
MEMORANDUM



DATE: 9 April 2025
TO: Karen Elrick, CAO, Village of Anmore
FROM: Blair Erb, Coriolis Consulting Corp.
RE: Review of Fiscal Impact Analysis for Anmore South

1.0 Introduction

As requested, we reviewed the April 2025 Fiscal Impact Analysis for the Anmore South Neighbourhood Plan submitted to the Village by Deloitte. We also reviewed the supporting assumptions and detailed calculations provided separately to us by Deloitte.

Previously, we also provided comments to Deloitte on the December 2024 and the March 2025 versions of the same report, which were addressed by Deloitte in the April 2025 report.

This memo summarizes our comments on the April 2025 Deloitte report and the financial estimates.

It is important to note that there is no single, standardized methodology for conducting a fiscal impact analysis for a development of this nature. Each impact analysis involves a range of assumptions, exclusions and professional judgments based on available data and anticipated municipal service needs. We did not conduct our own independent fiscal impact analysis for Anmore South. We reviewed the Deloitte analysis and identified any concerns associated with the approach, assumptions and estimates. Overall, we think that the general approach used by Deloitte is a reasonable approach for estimating the likely financial impacts on the Village subject to the qualifications and comments outlined in this memo.

2.0 Estimated Annual Fiscal Impact – April 2025 Deloitte Report

The Deloitte fiscal impact analysis provides estimates of the potential change in the Village's operating revenues (e.g. property taxes, grants, other revenue) and operating costs associated with the full build out of the proposed Anmore South neighbourhood. The estimates are all in \$2024 and focus solely on financial impacts associated with Anmore South upon its completion.

It is important to note that the Deloitte analysis is based on the following key assumptions and exclusions:

1. There is no change from the existing level of service provided to Anmore residents and no fundamental change in the approach to delivering services to Anmore residents (e.g., no change to the delivery of police services or fire protection, no new municipal facilities/services).
2. Any costs associated with the planned new on-site sanitary sewer service for Anmore South will be fully paid by Anmore South residents, so the new sanitary system will not lead to increased net costs to the Village.
3. Costs associated with the proposed recreation facility at Anmore South are excluded. If the Village is responsible for the cost of operations, it would increase the Village's overall operating costs.
4. Costs associated with solid waste and recycling services to Anmore South residents are excluded (other than for eight proposed single family homes) as these services are assumed to be provided by private contractors at the expense of individual strata corporations in Anmore South.

5. There will be no costs to the Village of Anmore associated with off-site water and sanitary sewer mains (which are assumed to be owned and maintained by Metro Vancouver).
6. There is no assumed change to the current business tax rate. If the business tax rate was increased (as it is low compared to other municipalities), this would increase the annual property tax revenue generated by Anmore South (assuming there was not an off-setting reduction in residential tax rates).
7. Any operating and maintenance costs associated with the potential all-weather field at the elementary school are not included in the analysis.

Exhibit 1 summarizes Deloitte's estimated impact on Anmore's annual operating revenues and costs due to the proposed Anmore South project in comparison to 2024.

Exhibit 1: Summary of Deloitte Impact Analysis – April 2025

Item	Estimated Annual Change Due to Anmore South
Increased Annual Revenues ¹	\$3,931,138
Less Increased Annual Operating Costs Excluding Fire Service and Police Service	\$1,554,835
Less Estimated Annual Police Cost to Anmore	\$1,079,183
Plus Elimination of Provincial Police Tax (no longer paid by residents) ²	\$313,255
Less Increased Fire Service Cost to Anmore	\$914,265
Subtotal Increased Annual Operating Costs	\$3,235,028
Net Overall Annual Impact	\$696,110

As shown in the exhibit, Deloitte estimates that Anmore South will have a net positive operating impact of about \$696,000 per year on the Village of Anmore.

3.0 Comments on Deloitte Impact Analysis

Fiscal impact analysis requires assumptions to be made about the potential changes in operating revenues and operating costs for a large number of items in a municipality's budget. Therefore, the results for this type of analysis should be considered approximate as there are numerous assumptions required to estimate the overall annual financial impact.

Generally, we think that the overall approach used by Deloitte for the fiscal impact analysis and most of the resulting estimates are reasonable (noting the exclusions and assumptions outlined in Section 2.0). However, the analysis could be considered optimistic for two main reasons:

1. Property tax revenue estimates. The April 2025 Deloitte analysis assumes that property tax revenues will grow by about \$3,638,000 per year because of Anmore South. This is a significant change in the estimated property tax growth compared to Deloitte's previous March 2025 estimate of \$3,242,000 (a \$396,000 increase in estimated tax growth since the March 2025 report). Based on the March 2025 Deloitte estimate and our own estimates of the potential growth in the assessment tax base, we think that Deloitte's April 2025 estimate of \$3,638,000 is likely optimistic. We think that it is reasonable to assume

¹ This includes a variety of revenue related items include property taxes, grants and miscellaneous income.

