



# FISCAL IMPACT ANALYSIS PROPOSED ANMORE SOUTH DEVELOPMENT

# Fiscal Impact of Proposed Anmore South Development

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For:

icona Properties

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# EXECUTIVE SUMMARY

This report summarizes the projected fiscal impact of the proposed Anmore South development on the Village of Anmore. The analysis is based on a similar approach used in the Village's 2013 Financial Sustainability Plan, which was also prepared by Vann Struth Consulting Group.

The analysis compares two alternative scenarios: (1) **Anmore's current financial situation**, based on the 2021 budget as outlined in the Village's draft Five-Year Financial Plan for 2021 to 2025; and (2) An alternative scenario that imagines that **Anmore South is fully built** today.

This approach means that all current tax and fee rates, grant funding formulas, and other revenue and cost ratios are in effect, unless otherwise noted. It allows for a simple and straightforward comparison of Village of Anmore finances with and without Anmore South by eliminating the uncertainty of the timing of development, cost inflation over time, changing Village priorities, and initiatives and other developments that are unrelated to Anmore South.

**TABLE I - NET FISCAL IMPACT OF ANMORE SOUTH**

COST ITEM	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH
TOTAL REVENUE	\$3,724,834	\$8,006,794	\$4,281,960
TOTAL VILLAGE OF ANMORE COSTS	\$2,427,074	\$4,709,714	\$2,282,640
<b>Net</b>	<b>\$1,297,760</b>	<b>\$3,297,079</b>	<b>\$1,999,319</b>
Fire Service Costs (Operation + Capital Amortization)	\$368,701	\$1,666,890	\$1,298,189
<b>Net (Including Fire Service Costs)</b>	<b>\$929,059</b>	<b>\$1,630,190</b>	<b>\$701,131</b>

As shown in the table above, the net impact on Village finances from Anmore South is significantly positive. Revenues are projected to increase by \$4.3 million, which is more than double their current level, while Village costs increase by \$2.3 million. **This creates a net improvement of \$2 million per year in Village finances.**

While not a Village responsibility, costs for the regional Sasamat Fire Department (SFD) are projected to increase fourfold, which reduces the net benefit to Village taxpayers (who support the SFD through regional district taxes) to a still significant \$700,000 per year. This is equivalent to a nearly 30% increase in municipal property taxes! These funds expand the financial options open to the Village, ranging from the creation of new or improved services to accelerating the renewal of Village infrastructure to reducing taxes.

This analysis includes both annual operating cost increases for the Village as well as the annual lifecycle costs for new infrastructure. It does not include any impacts from a proposed recreation centre at Anmore South (details of which are still under development and may include tools to eliminate any net financial impact on the Village). It is also assumed that off-site water and sewer infrastructure, such as new trunk lines connecting to the regional system, will not be owned by the Village and will not affect Village finances.

# 1 INTRODUCTION

This report summarizes an analysis of the fiscal impact of the proposed Anmore South development on the Village of Anmore.

The analysis is designed to test the financial feasibility of the project from the Village perspective and is based on a similar approach used in Anmore's 2013 Financial Sustainability Plan, also prepared by Vann Struth Consulting Group.

## Approach

The analysis compares two alternative scenarios:

- First is **Anmore's current financial situation**, based on the 2021 budget as outlined in the Village's draft Five-Year Financial Plan for 2021 to 2025.<sup>1</sup>
- Second is an alternative scenario that imagines that **Anmore South is fully built** today. This means that all current tax and fee rates, grant funding formulas, and other revenue and cost ratios are in effect, unless otherwise noted. In some cases, new revenue and cost items or modified versions of current rates or formulas are introduced to the analysis based on the scale of the Anmore South development.

This approach allows for a simple and straightforward comparison of Village of Anmore finances with and without Anmore South. It eliminates the uncertainty of the timing of development, cost inflation over time, changing Village priorities and initiatives that are unrelated to Anmore South, and the impact of other development elsewhere in the community.

The analysis was prepared based on project information provided by the landowners, icona Properties and their team of consultants. Village of Anmore staff provided select financial information on request and guidance on several topics and additional information was sourced from the Province of BC and by researching the example of other Metro Vancouver municipalities.

## Project Overview

Specific assumptions and data sources required for each type of analysis are specified in each section of the report. An overview of the planned development is shown in TABLE 1.

The total developed area is expected to be 4 million square feet (SF). Most development is residential, except for 100,000 SF of ground floor commercial uses (which may include retail shops, restaurant, brewery, farmers markets, or various support services) and a recreation centre that is still in the planning stage.

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<sup>1</sup> The draft Five Year Financial Plan was included in the February 1, 2021 Finance Committee agenda package. Using the draft Five Year Financial Plan as the baseline document for the analysis was the recommended approach by Village staff in a previous version of this study in 2019.

The composition of the development as outlined below is preliminary.

**TABLE 1. ANMORE SOUTH DEVELOPMENT OVERVIEW**

	COMMERCIAL	RESIDENTIAL	RECREATION CENTRE
Gross Developed Floor Area (square feet)		----- 4 million SF -----	
.... less Common Area Factor (hallways, entryways, mechanical rooms, other common areas)		----- 15% -----	
<b>Net Floor Area</b>	<b>100,000 SF</b>	<b>3.3 million SF</b>	<b>To be determined</b>
...Apartment Units Ranging from 1 to 3 bedrooms (average size of 950 SF)		~ 3,100 units (3.0 million SF)	
...Townhouse Units (average size of 2,000 SF)		~ 160 units (300,000 SF)	
...Ground Floor Non-Residential	100,000 SF		25,000 SF (assumed for analysis)

**Report Structure**

The key assumptions underlying Village revenue calculations are shown in Section 2 and key assumptions underlying Village cost calculations are shown in Section 3.

Section 4 provides a summary of the net fiscal impact on the Village while detailed revenue and cost assumptions can be found in the Appendix.

## 2 REVENUE IMPACTS

The Village of Anmore's draft 2021-2025 Financial Plan listed more than 20 separate revenue sources (some of which are expected to provide no revenue in 2021). The revenue sources that are impacted by the Anmore South development are highlighted in Table 2.

