

REGIONAL DISTRICT OF NANAIMO

COMMITTEE OF THE WHOLE

TUESDAY, JULY 14, 2015

7:00 PM

(RDN Board Chambers)

A D D E N D U M

PAGES

COMMUNICATIONS/CORRESPONDENCE

2-15

Bruce Jolliffe, Chair, Comox Valley Regional District, re Support – British Columbia Conservation Tax Incentive Program Proposal.

TRANSPORTATION AND SOLID WASTE

SOLID WASTE

16-17

Regional Landfill Security Services Contract Award.

Office of the Chair

600 Comox Road, Courtenay, BC V9N 3P6
Tel: 250-334-6000 Fax: 250-334-4358
Toll free: 1-800-331-6007
www.comoxvalleyrd.ca



File: 4710-01

July 10, 2015

Sent via email only: jstanhope@shaw.ca

Chair Joe Stanhope
Nanaimo Regional District
6300 Hammond Bay Road
Nanaimo, BC, V9T 6N2

Dear Chair Stanhope:

Re: Support - British Columbia Conservation Tax Incentive Program proposal

At its June 30, 2015 meeting the Comox Valley Regional District board of directors approved a motion to submit the following resolution to Union of BC Municipalities (UBCM) as a Comox Valley Regional District sponsored resolution:

WHEREAS the Islands Trust has successfully implemented a Natural Area Protection Tax Exemption Program (NAPTEP) which provides 65% property tax relief for landowners who enter into a conservation covenant to protect important natural features on their property;

AND WHEREAS the NAPTEP complements provincial and local programs and policies and does not result in any loss of tax revenue nor any significant additional costs;

AND WHEREAS regional districts and municipalities may wish to support and encourage landowners to preserve natural areas for current and future environmental benefits:

THEREFORE BE IT RESOLVED that the Ministry of Community, Sport and Cultural Development be requested to grant local governments the authority to implement a conservation tax incentive program modeled on the NAPTEP.

Comox Valley Regional District (CVRD) staff were recently approached by the Land Trust Alliance of BC with a request to sponsor the above-noted resolution to the UBCM in support of a province-wide conservation tax incentive program (CTIP), modelled after the Islands Trust natural areas protection tax exemption program (NAPTEP). The Land Trust Alliance of BC's proposal is attached.

If the resolution is endorsed by UBCM, the province would be asked to amend the *Local Government Act* to grant local governments the authority to implement a CTIP program in their area. NAPTEP applies only to residential (class 1) land and only to the covenant (natural, undeveloped) area of a parcel. The program offers 65 per cent land tax exemption for land with an Islands Trust fund covenant.

Impact on regional district resources would have to be determined on a case-by-case basis, should this program be enabled.

If approved by UBCM, the conservation covenants will provide a tool to enhance conservation of natural areas on private land through voluntary means and financial incentives would offset start-up costs which are borne by the landowners involved.

In light of the above and in the interest of protecting and restoring sensitive natural areas, the Comox Valley Regional District respectfully request your support for the above-noted resolution at UBCM in September.

Sincerely,



Bruce Jolliffe
Chair

Enclosure: Proposal for BC Conservation Tax Incentive Program

cc: Mr. Paul Thorkelsson, Chief Administrative Officer

Comox Valley Regional District

Proposal for a B.C. Conservation Tax Incentive Program

Draft Background Paper, April 15, 2015

Land Trust Alliance of BC

1. Natural Areas Protection Tax Exemption Program

1.1 History

In the early 1990's property values and assessments rose dramatically in B.C.'s Gulf Islands, triggering an increase in subdivisions and logging. Due to concerns about the impact of development on important ecological areas, locally elected trustees advocated for provincial legislation which would allow local governments to provide an incentive for landowners to voluntarily leave their properties in a natural state rather than developing or logging them to pay property taxes.

At the time the policy of the Islands Trust (a federation of local Gulf Islands governments) supported the use of property tax incentives to promote natural area conservation. As the concept of a conservation tax incentive program progressed it was felt that legislative changes allowing such incentives in the Islands Trust area only would be simpler than province-wide adoption.

