



Committee of the Whole Report

For the Meeting of June 8, 2017

To: Committee of the Whole **Date:** May 19, 2017
From: Jonathan Tinney, Director, Sustainable Planning and Community Development
Subject: 2016 Regional Growth Strategy – Dispute Resolution Process

RECOMMENDATION

That Council advise the CRD that the City of Victoria will not participate in the dispute resolution process for the 2016 Regional Growth Strategy.

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with information related to an upcoming non-binding dispute resolution process for the 2016 Regional Growth Strategy (RGS). Council previously accepted the 2016 RGS as part of a formal referral process; however, since some CRD municipalities did not accept the RGS, the Local Government Act requires the CRD and those municipalities that rejected the RGS to enter into a dispute resolution process as a means to gain full acceptance of the RGS. The dispute resolution process is focused on resolving specific issues identified by those municipalities that did not accept the RGS; however, any municipality that accepted the RGS also has the option to participate in the process. Participation in the process requires the appointment of an authorized representative from each municipality and the total cost of the process is shared by all participating municipalities through a proportional assessed value. At the conclusion of the dispute resolution process, all CRD municipalities will have the opportunity through a formal re-referral process to review and either accept or reject those changes to the 2016 RGS that arise from the dispute resolution process.

PURPOSE

The purpose of this report is to provide Council with information on a non-binding dispute resolution process for the 2016 Regional Growth Strategy (RGS). Council has the option to pass a formal motion if it wishes to participate in this process through an appointed representative.

BACKGROUND

On January 26, 2017 Council passed a motion to accept CRD Bylaw No. 4017: 2016 Regional Growth Strategy. Council's acceptance was part of a 60-day formal referral process that is required through the *Local Government Act*. Council's acceptance of the RGS was supported by the strong alignment between the RGS policies and the policies of the City's *Official Community Plan*. Resolutions from each CRD local government were then presented to the CRD Board on February 22, 2017 including resolutions to accept by the City of Victoria, District of Oak Bay, City of Langford,

of Langford, Town of Sidney and the District of Metchosin. Resolutions to not accept were submitted by the City of Colwood, District of Central Saanich, Township of Esquimalt, District of Saanich, District of North Saanich, District of Highlands and the Town of View Royal. Although each rejecting municipality identified different reasons for not accepting the RGS, the most common issue related to water servicing and growth management policies. The CRD Board received the various resolutions and passed a motion to notify the Minister of Community, Sport and Cultural Development and to request a mediated process in accordance with section 439 of the *Local Government Act*. Subsequently, the CRD organized a meeting with all CRD municipalities to provide information on the process. The municipalities that rejected the RGS were then requested to collaborate with the CRD and the Province to confirm a non-binding dispute resolution process including retaining the services of a third-party dispute resolution professional based on an RFP process. With the process confirmed at a staff level, the Minister directed that the dispute resolution process must begin by June 14, 2017 which also provides the option for accepting municipalities to participate in the process through a Council appointed representative. On May 5, 2017 the CRD sent a letter (Attachment) to each CRD municipality that includes background information and an overview of the process.

ISSUES AND ANALYSIS

1. Participation in Dispute Resolution Process

As outlined in the *Local Government Act*, any municipality that accepts the Regional Growth Strategy also has the voluntary opportunity to participate in a subsequent dispute resolution process along with the municipalities that have not accepted the RGS. The dispute resolution process is limited to discussions only on those specific items that have been identified as the basis for non-acceptance of the RGS. This means that additional issues cannot be introduced into the process by any participating municipality. If an accepting municipality wishes to participate, the local Council must pass a resolution to indicate their interest, as well as, identify a representative who has the authority to speak on behalf of the municipality and whom would be required to report and/or consult with their respective Council as needed. The representative is typically an elected official or administration/staff. A Council resolution is not required if an accepting municipality does not wish to participate.

2. Opportunities for additional consideration of the RGS

Regardless whether the City of Victoria chooses to participate or not in the RGS dispute resolution process, there will still be additional opportunities to consider the RGS including through a subsequent formal re-referral process that would occur at the conclusion of the dispute resolution process. This is similar to the previous 60-day formal referral process; however, the basis for acceptance or rejection of the revised RGS will be restricted to those specific provisions that have been changed as an outcome of the dispute resolution process.

3. Dispute Resolution Cost Sharing

In accordance with section 439(6) of the *Local Government Act*, the costs of the dispute resolution process must be shared between all participating parties. The amount that each participating municipality contributes toward the overall cost is based on a converted value that proportions the combined land values and improvement values for each municipality as established through BC Assessment. Based on information provided by the CRD, the City of Victoria's combined land and improvement values represent approximately 27% of the overall combined values for the Region. Therefore, if the City of Victoria decides to participate it would be responsible for

approximately 27% of the total dispute resolution process costs. The specific costs for the process are not yet known as the costs may fluctuate based on the length of time and the number of CRD municipalities that participate; however it is anticipated that total costs could range from \$40,000 up to \$100,000. This means that the City could be required to pay anywhere from \$10,800 up to approximately \$27,000 for this process. Funding for this process is not included in the current Financial Plan.

OPTIONS AND IMPACTS

Option 1:

Advise the CRD that the City of Victoria will not participate in the RGS dispute resolution process. **(Recommended)**

Since the City of Victoria has already accepted the 2016 RGS, there does not appear to be a strong reason to participate in the dispute resolution process. The City of Victoria will also have the opportunity to review any changes to the 2016 RGS that arise from the dispute resolution process as part of a subsequent formal referral process.

Option 2:

Advise the CRD of the City's interest in appointing a designated representative to participate in the dispute resolution process through a resolution of Council.

If Council decides to participate in the dispute resolution process, there will be a need to identify potential funding sources for the City's proportioned cost share, as well as, a potential impact on further staff time required to participate and support the process.

2015 - 2018 Strategic Plan:

Although the review and acceptance of the RGS is not specifically identified within the *Strategic Plan*, Council did previously accept the 2016 RGS as the various objectives contained in the 2016 RGS align with many of the City's strategic objectives.

Impacts to Financial Plan:

Participation in the dispute resolution process for the 2016 Regional Growth Strategy is not identified within the current *Financial Plan*. If Council decides to participate in the process, this would require a 2017 financial commitment of up to approximately \$27,000.

Official Community Plan Consistency Statement:

Council's previous acceptance of the 2016 Regional Growth Strategy was premised on the alignment between the policies and objectives of the 2016 RGS with those of the Official Community Plan. In addition, once the RGS receives acceptance by all CRD municipalities, the City of Victoria will have two years to prepare and submit an updated Regional Context Statement to the CRD Board that highlights the alignment between the RGS and the *Official Community Plan*. The Regional Context Statement is subject to acceptance by the CRD Board, to ensure the municipality and the CRD Board agree that the two documents are compatible and consistent.

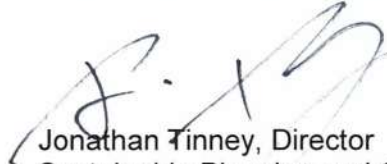
CONCLUSIONS

The City of Victoria accepted the 2016 RGS as part of a previous formal referral process as it provides alignment with the policies and objectives of the *Official Community Plan*. Therefore, staff recommend that participation in the dispute resolution process is not necessary as the City will continue to have the opportunity at the conclusion of the process to accept or reject the revised RGS as part of a formal re-referral process.

Respectfully submitted,



Robert Batallas
Senior Planner
Community Planning Division



Jonathan Tinney, Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager:



Date: May 31, 2017

List of Attachments

- Letter dated May 5, 2017: Preparation of a Non-Binding Dispute Resolution Process.