Estimated Village revenue if Anmore South were built today is about \$8 million, representing a more than 100% increase from the current \$3.7 million. Based only on municipal property taxes (including the Fixed Asset Levy that is used to support long-term infrastructure renewal), revenue would increase from \$2.4 million to \$6.1 million.

Details on the assumptions underlying each revenue calculation are provided beneath the table.

**TABLE 2. SUMMARY OF NET REVENUE IMPACTS FROM ANMORE SOUTH**

REVENUE ITEM	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH
MUNICIPAL TAXES (including FIXED ASSET LEVY)	\$2,445,754	\$6,096,348	\$3,650,594
GRANTS IN LIEU	\$116,080	\$623,672	\$507,592
SMALL COMMUNITY GRANT	\$350,000	\$417,901	\$67,901
PENALTIES & INTEREST	\$20,000	\$63,728	\$43,728
BUSINESS LICENCE FEES	\$16,320	\$63,720	\$47,400
DOG LICENCE FEES	\$2,500	\$12,380	\$9,880
MISCELLANEOUS INCOME	\$15,000	\$31,465	\$16,465
Other items unaffected by Anmore South	\$697,580	\$697,580	\$0
<b>TOTAL REVENUE</b> <b>(Excluding amortization of capital assets)</b>	<b>\$3,724,834</b>	<b>\$8,006,794</b>	<b>\$4,281,960</b>

### Municipal Taxes (Including Fixed Asset Levy)

Based on the estimated value of new residential and commercial properties once Anmore South is fully built<sup>2</sup>, the estimated increase in municipal property tax revenue is \$3.65 million per year.

Anmore's 2021 municipal tax rate for both residential and business properties, including the Fixed Asset Levy, is \$1.5315 per \$1,000 of assessed value. With new commercial development at Anmore South, the Village may consider increasing its business tax rate in the future, but to be conservative in this analysis, the business tax rate is maintained at the same level as the residential rate.

<sup>2</sup> Estimated assessed values are based on a preliminary hedonic pricing analysis using unit values from a sample of comparable townhouse, apartment and commercial developments in neighbouring Port Moody and Coquitlam.

## Grants in Lieu

Grants in lieu are paid to the Village by utility and telecom companies based on 1% of their gross revenue from Anmore accounts. Given that Anmore South apartment units will be smaller, on average, than Anmore's current stock of single-family homes, the per-unit revenue for apartments is assumed to be only 75% as large as the current per-unit revenue.

Future grants in lieu are calculated on the basis of this smaller per-unit value and the revenue increase is about \$624,000 per year.

## Provincial Small Community Grant

The BC government provides a Small Community Grant to smaller municipalities based on a formula that includes population and average assessed values. The formula includes the following elements:

- Base amount of \$200,000
- \$50 per resident (based on a three-year rolling average from BC Stats annual population estimates), up to a population of 5,000
- Reduction of \$25 per resident for population higher than 5,000
- Additional \$50,000 that is adjusted higher or lower based on the municipality's average property assessment per capita (also calculated based on a three-year rolling average). Municipalities with per capita assessment higher than the Provincial average, such as Anmore, have this portion of their grant reduced.

The population part of Anmore's grant will increase as the community's population grows to 5,000 and then declines gradually after 5,000. Anmore South will house an estimated 5,800 people, increasing the Village's population to about 8,200. The net effect from the population calculation is a significant increase in Anmore's grant.

The assessment part of the calculation also creates an increase. Per capita assessment from Anmore South properties will be significantly lower than the current situation (Anmore's current per capita assessment is about 85% higher than the BC average). This will create a modest increase in the assessment portion of the Small Community Grant calculation.

Taken together, Anmore's Small Community Grant is estimated to increase from the current \$350,000 to \$418,000, representing a net increase from Anmore South of \$68,000 per year.

## Penalties & Interest

Penalties and interest revenue is received by the Village from delinquent taxes and fees. This is assumed to grow in proportion to households, but at only half the rate (because taxes owing on lower-value apartment units will generate lower penalty and interest charges). The projected impact is an additional \$16,000 per year.

## Business Licenses

The calculation of business license revenue requires assumptions about population and new businesses. It is estimated that about 5,800 people will live in Anmore South and there will be an estimated 315 businesses, most of which will be home-based. This is based on an average unit size of 5,000 SF for



ground floor commercial units (supporting 20 businesses) and approximately 300 home-based businesses.

The home-based business count is based on the rate of home-based employment in Port Moody from the 2016 Census (which is the best comparable to Anmore given its high share of apartment development). Half of home-based employment is assumed to be an independent business (the other half are home-based workers for a business located elsewhere). The 2016 rate is also increased by 25% to account for likely COVID-influenced changes in home-based employment patterns going forward.

The current default business license fee in Anmore is \$110, with several identified categories ranging up to \$400. Most retail and service businesses that would locate at Anmore South are not contemplated in the current Business License schedule, but some are likely to generate a charge greater than the default.

For purposes of this analysis, the average business license cost is set at \$150. This yields an estimated increase in business license revenue of \$47,000 per year.

### **Dog License Fees**

Historic Vancouver data (from 2006) suggests that the number of licensed dogs is equal to 11% of households. This is different than the actual rate of dog ownership, which is higher.

For Anmore, it is assumed that 10% of new households will have licensed dogs and the average license fee is \$30. This creates a net revenue impact of about \$10,000 per year.

### **Miscellaneous Income**

Various administrative fees are charged for record searches, printed copies of reports and address changes. They are assumed to generate \$5 per capita for new residents of Anmore South and the net impact is about \$29,000 per year.

### **Other Comments**

All other revenue items are assumed to be unaffected by Anmore South. This includes solid waste services, which are assumed to be fully self-funded by on-site residents, either directly through a private service or through an arrangement with the Village. In either case the net financial impact on the Village is assumed to be \$0.

The analysis does not include one-time Village revenues from development and construction due to them not occurring only once while the focus of the analysis is the long-term balance between Village revenues and costs.