The Natural Areas Protection Tax Exemption Program (NAPTEP) was instituted through amendments to the Islands Trust Act in 2000 and the Act's regulations in 2002. Launched initially in the Islands Trust areas overlapping with the Capital and Sunshine Coast Regional Districts, NAPTEP expanded between 2008 and 2011 to include the Islands Trust areas of the Nanaimo, Cowichan Valley, Comox Valley and Powell River regional districts. The only Islands Trust areas not yet approved for NAPTEP participation are the Municipality of Bowen Island and two other small islands in the Greater Vancouver Regional District.

1.2 Features of NAPTEP

NAPTEP is a fully voluntary program offered by the Island Trust and Island Trust Fund (ITF – a conservation land trust for the Gulf Islands) – voluntary in terms of both regional district and municipal participation and in terms of landowner enrolment. All NAPTEP covenants are held by the ITF Board. NAPTEP covenants follow a standard “template” required by BC Assessment. This means that a few covenants which do not fit this template have been processed outside the scope of NAPTEP.

NAPTEP offers 65% tax exemption on land which is protected by a conservation covenant. Qualifying land must have special features such as undisturbed natural areas that are good examples of important ecosystems, habitat for rare native plants or plant communities, critical habitat for native animal species or special geological features.

NAPTEP covenants apply to natural areas and generally are not placed on developed portions of a parcel, such as homes, other buildings and roads. NAPTEP reduces only the land portion of property taxes, not parcel taxes or tax on improvements. Land with a NAPTEP covenant receives a Natural Area Exemption Certificate which is forwarded to BC Assessment and reduces annual taxes payable. NAPTEP covenants do not entail a requirement for public access to the protected land.

There is no minimum or maximum size for conservation covenants. However it is unlikely that owners of small parcels or land with low assessed value will apply to NAPTEP since the potential tax reduction benefits may not outweigh the costs of entering the program. Typically, landowners would be seeking to recover application costs in a few years.

Land approved under the NAPTEP program is classed as residential (BC Assessment class 1). However placement of a covenant on a parcel may lower the assessed value of land which could otherwise be developed since those development opportunities are foregone. Lands subject to other tax exemptions, such as Private Managed Forest Land (BC Assessment class 7) and agricultural land (class 9), are not eligible for NAPTEP. Also, land in the Agricultural Land Reserve (ALR) cannot have a restrictive covenant applied to it without special approval. Conservation covenants are therefore not applied to ALR land. Land enrolled under NAPTEP may qualify for the federal Ecological Gifts (EcoGift) program and charitable gift receipt. The EcoGift program gives private land owners a non-refundable income tax credit and an exemption from capital gains tax.

Landowners applying for NAPTEP are responsible for payment of covenant initiation costs, which include a \$450 ITF application fee, a legal land survey, baseline ecological survey, legal and tax advice and registry of the covenant with BC Land Titles. Total initiation costs are estimated to range from \$2500 to \$12,000, a significant cost for any landowner considering a covenant as permanent protection for their property. In some cases supplementary funding can be arranged to assist landowners with these initiation costs. The ITF is responsible for ongoing costs of monitoring and enforcement of the covenant.

Conservation covenants are permanent, remaining with the land title even if the land is sold. NAPTEP benefits are also permanent and will therefore help to balance the lowered development potential of the land for the initial and future owners of the land. However, if a landowner breaches the conditions of the covenant, the NAPTEP certificate may be revoked and past tax reduction benefits may be fully recovered. It should be noted that other, more equitable, exit provisions could be adopted. For example, the Private Managed Forest Land program uses a full benefit recovery approach (similar to NAPTEP) for land which has been enrolled for up to five years. After five years the exit fee is reduced and after fifteen years the land is no longer subject to an exit fee.

NAPTEP Stories

A landowner in the northern Gulf Islands felt motivated to protect his property which provides an important natural corridor between a provincial park and an area of coastal bluffs and Garry Oak habitat. After learning about NAPTEP he decided to proceed with negotiation of a covenant on approximately 85% of his 13.5 acre property. During the ecological assessment and communication with ITF he learned more about the restoration of a mature, healthy forest. Although he was able to take advantage of some favourable prices for the ecological survey and legal advice, his direct costs still amounted to approximately \$5000 for the initiation of the covenant. He estimates that his property taxes have been reduced by “a few hundred dollars per year”, leaving him with a payback period of 6 – 8 years. Despite his relatively small covenant size and small annual tax savings, the landowner says that he is happy to have the covenant in place and happy that he is dealing with a land trust which takes the covenant seriously and supports his conservation goals. He reports that he has had very positive feedback from neighbours, although none have yet followed his lead. He agrees that a larger tax exemption might be critical for some landowners for whom a shorter payback period is more important.

