

Fiscal Impact Analysis Summary

Anmore South Neighbourhood Plan

Purpose of the Study

The Fiscal Impact Analysis was prepared by Deloitte to assess the net fiscal impacts of the Anmore South Preferred Plan on the Village of Anmore. The analysis is designed to test the financial feasibility of the project using the Village's current levels of services for staffing, amenities and infrastructure.

- The basis of the analysis is the Anmore South Preferred Plan which proposes a 61.14-hectare / 150.08-acre mixed-use community.
- The proposed neighbourhood comprises approximately 2.8 million square feet (sq ft) of residential floorspace across 2,202 units, 55,000 sq ft of commercial space and a 20,000 sq ft community centre, over a 20-year phased build out.

Approach

- Only the specific revenues and costs that will be impacted by the addition of Anmore South are included in the analysis. The analysis compares two alternative scenarios:
 - First is Anmore's current financial situation, based on the 2024 budget as outlined in the Village's 2024 Five-Year Financial Plan.
 - Second is an alternative scenario that imagines that Anmore South is fully built today, with no change in service levels. This means that all current tax and fee rates, grant funding formulas, and other revenue and cost ratios are in effect, unless otherwise noted.

What we Learned

Revenue Impacts from Anmore South

Municipal Property Tax

- The main driver for increased revenue is municipal property taxes (from the 2,202 residential units, 55,000sq ft of commercial space, and the 20,000 sq ft recreation centre). This is based on the estimated value of properties, applied to current tax rates.
- Because Anmore does not have the type of units that Anmore South proposed (like townhomes and apartments), the estimated value of a fully built Anmore South is based on market comparisons to 2024 sales data in Port Moody. The value of apartment units in Anmore is discounted slightly (5%) compared to Port Moody to reflect the additional distance from the Vancouver Skytrain.
- Estimated property tax revenue would increase from \$2.94 million to \$6.58 million, an annual increase of more than \$3.63 million.
- To be conservative in this analysis, the business tax rate is maintained at the same level as the residential rate. If Anmore charged a business tax rate equivalent to the average multiple in the Tri-Cities (where the average business tax rate is 2.60 times higher than the residential rate), Anmore South would generate an additional \$80,000 per year in property tax revenue for the Village.

Other Revenue Items

- Permits, Fees and Charges total an annual increase of \$54,000. This includes anticipated business licenses, dog license fees, and smaller miscellaneous incomes from administrative fees.
- Grants total an annual increase of \$158,000 which includes:
 - Grants in lieu which are paid to the Village by utility and telecom companies based on gross revenue from resident's accounts in Anmore.
 - Provincial Small Community Grant provided by the BC government to smaller municipalities.
- Interest and other revenue sources totaling \$80,000 annually, which include penalties and interest, revenue from community events, income on other investments, and miscellaneous income.

Total Revenue Impact

- The analysis shows estimated revenue would increase from \$5.46 million under the 2024 Financial Plan to \$9.39 million with Anmore South, an annual increase of \$3.93 million, or 72%.

Cost Impacts from Anmore South

General Government

- General government costs, which include the day-to-day costs of operating the Village, as well as community events are indirectly affected by Anmore South, such as increased operating costs to service a larger population. The estimated annual cost increase is \$399,000.

Public Works

- Annual public works spending includes regular maintenance and repair of existing municipal assets and facilities, including roads, parks, and public buildings. It is "operational" spending that occurs every year and is different from capital spending on major repairs or new infrastructure. Anmore South will have an indirect impact on this cost due to additional usage of public infrastructure. The estimated annual cost increase is \$97,000.
- Annual public works spending will also increase to cover new infrastructure including roads, multi-use paths and underground water and sewer pipes. This has been calculated based on the estimated increase in the length of these assets. The estimated annual cost increase is \$196,000.

Planning and Development

- Planning and development costs are primarily associated with new construction and renovations; however, once Anmore South is built, this cost is expected to be minimal. The estimated annual cost increase is \$47,000.

Amortization of New Assets

- Any new local government infrastructure that is built for Anmore South becomes a municipal responsibility. 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 and anticipated maintenance or refurbishment costs, divided by the expected useful life of the asset.
- The annual lifecycle costs for Village-owned assets were calculated, which include roads, pathways and trails, water and storm sewer infrastructure that is proposed for Anmore South.