Total revenues are shown excluding amortization. This is included in the Village's financial statements to reflect the current value that is received from existing capital assets and is offset by an equivalent amortization cost. It is simply an accounting figure that does not represent actual revenue and is excluded from the calculations in this report (although amortization costs of newly built infrastructure are included in the cost analysis in Section 3 as they are a real cost increase for the Village).

## 3 COST IMPACTS

The Anmore Financial Plan contains about 120 individual cost items. Some Village costs will be directly affected by Anmore South while others will be affected only in a minor way or not at all.

The estimation of Village costs with Anmore South is based on assigning each cost item to one of the following categories:

- No impact – Anmore South is not expected to have any impact on Village costs.
- Indirect impact – These are items that not directly affected by Anmore South, but are indirectly affected by the growth of population and households in the community. These costs are projected to increase with the number of households or population, but only at 10% of the current per-household or per-capita rate.
- Proportional impact – Certain other costs are assumed to increase in proportion to the number of households or population, but usually at a lower per-household or per capita rate. For example, a current cost that is \$100 per household might be assumed to apply to Anmore South at 50% the per-household rate, or \$50 for each new household. The reason for lower rates for Anmore South is that many costs have a fixed component that is unaffected by growth, but also because apartment and townhouse units are smaller, lower-value, and typically with lower demands for supporting infrastructure and services compared to Anmore’s current development, which is characterized by large single-family homes on large lots.
- Specialized impact – Some costs require a special analysis, the details of which are explained in the corresponding section throughout the report.

Table 3 on the next page provides a summary of the Anmore South cost impacts by category, followed by a discussion of the major assumptions underlying the cost analysis. A more detailed list of all individual cost items is in the appendix.

**TABLE 3. SUMMARY OF NET COST IMPACTS FROM ANMORE SOUTH**

<b>COST ITEM</b>	<b>2021 FINANCIAL PLAN</b>	<b>WITH ANMORE SOUTH</b>	<b>NET IMPACT OF ANMORE SOUTH</b>
GENERAL GOVERNMENT - COUNCIL	\$167,320	\$204,964	\$37,644
GENERAL GOVERNMENT - CAO	\$272,624	\$272,624	\$0
GENERAL GOVERNMENT - SUPPORT SERVICES	\$170,100	\$244,481	\$74,381
GENERAL GOVERNMENT - EVENTS	\$26,560	\$32,918	\$6,358
GENERAL GOVERNMENT - HR	\$6,390	\$8,744	\$2,354
GENERAL GOVERNMENT - MUNICIPAL HALL	\$201,440	\$289,525	\$88,085
GENERAL GOVERNMENT - LEGISLATIVE SERVICES (includes \$6,000 in extra costs for 2021 to represent the average annual cost of an election)	\$143,010	\$204,627	\$61,617
GENERAL GOVERNMENT - FINANCE & IT	\$248,020	\$355,722	\$107,702
GENERAL GOVERNMENT - PLANNING & DEV.	\$136,010	\$194,618	\$58,608
GENERAL GOVERNMENT - BUILDING & BYLAWS	\$240,550	\$345,121	\$104,571
PUBLIC WORKS	\$238,550	\$295,656	\$57,106
PUBLIC WORKS - YARD	\$15,300	\$18,963	\$3,663
PUBLIC WORKS - VEHICLES & EQUIPMENT	-\$28,900	-\$5,919	\$22,981
PUBLIC WORKS - LRN ROADS	\$84,900	\$105,224	\$20,324
PUBLIC WORKS - DRAINAGE	\$13,500	\$16,732	\$3,232
PUBLIC WORKS - PARKS & TRAILS	\$51,500	\$63,828	\$12,328
NEW PUBLIC WORKS COSTS - OFF-SITE	\$0	\$0	\$0
NEW PUBLIC WORKS COSTS - ON-SITE	\$0	\$161,782	\$161,782
PUBLIC WORKS - MRN ROADS	\$253,000	\$253,000	\$0
FISCAL SERVICES (not including amortization)	\$2,700	\$3,881	\$1,181
SOLID WASTE	\$184,500	\$184,500	\$0
Police Service Costs	\$0	\$742,025	\$742,025
ANNUAL LIFECYCLE COSTS FOR NEW INFRASTRUCTURE	-	\$716,700	\$716,700
<b>TOTAL COSTS (Including amortization of new infrastructure only)</b>	<b>\$2,427,074</b>	<b>\$4,709,714</b>	<b>\$2,282,640</b>
Fire Service (Annual Operating paid by Anmore residents)	\$368,701	\$1,566,890	\$1,198,189
Annual Lifecycle Costs of New Fire Service Assets (Anmore share)	\$0	\$100,000	\$100,000
<b>TOTAL COSTS (with Fire Service)</b>	<b>\$2,795,775</b>	<b>\$6,376,604</b>	<b>\$3,580,829</b>

### General Government

Table 4 shows 10 separate General Government categories that cover about two-thirds of all cost items in the Financial Plan. Most of these individual cost items are either unaffected by Anmore South or are only indirectly affected (see the Appendix for the specific assumption for each cost item). The cumulative cost increase across all General Government categories is 34%, or about \$540,000.

### Public Works for Existing Built Area

The impact of Anmore South on public works costs relating to Anmore's existing infrastructure and facilities is indirect. There will be additional usage of roads, trails and public facilities and consequently a marginal increase in operating and maintenance costs, based on 10% of the current per capita rate.

No additional costs are associated with extra maintenance of Anmore's regional Major Road Network roads, which would be offset by an equivalent increase in the TransLink grant for maintenance.

### Public Works for New Infrastructure

There is a modest increase for annual maintenance costs for new infrastructure constructed onsite (roads, multi-use paths and underground water and sewer pipes). This is based on the estimated increase in the length of roads and underground servicing of about 16% relative to the length of Anmore's current infrastructure.<sup>3</sup>

Costs related to off-site infrastructure (primarily water and sanitary mains) are not included in this analysis as they are assumed to be regional assets and will not affect the Village budget. This includes a **likely benefit to the Village's Water Utility budget** by mitigating the need for Anmore to purchase water from the City of Port Moody.