A landowner family in the southern Gulf Islands was similarly motivated by a strong desire to protect 1.2 acres of Garry Oak meadow on his 4.2 acre property. The covenant, established in 2011, is held by the Islands Trust Fund and the local island conservancy. The cost of developing the covenant included the ITF fee, land survey, ecological assessment and registration with Land Titles and cost a total of about \$3400. In this case, a local endowment fund was available to offset approximately 75% of the covenant initiation costs, leaving them with over \$800 in out of pocket expense. Because the property and covenant area are small, the NAPTEP tax exemption saving is about \$200 per year. This small tax saving would not, by itself, be sufficient to justify the covenant on a strictly financial basis. The landowners’ motivation for establishing a conservation covenant was clearly their love of the natural character of their property and the availability of the local endowment fund.

Conservation covenants require annual monitoring, communication between the covenant holder and landowner, and possible enforcement and even occasional resolution of legal issues. The degree of monitoring and other management required is usually related to the amount of detail and complexity in the covenant. Covenant management may also involve assistance to the landowner to maintain the identified ecological values (eg. invasive species removal).

Monitoring and management of covenants is the responsibility of the covenant holder, usually a conservation organization. In some cases endowment funds are set aside to offset the annual monitoring and management costs. In other cases landowners are required to pay an annual amount to cover, at least partially, these annual costs.

While these considerations apply regardless of whether or not a tax exemption program is in place, they have a considerable impact on the readiness of land owners and land trusts or others to put conservation covenants in place and, thus, the level of demand for a tax exemption program.

1.3 NAPTEP Enrolment

While there is considerable land potentially eligible for protection under an IT covenant and tax exemption under NAPTEP, only a small amount has so far been enrolled. The following table shows the level of participation in the NAPTEP by year and regional districts. After ten years of implementation in the Capital RD (Saltspring, North Pender and Galiano islands) there are 20 participating properties with total covenant area of just over 62 ha. The RD of Nanaimo (Gabriola Island) and the Comox Valley RD (Hornby Island) have had shorter periods of participation and, so far, lower levels of usage. There have been no NAPTEP covenants approved yet in the ITF area covered by the Cowichan Valley, Sunshine Coast or Powell River RDs.

Land Enrolled in the ITF Natural Area Protection Tax Exemption Program

No. of parcels and (ha.)

Year	Capital RD		RD of Nanaimo		Comox Valley RD	
	NAPTEP	Non-NAPTEP	NAPTEP	Non-NAPTEP	NAPTEP	Non-NAPTEP
2005-06*	4 (31.2)	2				
2006-07	2 (10)	0				
2007-08	4 (8.3)	0				
2008-09**	5 (7.2)	0				
2009-10	2 (2.9)	0	1 (7.4)	0		
2010-11***	0	0	1 (2.1)	1		
2011-12	1 (0.8)	2	0	0		
2012-13	1 (0.9)	0	0	0	1 (4.7)	0
2013-14	0	1	0	0	0	0
2014-15	1 (0.8)	1	0	0	0	0
Total	20 (62.1)	6	2 (9.5)	1	1 (4.7)	0

* 2005 – NAPTEP launched in Capital RD

** 2008 – NAPTEP launched in RD of Nanaimo

*** 2010 – NAPTEP launched in Comox Valley RD

Source: Islands Trust Fund

Prior to the initiation of NAPTEP, the ITF had a total of 34 conservation covenants on both private and public land. Since NAPTEP came into effect in the Capital RD there have been about 2 NAPTEP covenants per year and less than one non-NAPTEP covenant per year.

ITF has indicated that older covenants can transition into the NAPTEP if they meet all eligibility criteria. To date only one such transition of an older covenant into the program has taken place although there have been a few other indications of interest.

It would appear that the level of usage or enrolment in the NAPTEP is holding relatively constant in the ITF area at 2 – 3 covenants per year. The modest level of NAPTEP enrolment reflects the fact that NAPTEP provides a fairly small financial incentive to landowners considering a conservation covenant. NAPTEP is not being used for tax avoidance purposes. However it is likely a positive influence on landowners who would otherwise be undecided about the overall benefits and costs of long-term conservation of their land.