² After Anmore's population exceeds 5,000, the Provincial Police Tax will no longer be levied as the cost of police services will be shifted to the Village from the Province.

that annual property tax revenue growth will be similar to the March 2025 Deloitte estimate of \$3,243,000 (about \$396,000 per year less than used in the April 2025 analysis).

2. Police service cost estimates. One of the largest cost impacts to the Village associated with the addition of Anmore South will be the cost of providing police services. Currently, the Provincial government funds 70% of Anmore's police costs and the Federal government funds 30%. The Province then recoups a share of its costs through the Police Tax levy on Anmore residents.

However, the Provincial government does not fund policing costs for municipalities that have a population of 5,000 or greater. Anmore's population is expected to increase from about 2,568 in 2024 to about 7,057 due to the addition of Anmore South. For municipalities with populations between 5,000 and 15,000, police services are typically funded 70% by the municipality and 30% by the Federal government.

Our comments on the Deloitte police cost estimates are as follows:

- The Deloitte analysis assumes that Anmore's share of the total costs associated with providing police services will be about \$1,079,183 after the build out of Anmore South (up from the 2024 Police Tax of \$313,000). This represents the 70% share of total police costs that the Village will need to fund.
- The approach used by Deloitte to estimate this figure is based on the average police service costs per capita at six other BC municipalities that could be considered good indicators of the likely policing costs for Anmore once it reaches a population of 5,000. Each of the six comparable municipalities has a population between 5,000 and 15,000. We think this overall approach is reasonable. The municipal share of policing costs at these six comparable municipalities ranges from about \$84 per capita to \$195 per capita. Deloitte's analysis uses the average for these municipalities (with some minor adjustments to account for differences in the amount of commercial space) of \$153 per capita. We think the resulting estimate may be low as the per capita average that is used by Deloitte is skewed downward by one municipality with a very low cost per capita (\$84 per capita). If this municipality is removed, the average cost per capita at the five remaining municipalities is about \$170 per capita. These figures are based on 2023 costs, so 2024 costs would likely be a little higher due to inflation, at say \$175 per capita.
- We re-ran the policing cost analysis for Anmore (with Anmore South) assuming a per capita cost of \$175. This results in a total police services cost to the Village of about \$1,235,000 (\$175 per capita x 7,057 population), which is about \$156,000 higher than assumed in the Deloitte analysis.

Exhibit 2 shows the April 2025 Deloitte estimates plus a revised version with adjustments for a reduction in the estimated growth in property tax revenue (reduction of \$396,000) and an increase in the assumed costs of providing police services (\$156,000 increase) as outlined above. After making these two adjustments, the result is that Anmore South would have a net positive impact of about \$144,000 per year on the Village of Anmore.

Exhibit 2: Summary of Deloitte Impact Analysis and With Adjustments by Coriolis

Item	Deloitte April 2025 Annual Change	Deloitte Figures Adjusted by Coriolis for Property Tax and Police Service Costs
Increased Annual Revenues	\$3,931,138	\$3,535,138
Less Increased Annual Operating Costs Excluding Fire Service and Police Service	\$1,554,835	\$1,554,835
Less Estimated Annual Police Cost to Anmore	\$1,079,183	\$1,235,183
Plus Elimination of Provincial Police Tax (no longer paid by residents)	\$313,255	\$313,255
Less Increased Fire Service Cost to Anmore	\$914,265	\$914,265
Subtotal Increased Annual Operating Costs	\$3,235,028	\$3,391,028
Net Overall Annual Impact	\$696,110	\$144,110

4.0 Conclusions

Deloitte estimates that Anmore South will have a net positive operating impact of \$696,000 per year on the Village of Anmore. However, we think this is likely optimistic. After making adjustments to the Deloitte analysis, we would expect the overall net financial impact to be closer to \$144,000 per year.

As outlined in Section 2.0, it is important to note that these estimates assume:

1. Any costs associated with the planned new sanitary sewer service for Anmore South will be paid by Anmore South residents, so there is no allowance in the analysis for any increased costs to the Village associated operating and maintaining the planned sanitary system. This arrangement will need to be incorporated into agreements between the Village and the applicant as part of the overall approval process.
2. There is no change from the existing level of municipal service provided to Anmore residents.
3. Costs (and revenues) associated with the proposed recreation facility at Anmore South are excluded from the analysis.
4. Any operating and maintenance costs associated with the potential all-weather field at the elementary school are not included in the analysis.
5. Costs associated with solid waste and recycling services to Anmore South residents are excluded as these services are assumed to be provided by private contractors at the expense of individual strata corporations in Anmore South.
6. There will be no costs to the Village of Anmore associated with off-site water and sanitary sewer mains (which are assumed to be owned and maintained by Metro Vancouver).
7. There is no assumed change to the current business tax rate. Anmore South will have a significant commercial component. If the business tax rate was increased (as it is low compared to other municipalities), this would increase the annual property tax revenue due to Anmore South (if there was not an off-setting reduction in residential tax rates).