### Fiscal Services

The Fiscal Services category includes minor costs for bank charges (that are assumed to increase with more households), as well as the amortization of current capital assets that is balance by identical amortization revenue and is not shown in this analysis.

### Solid Waste

There is assumed to be no change to the Village's Solid Waste costs. As noted under the Revenue section, solid waste services are assumed to be fully self-funded by Anmore South residents, either directly through a private service or through an arrangement with the Village. In either case the net financial impact on the Village is assumed to be \$0.

### Police Service Costs

As a municipality with a population under 5,000, policing in Anmore is currently provided by the RCMP and funded by the federal government. The Anmore South development will cause Anmore's population to exceed 5,000, which means the municipality will become responsible for paying 70% of its policing costs.

Current policing costs (not paid by the Village) are just under \$250,000 per year. This represents about \$104 per capita. With Anmore South, policing costs are assumed to increase in proportion to population, plus an extra 25% is added to the per capita cost to recognize the addition of

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<sup>3</sup> To be exact, the Ministry of Municipal Affairs and Housing reports that Anmore has 20 km of roads and 23 km of underground servicing. The length of both road and underground pipes on Anmore South is an estimated 3.5 km, representing an 18% increase in Anmore's total road length and a 15% increase in the total length of underground servicing.

commercial areas to Anmore that may require additional police resources (for investigating theft, vandalism, etc.). The revised per capita cost for purposes of estimating future costs is set at \$129, of which 70% is the responsibility of the Village (or \$91 per capita).

With a total population of 8,200 with Anmore South, the Village's policing costs will be an estimated \$742,000 per year.

### **Fire Service Costs**

Fire service in Anmore is provided by the volunteer Sasamat Fire Department (SFD), which is a Metro Vancouver service shared between Anmore and Belcarra and funded through the regional district property tax. Costs are shared between Anmore and Belcarra taxpayers based on each municipality's share of total property assessment (which is 70% Anmore/30% Belcarra in 2021).

SFD's total budget in 2021 is about \$524,000 and Anmore taxpayers cover 70% of this cost, or \$369,000. This is about \$153 per capita for Anmore residents.

To account for staffing, training and capital spending increases that are required to provide fire service to the higher buildings at Anmore South, Anmore's per capita cost is assumed to increase by 25%, to \$191 per capita.

Estimated fire service costs borne by Anmore taxpayers with the addition of Anmore South is \$1,567,000, representing an increase of \$1.2 million per year. This cost is not part of Village finances but is funded through the property tax and represents taxing room that is not available to the Village.

### **Lifecycle Costs of New Infrastructure**

Any new local government infrastructure that is built for Anmore South creates a responsibility for maintaining and eventually replacing the asset. This is reflected in the current budget by estimating the "average annual lifecycle cost" of each new capital asset, which includes the estimated replacement cost of the asset, plus any significant maintenance or refurbishment costs that are anticipated (not including regular operating and maintenance costs that are reflected elsewhere in the operating budget), all divided by the expected useful life of the asset.

These calculations for each new local government capital asset at Anmore South are shown in Table 4. Note the replacement cost for some assets is set at a lower level than the initial capital cost – this reflects the fact that rebuilding a road is less expensive than building the road initially, for example.

The "extra maintenance cost" for roads is for a major resurfacing at some point during the road's total useful life. The estimated useful life for each asset is based on Anmore's current schedule for depreciating tangible capital assets.

The table also includes estimated capital costs for the Sasamat Fire Department. The \$1 million in capital costs is a broad estimate that includes a new fire truck as well as additional equipment purchases. It is depreciated over a relatively short timeframe of 10 years. Even though these costs are not part of the Village budget, it is assumed that because they are created by Anmore South development that they will be recovered from Anmore taxpayers through the regional district tax.

**TABLE 4. AMORTIZATION CALCULATIONS FOR NEW CAPITAL ASSETS (CURRENT DOLLARS)**

NEW CAPITAL ASSET	LENGTH (M)	COST PER METRE	INITIAL CAPITAL COST	REPLACE-MENT COST RATIO	REPLACE-MENT COST	EXTRA MAIN-TENANCE COST	TOTAL LIFECYCLE COST	USEFUL LIFE (YEARS)	AVERAGE ANNUAL LIFECYCLE COST
Roads	3,500	\$4,500	\$15,750,000	30%	\$4,725,000	\$1,260,000	\$5,985,000	30	\$199,500
Underground servicing	3,500	\$5,400	\$18,900,000	100%	\$18,900,000		\$18,900,000	50	\$378,000
Multi-Use Paths	3,000	\$1,500	\$4,500,000	50%	\$2,250,000	\$540,000	\$2,790,000	30	\$93,000
Trails (Basic)	6,000	\$200	\$1,200,000	75%	\$900,000	\$24,000	\$924,000	20	\$46,200
<b>Total (Village Only)</b>			<b>\$40,350,000</b>		<b>\$26,775,000</b>	<b>\$1,824,000</b>	<b>\$28,599,000</b>		<b>\$716,700</b>
Fire Department Equipment			\$1,000,000	100%	\$1,000,000		\$1,000,000	10	\$100,000
<b>Total (including Fire)</b>			<b>\$41,350,000</b>		<b>\$27,775,000</b>		<b>\$29,599,000</b>		<b>\$816,700</b>

The calculations in Table 4 show that the average annual lifecycle cost for new capital assets at Anmore South is an estimated \$717,000 for Village assets and an extra \$100,000 per year for fire service equipment (not part of the Village budget).

#### Cost Factors Not Included in the Analysis

Several possible costs are not included in the analysis:

- Recreation centre.** A public recreation centre is part of the preliminary development plans that would serve Anmore South residents and the entire Anmore community. The details of the recreation centre are still under development, including the financial structure. Options are being explored to ensure there is no net financial impact on the Village or existing taxpayers, such as through a parcel tax.
- Off-site water and sewer infrastructure.** As noted earlier in the discussion, major water and sewer trunk lines that would connect to the regional system are assumed to be a regional asset and will not affect Village finances. The analysis also does not include the potential ancillary benefit of lower water costs for Anmore by eliminating the need to purchase water from the City of Port Moody.