It appears that for large properties which could potentially realize a greater benefit from a NAPTEP tax saving, there may be offsetting subdivision or other development potential which reduces landowners interest in participation. For small properties the tax saving potential is also small and may not be enough to outweigh the covenant initiation costs, some of which are fixed regardless of parcel size. Covenants are most likely where landowners have a clear conservation orientation or where there are offsetting sources of funding. In addition to these factors, possible expansion of a conservation tax incentive program to other areas of the province could be affected by the willingness of regional districts and municipalities to participate in the program.

The capacity of land trusts or local governments to initiate conservation covenants and make the commitment to their ongoing monitoring and management is also likely to be a limiting factor for land enrolment in a province-wide tax exemption program. Many land trusts operate with limited human and financial resources and are therefore unlikely to be able to handle the start-up or ongoing monitoring of more than a small number of covenants each year.

The expected impact of a NAPTEP-like, province-wide tax incentive program is therefore that there will be a modest increase in the number of conservation covenants. Those landowners who are positively inclined and have valuable natural areas may wish to proceed with a covenant if the costs and benefits can be shifted slightly in their favour. A province-wide tax incentive program is not going to result in a large influx of properties nor in a disruption of tax revenues or shifting of tax incidence.

1.4 NAPTEP Financing

Two facts stand out with respect to the financing of NAPTEP tax exemptions. First, there is no loss of provincial or local tax income and no requirement for the province to compensate local governments for reduced tax. Instead, the NAPTEP program involves a tax shift from a small number of participating landowners to a large number of non-participating properties. And, second, the amount of tax shifting is very small.

In simple terms, property taxes are based on assessed values (the tax base) and tax (or mill) rates. Actual taxes payable are subject to both changes in the tax base and changes in revenue requirements for such things as schools, hospitals and local services. From a government revenue perspective, the 65% NAPTEP tax exemption is offset by both land development and other changes in assessments elsewhere and by shifting taxes to other taxpayers in the jurisdiction. This is the same as effect of the agricultural, heritage property and other tax exemptions. It should also be noted that the cost of administering the NAPTEP program is minimal. BC Assessment enters the tax exemption certificate into its records and shows the exemption on the landowner's annual assessment notice.

Calculation of actual tax shifting is rather complex and has only been done on a hypothetical basis for regional districts and areas considering participation with ITF in the NAPTEP program. Within these areas different tax categories are pooled differently. For example, the effect of a tax exemption on school, police and provincial rural taxes affects the provincial tax pool for these taxes and would be imperceptible. The effect of a tax exemption on regional hospital, parks and recreation, fire protection and other regional and local services would be slightly larger but would not affect taxpayers in other parts of the province. Also, mill rates vary by taxing authority and property classification.

The level of participation in NAPTEP was discussed above. The ITF calculated tax shifts for landowners in one island local trust.¹ Based on a 1% participation rate in NAPTEP, the resulting tax shift, or additional tax payable by non-NAPTEP properties, was estimated to be \$0.03 per year per landowner in the Cowichan Valley Regional district and \$0.04 per landowner in one of the island local trust areas. If the participation rate was 5%, these tax shift values would rise to \$0.14 and \$0.22 per landowner respectively. Another calculation of the tax shift impacts on provincial, regional district and IT area landowners ranged from \$0.01 to \$0.45 per year per taxpayer, based on a 1% participation rate in the NAPTEP program and \$0.07 to \$2.25 with a 5% participation rate.²

It appears that, in comparison to land acquisition costs, a voluntary tax exemption program such as NAPTEP offers a highly cost-effective means of protecting some of the most valuable, privately-owned natural areas in areas where such protection is often critical. Tax shifting to non-participating landowners is very small, likely to be offset by many other changes affecting tax rates, and very reasonable in comparison to the increased amenity values and positive impact on other property values which will result from conservation of natural areas. From a local government and provincial perspective, such a tax exemption program has no direct cost and minimal administrative requirements.

¹ Islands Trust Fund, "Hypothetical Tax Shift Due to Implementation of the Natural Area Protection Tax Exemption Program (NAPTEP) in the Thetis Island Local Trust Area (Cowichan Valley Regional District)," August 2008, unpublished.

