summer 2005.
Estimated cost to CRD: included in core program cost plus single supplementary costs to undertake the project unknown at this time.
5. **Statutory 5-year review** of the Regional Growth Strategy, required to be undertaken every five years, similar to the requirements for OCP reviews.
Timeline: estimated completion - Fall 2008.
Estimated cost to CRD: included in core program cost plus single supplementary costs to undertake the statutory review unknown at this time.
6. RPS will also participate in and/or provide co-ordination for continuity of several other RGS related initiatives that may be undertaken by others. This participation would be funded from its core program. Costs to other departments for these initiatives are unknown at this time. Initiatives include:
 - **review of major CRD policy documents** for consistency with RGS on a board directed basis;
 - **Coastal Zone Management Plan** for the Capital Region led by the Provincial and Federal governments;
 - **implementation agreement** of policies and targets **regarding regional air quality, environmental contaminants, and energy efficiency** led by CRD Environmental Services; and,
 - **five-year review of the Regional Green/Blue Spaces Strategy** led by CRD Parks and the Provincial Capital Commission (see other report on this agenda).

The general 5-year implementation schedule for all of these actions and initiatives proposed in draft RGS bylaw No. 2952 is shown in Attachment B, which also presents an alternative implementation schedule phased over 8 years, prepared in response to a request from Chairman Causton and RPC Chair Lowe.

Optional RGS Implementation Models for Consideration

As requested, by Chairman Causton and RPC Chair Lowe, RPS has developed six implementation options (based on 3 management models and 2 implementation timelines) that consider reduced staffing, greater use of consultants, greater reliance on member municipalities and a longer implementation timeline. Attachment C presents a table that briefly describes and contrasts the six options.

As noted under item 4.2 in Attachment A, IAC and IMPAC reviewed preliminary outlines of the three management models for RGS implementation described in Attachment C. Briefly, the three models are:

- A. CRD RPS continues to co-ordinate and lead the RGS process, undertaking the responsibility for project direction and serving as the primary technical and policy resource for the RGS, with IAC and IMPAC continuing to serve primarily an advisory and stakeholder discussion and buy-in role - RPS staffing includes a Senior Planner and Planning Analyst;
- B. CRD RPS and member municipalities and agencies (the membership of IAC) jointly share the leadership and co-ordination of the RGS process, with RPS serving a more limited co-management and technical and policy support role, with IAC and IMPAC taking on greater responsibility for project leadership and working group participation in policy and technical work - RPS staff includes a Senior Planner; and,
- C. Municipalities and agencies lead and co-ordinate the process with IAC and IMPAC assuming full leadership of the project and reporting directly to RPC and the Board, and with RPS serving a largely technical/secretariat and contract management support role - RPS staffing includes a Planning Analyst or no full time dedicated staff.

IAC had serious concerns about the practicality of management model options B and C and passed the following resolution in support of continuing with option A:

MOTION by Gary Nason, **SECONDED** by Joe Calenda that the Intergovernmental Advisory Committee endorse Option A, unless the Board is prepared to reduce the implementation schedule or push back the timeline. **MOTION CARRIED UNANIMOUSLY.**

The RGS implementation options presented (identified by the letter of the management model and the number of years for implementation) assume continuing with the full slate of actions and initiatives proposed in the draft RGS bylaw, but according to the currently proposed (5-year) and a longer (8-year) timeline. As a general rule, the greater the reduction in the role, staffing and resources of RPS, the greater the increase in corresponding demand placed directly on municipal and agency staff and budgets, although the exact amount has not been determined at this time. A comparison of the evident *pros* and *cons* of the six options is summarized as follows:

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Option	Pro:	Con:
A-5	<ul style="list-style-type: none"> • Experienced leadership & continuity • Resources to do the job • One stop shop for project • Effective and timely implementation • Maintains existing relationships and roles • No increase in demand on municipalities and agencies • Core budget = 36% lower than mean 5-year (96-01)average RGS budget 	<ul style="list-style-type: none"> • Front loads implementation costs into first 5 years • Highest CRD budget demand of six options
A-8	<ul style="list-style-type: none"> • Experienced leadership & continuity • RPS fully resourced to do the job • One stop shop for project • Maintains existing relationships and roles • Core budget = 36% lower than mean 5-year (96-01)average RGS budget • Spreads project costs out over longer time frame • Reduced demand for single supplementary budget • Slightly reduced demand on municipalities and agencies 	<ul style="list-style-type: none"> • Spreads implementation of initiatives over a longer time frame • Second highest CRD budget demand of six options
B-5	<ul style="list-style-type: none"> • Experienced leadership & continuity • Reduced but reasonable RPS resources for the job • Limited demand for single supplementary budget • Core budget = 36% lower than mean 5-year (96-01)average RGS budget • Maintains timely implementation • Good consultant budget 	<ul style="list-style-type: none"> • Possible confusion as to roles and leadership of project • Increased reliance on consultants with corresponding lack of continuity and contract management demands • Reduced effectiveness of implementation • Increased demand on senior municipal and agency staff • Change of advisory committee role to working role
B-8	<ul style="list-style-type: none"> • Experienced leadership & continuity • Core budget = 43% lower than mean 5-year (96-01)average RGS budget • Reduced but reasonable resources for the job • Fair consultant budget • Limited demand for single supplementary budget 	<ul style="list-style-type: none"> • Spreads implementation of initiatives over a longer time frame • Possible confusion as to roles and leadership of project • Increased reliance on consultants with corresponding lack of continuity and contract management demands • Reduced effectiveness of implementation • Increased demand on senior municipal and agency staff • Change of advisory committee role to working role
C-5	<ul style="list-style-type: none"> • Good technical support and continuity • Secretariat support for working committees • Good consultant budget • Core budget = 45% lower than mean 5-year (96-01)average RGS budget • Limited demand for single supplementary budget 	<ul style="list-style-type: none"> • Heavy demand on municipalities and agencies for leadership and work • Limited policy development and leadership capacity in RPS • Possible confusion as to roles and leadership of project • Increased reliance on consultants with corresponding lack of continuity and contract management demands • Significant challenges to effectiveness of implementation
C-8	<ul style="list-style-type: none"> • Some project continuity at Director level in RPS • Limited secretariat support for working committees 	<ul style="list-style-type: none"> • Heavy demand on municipalities and agencies for leadership and work • Some leadership capacity in only RPS • No technical/research capacity in RPS

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Option	Pro:	Con:
	<ul style="list-style-type: none">• Good consultant budget• Core budget = 50% lower than mean 5-year (96-01) average RGS budget	<ul style="list-style-type: none">• Possible confusion as to roles and leadership of project• Increased reliance on consultants with corresponding lack of continuity and contract management demands• Significant challenges to effectiveness of implementation with staff resource constraints.

In summary, options A-5 and A-8 would see no increase or a slight reduction in the amount of municipal/agency staff time dedicated to the RGS project. Options B-5, B-8, C-5 and C-8 all would require increased demand on municipal and agency senior staff time commitment, with corresponding dedications of junior and technical staff time and budget very likely.

Options A-5 and A-8 would see the maintenance of the existing RPS staff complement (filling the two vacant positions) and the core budget described earlier in the report. Under Options B-5 and B-8 RPS would fill the Senior Planner position and divert all or a portion of the Planning Analyst salary to the RGS consultant account. Under Options C-5 and C-8, the Senior Planner position would be eliminated with all or part of the salary diverted to the consultant account. Under Option C-8 there would be no full time dedicated staff to the RGS project, with part of the salary savings diverted to the consultant account.

In the interest of furthering timely and effective implementation of the RGS program, RPS supports implementation options based on management model A.

RECOMMENDATION:

That Regional Planning Committee recommend to the Board that implementation of the Capital Regional District Regional Growth Strategy proceed following implementation option A-5.

Mark Hornell, MCIP
Director - Regional Planning Services

EXECUTIVE DIRECTOR'S COMMENTS:

W.M. Jordan, Executive Director
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