## 4 NET FISCAL IMPACT

**TABLE 5. NET FISCAL IMPACT OF ANMORE SOUTH**

COST ITEM	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH
TOTAL REVENUE			
(Excluding amortization of capital assets)	\$3,724,834	\$8,006,794	\$4,281,960
TOTAL VILLAGE OF ANMORE COSTS			
(Including amortization of new infrastructure only)	\$2,427,074	\$4,709,714	\$2,282,640
<b>Net</b>	<b>\$1,297,760</b>	<b>\$3,297,079</b>	<b>\$1,999,319</b>
Less Fire Service Costs (Operation + Capital Amortization)	\$368,701	\$1,666,890	\$1,298,189
<b>Net (Including Fire Service Costs)</b>	<b>\$929,059</b>	<b>\$1,630,190</b>	<b>\$701,131</b>

The Village of Anmore in 2021 has a surplus of revenue over costs of about \$1.3 million, which is generally equivalent to the amount transferred to reserve accounts. Most of this (\$1,145,000) is a transfer to the Capital Reserve Fund and is funded directly by the Fixed Asset Levy (which is a portion of municipal property tax that has been dedicated to addressing Anmore's long-term infrastructure deficit).

Fire service costs are not part of the Village budget but represent an additional cost for local taxpayers and replace potential taxing room for the Village. Including fire service costs in the analysis creates a **net fiscal benefit of \$700,000 per year from Anmore South**.

Acknowledging the many uncertainties that affect this type of analysis, the large margin of \$700,000 between the estimated revenue increase and the estimated cost increase should provide a high degree of confidence that the net impact of Anmore South is positive for the Village of Anmore.

# APPENDIX: DETAILED ASSUMPTIONS

**TABLE 6. DETAILED SUMMARY OF ANMORE SOUTH FISCAL IMPACT ANALYSIS**

	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH	NOTE
<b>REVENUE</b>				
+ GENERAL MUNICIPAL TAXES	\$1,300,854			
+ FIXED ASSET LEVY	\$1,144,900			
GENERAL MUNICIPAL TAXES + FIXED ASSET LEVY	\$2,445,754	\$6,096,348	\$3,650,594	Based on proposed development plan and assessed value assumptions, with current residential and business tax rates held constant.
GRANTS IN LIEU	\$116,080	\$623,672	\$507,592	Per household at 100% of current per-household rate
PROVINCIAL GRANTS	\$350,000	\$417,901	\$67,901	Based on Provincial formula - grant amount increases until population crosses 5,000 before declining gradually - grant is also adjusted based on per capita assessment, which will decline in Anmore with Anmore South due to lower average assessed values of new units
GVTA MRN MAINTENANCE GRANT	\$253,000	\$253,000	\$0	No impact
OTHER GOVERNMENT GRANTS	\$0	\$0	\$0	No impact
PENALTIES & INTEREST	\$20,000	\$63,728	\$43,728	Per household at 50% of current per-household rate
REVENUE FROM COMMUNITY EVENTS	\$0	\$0	\$0	No impact
INCOME ON INVESTMENTS	\$135,000	\$135,000	\$0	No impact
SCHOOL TAX ADMINISTRATION FEE	\$4,560	\$4,560	\$0	No impact
BUILDING PERMIT FEES	\$83,240	\$83,240	\$0	No impact
SUBDIVISION FEE	\$10,200	\$10,200	\$0	No impact
DEVELOPER RECOVERABLE FEE	\$0	\$0	\$0	No impact
REZONING APPLICATION FEE	\$0	\$0	\$0	No impact
DEVELOPMENT VARIANCE FEE	\$0	\$0	\$0	No impact
DRIVEWAY ACCESS FEE	\$0	\$0	\$0	No impact
FIRE PERMIT FEE	\$1,000	\$1,000	\$0	No impact
BUSINESS LICENCE FEES	\$16,320	\$63,720	\$47,400	fill
MISCELLANEOUS DEVELOPMENT FEES	\$0	\$0	\$0	No impact
DOG LICENCE FEES	\$2,500	\$12,380	\$9,880	fill
FILMING PERMITS	\$0	\$0	\$0	No impact



	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH	NOTE
SOLID WASTE USER FEES	\$210,580	\$210,580	\$0	Assume that solid waste collection for Anmore South will be done through private contract or an alternative that is cost-neutral for the Village and applies the costs only to Anmore South residents and businesses.
SOLID WASTE CONTAINER FEE	\$0	\$0	\$0	No impact
SCHOOL SEWER COST RECOVERY	\$0	\$0	\$0	No impact
MISCELLANEOUS INCOME	\$15,000	\$31,465	\$16,465	Assume \$5 per new household (current average is \$6.80 per household).
MUNICIPAL TICKETS	\$0	\$0	\$0	No impact
<b>TOTAL REVENUE</b> (Not including current amortization)	<b>\$3,724,834</b>	<b>\$8,006,794</b>	<b>\$4,281,960</b>	