² Islands Trust Fund, "Technical Report: Hypothetical Tax Shift Due to the Implementation of the Natural Area Protection Tax Exemption Program (NAPTEP)," May 2005, unpublished.

2. Conservation Incentive Programs in Other Jurisdictions

2.1 Nova Scotia

Nova Scotia promotes the conservation of natural areas on private land through a Conservation Property Tax Exemption Program (CPTEP) which began in 2009. The province has made a commitment to protect 12% of its land by 2015. However 75% of Nova Scotia land and 95% of its coast is privately owned, so protection of privately owned land is very important.

The CPTEP exempts landowners from 100% of property tax on qualifying conservation properties and it provides a grant from the province to municipalities in lieu of taxes on those properties. The program also eliminates “change of use” taxes which can be levied as a result of property becoming protected.

Qualifying conservation properties are those which are subject to a conservation easement (covenant) that is primarily dedicated to the protection of native biodiversity and natural processes. Industrial and commercial use is prohibited on conservation properties, including forestry, agriculture and quarrying. Qualifying conservation properties also include land held for the protection of native biodiversity and natural processes by an eligible body such as a land trust, municipality or provincial or federal government agency.

No application process is required for the CPTEP; government agencies and land trusts identify qualifying land. Once identified the tax exemption is provided year after year unless a change of use occurs. However if a change of use takes place a change of use tax of 20% of the fair market value of the property is charged.

2.2 Ontario

The Province of Ontario recognizes that many of its most significant natural areas are privately owned and that it is important to encourage responsible stewardship of these lands and the protection of their outstanding natural heritage features. The Ontario Conservation Land Tax Incentive Program (CLTIP) replaced an earlier tax reduction (rebate) program in 1998. CLTIP is a voluntary program which provides an incentive for landowners to protect conservation lands by offering 100% property tax exemption.

Eligible conservation land include provincially significant wetlands, provincially significant areas of natural and scientific interest, habitat of a regulated species, or designated parts of the Niagara Escarpment. In 2004 the Ontario government added a Community Conservation Land category, consisting of land owned by charitable conservation organizations and conservation authorities, where these meet eligibility criteria and are

maintained to preserve natural heritage and biodiversity objectives. Eligible land parcels must be ½ acre or larger.

Eligibility for CLTIP is not dependent on land being covered by a conservation covenants / easement. Continued participation in the CLTIP requires annual applications. The Ontario Ministry of Natural Resources is responsible decisions on qualification for CLTIP and for ongoing land use monitoring. Land use activities which are detrimental to the values for which CLTIP eligibility was granted can result in loss of tax exemption.

Like B.C., Ontario has a Managed Forest Tax Incentive Program and a Farm Property Class Tax Rate Program which promote preservation and sound management of forest and agricultural land. In contrast, the CLTIP is for land which is preserved in a natural state and forest and agricultural products are not produced.

Although the provincial government does not directly compensate municipalities for revenue losses resulting from tax-exempt conservation lands, when calculating transfer payments to municipalities to assist with social costs, it takes into account that CLTIP properties do not directly generate municipal revenues.

2.3 United States

U.S. federal legislation allows donors of conservation easements to deduct a portion of the value of the easement from their income tax. In 2006 the income tax deduction limit was raised from 30% to 50% of the easement's appraised value, with a limit of 100% for qualifying farmers and ranchers. That program was not extended in 2014 but work is continuing to seek extension of the enhanced program in 2015. A number of states also have programs allowing personal and corporate income tax deduction for conservation easement donation.

In addition some states have property tax reduction programs. For example, in 2008 Florida, which does not have state income tax, exempted land under permanent conservation easement from state property tax. Minimum parcel limits and qualifying land feature criteria apply and there is a re-capture mechanism for back taxes when the land is taken out of conservation. Maryland has a program under which a landowner pays no property tax for 15 years on land that is subject to a donated environmental trust easement. The tax credit does not apply to any residential improvements, or to a minimum of one acre around these improvements. At the end of the 15-year period unimproved land under donated easement will be assessed at the highest agricultural rate.

An "open space" tax program in San Juan County in Washington State was taken into account in developing B.C.'s NAPTEP in the late 1990's. The Open Space Taxation Act, enacted in 1970, allows property owners to have their open space, farm and agricultural, and timberlands valued at their current use rather than their "highest and best use" value.