- The calculations show that the average annual lifecycle cost for new capital assets at Anmore South is an estimated \$813,000 for future Village-owned assets.

Sanitary Sewer

- The other type of proposed infrastructure in Anmore South is sanitary sewer, which does not currently exist elsewhere in the municipality. There will be new costs associated but due to the physical boundary of the new assets being limited to Anmore South, it is assumed these new costs would be covered by a local area service tax that would be paid only by Anmore South properties.
- An additional estimated annual cost of \$111,000 for sanitary sewer assets would be covered by this local area service tax.

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 and provincial governments. 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.
- Projecting policing costs is uncertain due to a variety of factors, including that Anmore Council will have discretion over the level of policing service it prefers and the cost implications of that decision.
- For calculation purposes, policing costs in other BC municipalities with similarities to Anmore were collected and averaged. The average policing cost per capita across six chosen municipalities is \$153.
- Using this average to project future policing costs in Anmore with Anmore South, the estimated policing cost is \$1.08 million or a net annual increase of \$766,000.
 - While police service costs are not currently part of the municipal budget and are paid directly to the Province of BC, for ease of comparison this cost of \$313,000 is calculated as a 2024 cost to the municipality.

Fire Service Costs

- Fire service in Anmore is provided by the Sasamat Volunteer Fire Department (SVFD), which is a Metro Vancouver service shared between Anmore and Belcarra and funded through the regional district property tax. Operating 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 2024). Capital costs are evenly split.
- Due to Anmore South, Anmore's share of future assessment is projected to increase to 84%. In calculating the fire service costs the following was taken into consideration:
 - future combined population of Anmore (with Anmore South) and Belcarra;
 - staffing and training increases required to provide fire service to the higher buildings at Anmore South;
 - increase in capital items like equipment as labour costs increase;
- The estimated cost increase is \$1.19 million which is an annual increase of \$852,000 over the current operating contribution. This cost is not part of Village finances but is funded through the regional property tax and represents taxing room that is not available to the Village.
- In addition, there is an estimated annual increase of \$62,500 to cover lifecycle costs of new fire service assets and new capital expenditures, such as a new fire truck.

Considerations

- The cost impacts do not consider the proposed public recreation centre, or upgrades to Anmore Elementary field that would serve the entire Anmore community, but the details of which will be subject to future review and direction of Anmore Council.
- Off-site water/sewer infrastructure are also excluded from the assumed cost impacts, as they are assumed to be a regional asset and will not affect Village finances.

Total Cost Impact

- The estimated additional cost to the Village from the Anmore South development, after including policing costs, is \$2.32 million. When considering the increased costs for fire services and the annual lifecycle costs of new fire service assets (paid for by Anmore residents to Metro Vancouver), the total annual cost increase is \$3.23 million.

Net Fiscal Impact

Anmore South is estimated to bring an annual net fiscal benefit of \$1.29 million to the Village, with a revenue impact of \$3.93 million and cost impact of \$2.32 million (\$2.63 million not accounting for the Police Service Tax). However, while fire service costs are not part of the Village budget, they also represent an additional cost for local taxpayers. After accounting for an increase of \$914,000 in fire service costs, there is an annual net fiscal benefit of \$696,000 per year from Anmore South.

Key Takeaways

- Municipal property tax on the proposed residential, commercial and civic properties within Anmore South (based on 2024 tax rates) is a main driver for increased revenue for the Village of Anmore. Along with other revenue items, the total revenue estimated with Anmore South is an increase of \$3.9 million (representing a more than 70% increase) from the current Anmore 2024 Financial Plan.
- Cost impacts with Anmore South are spread across several categories, including increased costs in general government, public works, planning and development, and amortization of new assets. The total cost impacts estimated with Anmore South is an increase of \$2.6 million from the current Anmore 2024 Financial Plan.
- The net impact on Village finances from Anmore South is positive. The result is a net annual fiscal improvement of nearly \$1.3 million for the Village.
- While not currently part of the Village budget, police and fire services must also be factored into the analysis and were calculated. This reduces the net fiscal benefit to \$696,000 per year for the Village with Anmore South.