## COSTS

<b>GENERAL GOVERNMENT - COUNCIL</b>	<b>\$167,320</b>	<b>\$204,964</b>	<b>\$37,644</b>	
REMUNERATION	\$138,290	\$171,395	\$33,105	Per capita at 10% of current per capita rate
CONVENTIONS	\$12,730	\$12,730	\$0	No impact
DUES & SUBSCRIPTIONS	\$2,660	\$2,660	\$0	No impact
MISC. TRAVEL	\$0	\$0	\$0	No impact
VOLUNTEER APPRECIATION	\$2,090	\$4,592	\$2,502	Per capita at 50% of current per capita rate
DR. HAL WEINBERG SCHOLARSHIP	\$1,000	\$1,000	\$0	No impact
COMMUNITY GRANTS	\$7,000	\$8,676	\$1,676	Per capita at 10% of current per capita rate
COUNCIL MEETINGS	\$2,040	\$2,040	\$0	No impact
ADVISORY COMMITTEE MEETINGS	\$510	\$632	\$122	Per capita at 10% of current per capita rate
YOUTH COMMITTEE	\$1,000	\$1,239	\$239	Per capita at 10% of current per capita rate
MISCELLANEOUS	\$0	\$0	\$0	No impact
<b>GENERAL GOVERNMENT - CAO</b>	<b>\$272,624</b>	<b>\$272,624</b>	<b>\$0</b>	
SALARIES & BENEFITS	\$261,134	\$261,134	\$0	No impact
CONSULTING	\$5,210	\$5,210	\$0	No impact
CONVENTIONS	\$4,590	\$4,590	\$0	No impact
DUES & SUBSCRIPTIONS	\$1,690	\$1,690	\$0	No impact
MISC. TRAVEL	\$0	\$0	\$0	No impact
MISCELLANEOUS	\$0	\$0	\$0	No impact
EMPLOYEE ON CALL	\$0	\$0	\$0	No impact
EMPLOYEE OVERTIME	\$0	\$0	\$0	No impact
EMPLOYEE BENEFITS	\$0	\$0	\$0	No impact
<b>GENERAL GOVERNMENT - SUPPORT SERVICES</b>	<b>\$170,100</b>	<b>\$244,481</b>	<b>\$74,381</b>	
ENVIRONMENTAL CONSULTANT	\$10,000	\$14,373	\$4,373	Per household at 10% of current per-household rate
ENGINEERING CONSULTANT	\$79,600	\$114,407	\$34,807	Per household at 10% of current per-household rate

	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH	NOTE
FINANCE CONSULTANT	\$45,000	\$64,678	\$19,678	Per household at 10% of current per-household rate
COMMUNICATIONS CONSULTANT	\$35,500	\$51,023	\$15,523	Per household at 10% of current per-household rate
SCHOOL SEWER COST	\$0	\$0	\$0	No impact
<b>GENERAL GOVERNMENT - EVENTS</b>	<b>\$26,560</b>	<b>\$32,918</b>	<b>\$6,358</b>	
EASTER EGG HUNT	\$530	\$657	\$127	Per capita at 10% of current per capita rate
MA MURRAY DAY	\$15,610	\$19,347	\$3,737	Per capita at 10% of current per capita rate
HALLOWEEN FIREWORKS	\$2,610	\$3,235	\$625	Per capita at 10% of current per capita rate
LIGHT UP SPIRIT PARK	\$7,810	\$9,680	\$1,870	Per capita at 10% of current per capita rate
<b>GENERAL GOVERNMENT - HR</b>	<b>\$6,390</b>	<b>\$8,744</b>	<b>\$2,354</b>	
STAFF TRAINING	\$5,100	\$6,979	\$1,879	Fixed percentage of Village salaries and benefits - currently 0.46%
STAFF APPRECIATION	\$1,290	\$1,765	\$475	Fixed percentage of Village salaries and benefits - currently 0.12%
<b>GENERAL GOVERNMENT - MUNICIPAL HALL</b>	<b>\$201,440</b>	<b>\$289,525</b>	<b>\$88,085</b>	
OFFICE EQUIPMENT	\$0	\$0	\$0	Per household at 10% of current per-household rate
INSURANCE	\$40,000	\$57,491	\$17,491	Per household at 10% of current per-household rate
MAINTENANCE	\$5,210	\$7,488	\$2,278	Per household at 10% of current per-household rate
ADVERTISING	\$2,610	\$3,751	\$1,141	Per household at 10% of current per-household rate
VILLAGE HALL TRAILER LEASE	\$33,460	\$48,091	\$14,631	Per household at 10% of current per-household rate. Clearly this will not always be a trailer lease, but this item is included to represent increased operational costs for Village Hall.
EQUIPMENT RENTAL	\$18,870	\$27,121	\$8,251	Per household at 10% of current per-household rate
CELL PHONES	\$7,650	\$10,995	\$3,345	Per household at 10% of current per-household rate
RECYCLING	\$3,650	\$5,246	\$1,596	Per household at 10% of current per-household rate
FIRE INSPECTIONS	\$2,720	\$3,909	\$1,189	Per household at 10% of current per-household rate
JANITORIAL	\$11,920	\$17,132	\$5,212	Per household at 10% of current per-household rate
LEGAL FEES	\$42,660	\$61,314	\$18,654	Per household at 10% of current per-household rate
OFFICE SUPPLIES	\$10,840	\$15,580	\$4,740	Per household at 10% of current per-household rate
POSTAGE & COURIER	\$6,250	\$8,983	\$2,733	Per household at 10% of current per-household rate

	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH	NOTE
PUBLICATIONS	\$530	\$762	\$232	Per household at 10% of current per-household rate
TELEPHONE	\$4,170	\$5,993	\$1,823	Per household at 10% of current per-household rate
HEAT & LIGHT	\$9,370	\$13,467	\$4,097	Per household at 10% of current per-household rate
LIBRARY SERVICES	\$1,530	\$2,199	\$669	Per household at 10% of current per-household rate
<b>GENERAL GOVERNMENT - LEGISLATIVE SERVICES</b>	<b>\$143,010</b>	<b>\$204,627</b>	<b>\$61,617</b>	
SALARIES & BENEFITS	\$116,610	\$167,601	\$50,991	Per household at 10% of current per-household rate
CONVENTIONS	\$1,460	\$1,460	\$0	No impact
DUES & SUBSCRIPTIONS	\$640	\$640	\$0	No impact
MISC. TRAVEL	\$0	\$0	\$0	No impact
RECORDS MANAGEMENT	\$1,720	\$2,472	\$752	Per household at 10% of current per-household rate
ELECTIONS - 2019 value is \$0 - this entry is based on a \$24,000 cost incurred every four years.	\$6,000	\$8,624	\$2,624	Village is showing \$24,000 as a cost every four years. For this analysis, the average annual cost is 1/4 of that, increased proportionally by households at 10% of the current per-household rate.
EMERGENCY PREPAREDNESS - SUPPLIES	\$16,580	\$23,830	\$7,250	Per household at 10% of current per-household rate
EMERGENCY PREPAREDNESS - CONSULTING	\$0	\$0	\$0	Per household at 10% of current per-household rate
<b>GENERAL GOVERNMENT - FINANCE &amp; IT</b>	<b>\$248,020</b>	<b>\$355,722</b>	<b>\$107,702</b>	
SALARIES & BENEFITS	\$152,970	\$219,860	\$66,890	Per household at 10% of current per-household rate
SALARIES & BENEFITS - O/T	\$5,000	\$7,186	\$2,186	Per household at 10% of current per-household rate
AUDIT	\$29,730	\$42,730	\$13,000	Per household at 10% of current per-household rate
CONVENTIONS	\$1,460	\$1,460	\$0	No impact
DUES & SUBSCRIPTIONS	\$260	\$260	\$0	No impact
MISC. TRAVEL	\$0	\$0	\$0	No impact
REPAIRS & MAINTENANCE	\$26,860	\$38,605	\$11,745	Per household at 10% of current per-household rate
SOFTWARE LICENSES	\$31,740	\$45,619	\$13,879	Per household at 10% of current per-household rate
MATERIALS & EQUIPMENT	\$0	\$0	\$0	Per household at 10% of current per-household rate