The program does not distinguish between preserved natural areas and those producing forest and agricultural products.

3. Complementary Activities and Support

BC has protected over 14 million ha., or 14% of the provincial land base, in a network of parks, conservancies, ecological reserves, recreational and other protected areas. In March 2015 an additional 1500 ha. was added to provincial parks, increasing recreational opportunities and protection natural areas. More than half this land was added through acquisition of private land.

While private land makes up only about five percent of the land base in the province, much of this private land is concentrated in scarce, important and heavily developed ecological zones. Non-government organizations play an important part in the conservation of privately owned natural areas. As of 2013, BC NGOs held a total of close to 300,000 ha. in various forms of ownership and land interest, including close to 20,000 ha. in conservation covenants and other registered interests. These non-government land conservation efforts are a valuable and cost effective complement to the provincial government's protected areas program.

Regional districts and municipalities support the protection of ecologically important natural areas and corridors and the watershed, habitat, climate change mitigation and other benefits which they provide. Official documents such as regional growth strategies invariably recognize the vital importance of natural area protection and often refer to the need for innovative tools and incentives in order to meet their objectives.

While many private land owners are conservation-minded and want to practice good land stewardship, financial pressures from rising land values and assessments create incentives toward development, disturbance, fragmentation and exploitation of local resources. Many of the benefits of natural area conservation are "public" in nature and do not result in direct financial pay-back for landowners. Property tax reduction may be an important tool to correct this "conservation disincentive."

B.C. Government

The B.C. Government's "Protecting Vulnerable Species: Five-Year Plan for Species at Risk in British Columbia" states that:

"A high proportion of B.C.'s species at risk occur in naturally productive areas that are also attractive for human settlement and consist primarily of private lands. Individuals and conservation groups whose efforts are primarily focussed on private lands make a big contribution to voluntary protection and recovery of species at risk. Tools such as incentives and funding inspire, encourage and reward voluntary efforts to protect and manage species at risk. If local

governments, conservation partners, First Nations, private landowners and industry have these tools, they will be able to contribute more fully to species-at-risk conservation.”

The report also makes the recommendation to “Explore and recommend new ways (including incentives and possible project funding) to promote voluntary protection of species at risk (by 2015).”³

Union of B.C. Municipalities (UBCM) and Local Governments

In 2011 the RD of Sunshine Coast brought to the UBCM meeting a resolution, also endorsed by the Association of Vancouver Island and Coastal Communities, regarding NAPTEP. The following resolution was unanimously approved:

THEREFORE BE IT RESOLVED that the Ministry of Community, Sport & Cultural Development be requested to grant local governments the authority to implement natural area protection tax exemption programs.

The province’s response to this resolution was:

This is the first time that regional districts have expressed an interest in having the authority to offer a Natural Area Protection Tax Exemption Program; as such this is not an area that is currently under consideration for legislative review. The Province would be willing to work with regional district representatives to consider questions such as the priority of legislative change for regional districts and applicability of the Natural Area Protection Tax Exemption modeled on the Islands Trust to regional districts and the success of the Islands Trust Natural Area Protection Tax Exemption Program.

In addition to local government support for this resolution through UBCM, a number of regional districts have, in keeping with provincial NAPTEP legislation, agreed to participate in the NAPTEP. As noted above, the Capital RD and Sunshine Coast RD joined the program in 2005, RD of Nanaimo and Cowichan Valley RD joined in 2008, Comox Valley RD in 2010, and Powell River RD in 2011.

Federation of B.C. Naturalists (BC Nature)

Also in 2011 BC Nature passed the following resolution:

BE IT RESOLVED that BC Nature urge the Union of BC Municipalities, municipalities and the Provincial Government to enact legislation to provide property tax incentives to those private land owners who wish to protect their land and its features by covenant from future development.

³ Government of British Columbia, “Protecting Vulnerable Species: Five-Year Plan for Species at Risk in British Columbia,” 2014, p. 30-31

4. Recommendations

Provincial Tax Incentive Program

Based on the 10-year experience which ITF has had in the implementation of NAPTEP, it is recommended that a BC-wide property tax exemption program should be enabled through amendment of the necessary provincial legislation. The main features of the program would be:

- the program title could be titled a “Conservation Tax Incentive Program” (CTIP) to distinguish it from the existing NAPTEP
- fully voluntary participation by local governments, landowners and land trusts
- 100% annual property tax exemption for land with a qualifying conservation covenant⁴
- Exit fees for land withdrawn from a CTIP should be defined on a basis similar to the Private Managed Forest Land Program: full recovery of tax exemption benefits up to 5 years, then a declining recovery rate and no recovery after 15 years.