	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH	NOTE
<b>GENERAL GOVERNMENT - PLANNING &amp; DEV.</b>	<b>\$136,010</b>	<b>\$194,618</b>	<b>\$58,608</b>	Planning and development costs are primarily associated with new development and renovations. Once Anmore South is built, its impact will be modest as individual households within apartment buildings will have minimal involvement with Planning & Development compared to existing single-family homeowners.
SALARIES & BENEFITS	\$125,700	\$180,666	\$54,966	Per household at 10% of current per-household rate
DEVELOPMENT FEE RECOVERABLE	\$0	\$0	\$0	Per household at 10% of current per-household rate
CONVENTIONS	\$1,260	\$1,260	\$0	No impact
DUES & SUBSCRIPTIONS	\$720	\$720	\$0	No impact
MISC. TRAVEL	\$0	\$0	\$0	No impact
CONSULTING	\$8,330	\$11,973	\$3,643	Per household at 10% of current per-household rate
MISCELLANEOUS	\$0	\$0	\$0	Per household at 10% of current per-household rate
<b>GENERAL GOVERNMENT - BUILDING &amp; BYLAWS</b>	<b>\$240,550</b>	<b>\$345,121</b>	<b>\$104,571</b>	
SALARIES & BENEFITS	\$239,140	\$343,711	\$104,571	Per household at 10% of current per-household rate
DOG CONTROL SERVICES	\$0	\$0	\$0	Per household at 10% of current per-household rate
CONVENTIONS	\$740	\$740	\$0	No impact
DUES & SUBSCRIPTIONS	\$670	\$670	\$0	No impact
MISC. TRAVEL	\$0	\$0	\$0	No impact
<b>PUBLIC WORKS</b>	<b>\$238,550</b>	<b>\$295,656</b>	<b>\$57,106</b>	
SALARIES & BENEFITS	\$220,050	\$272,727	\$52,677	Per capita at 10% of current per capita rate
ON CALL	\$18,500	\$22,929	\$4,429	Per capita at 10% of current per capita rate
SEASONAL	\$0	\$0	\$0	Per capita at 10% of current per capita rate
DUES & SUBSCRIPTIONS	\$0	\$0	\$0	Per capita at 10% of current per capita rate
MISC. TRAVEL	\$0	\$0	\$0	Per capita at 10% of current per capita rate
MISCELLANEOUS	\$0	\$0	\$0	Per capita at 10% of current per capita rate
<b>PUBLIC WORKS - YARD</b>	<b>\$15,300</b>	<b>\$18,963</b>	<b>\$3,663</b>	
REPAIRS & MAINTENANCE	\$2,600	\$3,222	\$622	Per capita at 10% of current per capita rate
SMALL EQUIPMENT PURCHASES	\$5,100	\$6,321	\$1,221	Per capita at 10% of current per capita rate
JANITORIAL	\$2,100	\$2,603	\$503	Per capita at 10% of current per capita rate
TELEPHONE	\$400	\$496	\$96	Per capita at 10% of current per capita rate
UTILITIES	\$5,100	\$6,321	\$1,221	Per capita at 10% of current per capita rate
MISCELLANEOUS	\$0	\$0	\$0	Per capita at 10% of current per capita rate
<b>PUBLIC WORKS - VEHICLES &amp; EQUIPMENT</b>	<b>-\$28,900</b>	<b>-\$5,919</b>	<b>\$22,981</b>	

	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH	NOTE
EQUIPMENT RENTAL	\$0	\$0	\$0	Per capita at 10% of current per capita rate
SUPPLIES	\$16,000	\$19,830	\$3,830	Per capita at 10% of current per capita rate
TOOLS	\$16,000	\$19,830	\$3,830	Per capita at 10% of current per capita rate
SAFETY GEAR	\$5,500	\$6,817	\$1,317	Per capita at 10% of current per capita rate
FUEL	\$20,100	\$24,912	\$4,812	Per capita at 10% of current per capita rate
INSURANCE	\$15,000	\$18,591	\$3,591	Per capita at 10% of current per capita rate
MAINTENANCE & REPAIRS	\$23,400	\$29,002	\$5,602	Per capita at 10% of current per capita rate
INTERNAL RECOVERY	-\$124,900	-\$124,900	\$0	No impact
<b>PUBLIC WORKS - LRN ROADS</b>	<b>\$84,900</b>	<b>\$105,224</b>	<b>\$20,324</b>	
PAVEMENT MAINTENANCE	\$3,900	\$4,834	\$934	Per capita at 10% of current per capita rate
SHOULDERING	\$27,100	\$33,587	\$6,487	Per capita at 10% of current per capita rate
STREET LIGHTING	\$2,200	\$2,727	\$527	Per capita at 10% of current per capita rate
SIGNS	\$2,200	\$2,727	\$527	Per capita at 10% of current per capita rate
STREET CLEANING	\$0	\$0	\$0	Per capita at 10% of current per capita rate
SNOW AND ICE CONTROL	\$15,200	\$18,839	\$3,639	Per capita at 10% of current per capita rate
GRAVEL ROADS MAINTENANCE	\$5,400	\$6,693	\$1,293	Per capita at 10% of current per capita rate
PATHWAYS + PATHWAYS (CP)	\$28,900	\$35,818	\$6,918	Per capita at 10% of current per capita rate
LRN ROAD REHABILITATION	\$0	\$0	\$0	Per capita at 10% of current per capita rate
<b>PUBLIC WORKS - DRAINAGE</b>	<b>\$13,500</b>	<b>\$16,732</b>	<b>\$3,232</b>	
DRAINAGE & DITCHING	\$8,000	\$9,915	\$1,915	Per capita at 10% of current per capita rate
CATCH BASINS	\$5,500	\$6,817	\$1,317	Per capita at 10% of current per capita rate
<b>PUBLIC WORKS - PARKS &amp; TRAILS</b>	<b>\$51,500</b>	<b>\$63,828</b>	<b>\$12,328</b>	
UTILITIES	\$200	\$248	\$48	Per capita at 10% of current per capita rate
MAINTENANCE	\$10,700	\$13,261	\$2,561	Per capita at 10% of current per capita rate
TRAILS + TRAIL UPGRADES (CP)	\$36,200	\$44,866	\$8,666	Per capita at 10% of current per capita rate
TREE TRIMMING	\$4,400	\$5,453	\$1,053	Per capita at 10% of current per capita rate
TRAIL IMPROVEMENTS	\$0	\$0	\$0	Per capita at 10% of current per capita rate
<b>NEW PUBLIC WORKS COSTS - OFF-SITE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
SALARIES & BENEFITS	\$0	\$0	\$0	
EQUIPMENT AND OPERATING EXPENSES	\$0	\$0	\$0	
<b>NEW PUBLIC WORKS COSTS - ON-SITE</b>	<b>\$0</b>	<b>\$161,782</b>	<b>\$161,782</b>	Based on approximate 16% increase in the length of Anmore's roads and underground servicing.
SALARIES & BENEFITS	\$0	\$80,891	\$80,891	New public works costs for on-site infrastructure is evenly split between labour costs and equipment and other expenses.
EQUIPMENT AND OPERATING EXPENSES	\$0	\$80,891	\$80,891	See above.
<b>PUBLIC WORKS - MRN ROADS</b>	<b>\$253,000</b>	<b>\$253,000</b>	<b>\$0</b>	Any changes in maintenance costs for MRN roads assumed to be balanced by corresponding change in TransLink grant.
ADMINISTRATION	\$65,700	\$65,700	\$0	No impact

	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH	NOTE
PAVEMENT	\$105,700	\$105,700	\$0	No impact
SHOULDERING	\$12,800	\$12,800	\$0	No impact
DRAINAGE	\$18,600	\$18,600	\$0	No impact
PATHWAYS	\$5,400	\$5,400	\$0	No impact
STREET LIGHTING	\$4,300	\$4,300	\$0	No impact
SIGNAGE	\$4,300	\$4,300	\$0	No impact
STREET CLEANING	\$3,200	\$3,200	\$0	No impact
VEGETATION CONTROL	\$26,600	\$26,600	\$0	No impact
SNOW AND ICE CONTROL	\$6,400	\$6,400	\$0	No impact
<b>FISCAL SERVICES (not including amortization)</b>	<b>\$2,700</b>	<b>\$3,881</b>	<b>\$1,181</b>	
BANK CHARGES	\$2,700	\$3,881	\$1,181	Per household at 10% of current per-household rate
CASH OVER/SHORT	\$0	\$0	\$0	Per household at 10% of current per-household rate
AMORTIZATION - current assets	\$700,000	\$700,000	\$0	
<b>SOLID WASTE</b>	<b>\$184,500</b>	<b>\$184,500</b>	<b>\$0</b>	As noted under Revenues, assume new service for Anmore South has no net financial impact on the Village.
ADMINISTRATION	\$21,100	\$21,100	\$0	No impact
<b>Police Service Costs</b>	<b>\$0</b>	<b>\$742,025</b>	<b>\$742,025</b>	Based on Anmore's current policing costs of \$250,000 (which are not paid by the Village due to its population being under 5,000). This cost is expected to increase in proportion to population, plus a 25% premium on the per capita cost due to the addition of commercial spaces in Anmore that may require additional police resources. As Anmore's population will exceed 5,000 with Anmore South, the Village will become responsible for 70% of its policing costs.
<b>AMORTIZATION (New Infrastructure Only)</b>		<b>\$716,700</b>	<b>\$716,700</b>	See details in Table 4.
<b>TOTAL COSTS</b>	<b>\$2,427,074</b>	<b>\$4,709,714</b>	<b>\$2,282,640</b>	
<b>Fire Service Costs (Annual Operating)</b>	<b>\$368,701</b>	<b>\$1,566,890</b>	<b>\$1,198,189</b>	Anmore's current estimated per capita fire service cost is \$153. This is assumed to increase by 25% to reflect the additional complication of having higher buildings and possible additional staffing and/or training this will require.
<b>Amortization of new Fire Service Assets</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$100,000</b>	See Table 4.
<b>Total Fire Service Costs (Operating + Amortization)</b>	<b>\$368,701</b>	<b>\$1,666,890</b>	<b>\$1,298,189</b>	
<b>Total Costs (including Fire Service)</b>	<b>\$2,795,775</b>	<b>\$6,376,604</b>	<b>\$3,580,829</b>	

	2021 FINANCIAL PLAN	WITH ANMORE SOUTH	NET IMPACT OF ANMORE SOUTH	NOTE
<b>NET (REVENUES LESS COSTS)</b>				
<b>NET OPERATING (not including Fire Service)</b>	\$1,297,760	\$3,297,079	\$1,999,319	Does not include transfers to Reserve Accounts, which is why current operating budget is positive.
<b>NET OPERATING (with Fire Service)</b>	\$929,059	\$1,630,190	\$701,131	The key result is the net impact of Anmore South (of +\$0.7 million in this analysis).