It is proposed that if a CTIP program is adopted on a province-wide basis it should fully replace the NAPTEP in the ITF area.

Process Leading to Adoption and Beyond

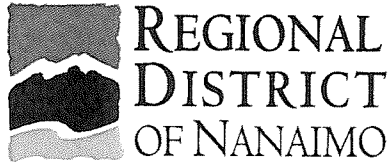
The following steps are proposed to lead to provincial adoption of a CTIP:

- Awareness building and solicitation of support from selected local governments, land trusts and concerned provincial agencies
- Presentation of a resolution to the UBCM convention in September 2015
- Awareness building and solicitation of support for provincial action. This may include further analyses, briefing material, drafting of legislation and a proposal for inclusion in the 2016 legislative agenda.

⁴ The negotiations around the initiation of the NAPTEP resulted in a reduction of the exemption rate to 65%, in part due to concerns that the program should not result in an influx of landowners seeking to avoid property taxes. The relatively low level of NAPTEP participation to date indicates that this has not been the case and suggests that a higher tax exemption rate might increase the protection of important natural areas which would otherwise continue to be lost to development.

- Passage of the necessary provincial legislative amendments in 2016.

Beyond legislative approval there will need to be a process for awareness building, training for concerned local governments and land trusts and, likely, step-by-step implementation in regional districts and municipalities which have taken the necessary actions to adopt the program in their areas.



RDN REPORT		#
CAO APPROVAL		
EAP		
COW		
JUN 16 2015		
RHD		
BOARD	✓	

STAFF REPORT

TO: Larry Gardner
 Manager, Solid Waste Services

DATE: June 15, 2015

FROM: Jane MacIntosh
 Environmental Technician

MEETING: Board, June 23, 2015

FILE: 2240-20-SECU

SUBJECT: Regional Landfill Security Services Contract Award

RECOMMENDATION

That the Board award the contract for security services at the Regional Landfill to *Securiguard* for a period of three years commencing August 1, 2015 at a total cost of \$275,777.20.

PURPOSE

The purpose of this report is respond to the tender for security services at the Regional Landfill.

BACKGROUND

In order to protect the property and equipment of the Regional District of Nanaimo (RDN) and/or its contractors from damage, vandalism or theft, security services are required at the Regional Landfill. In this regard, the greatest risk to the RDN is the threat of landfill fire. Landfill fires are not uncommon and if responded to promptly are insignificant events; however, the hazard and difficulty in fighting landfill fires increases exponentially over a very short time from initial ignition. Fire risk is the substantive reason behind having site security whenever the landfill is closed for business.

A contracted security person provides coverage from 5:30 pm of each business day until 6:30 am the following business day seven days per week including statutory holidays. A tender was issued in May 2015 to provide this security service at the Regional Landfill for a three year period from August 1, 2015 to July 30, 2018. The tender closed on June 11, 2015 and three bids were submitted and are outlined below:

Company	Year 1	Year 2	Year 3	Total
<i>Securiguard</i>	\$90,028.96	\$91,925.80	\$93,276.20	\$275,777.20
Footprints Security	\$97,422.00	\$97,422.00	\$97,422.00	\$292,266.00
Safety Net Security	\$128,944.90	\$132,168.52	\$135,472.73	\$396,586.15

The lowest bid was received from *Securiguard* for a total contract cost of \$275,777.20 for the three year period.

ALTERNATIVES

1. Award the contract to provide security services at the Regional Landfill to *Securiguard*.
2. Do not award a contract to provide security services and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The 2015 annual budget estimate for solid waste engineering and disposal operations allocates \$95,000 for security services. There are sufficient funds in the budget to fund this contract at \$90,028.96 this year and their annual contract cost does not exceed this budgeted amount over the three year period.


STRATEGIC PLAN IMPLICATIONS

The Strategic Plan mission includes delivering services through managing operations, planning, and administrative activities in a fiscally responsible manner. On-site security is considered fiscally responsible to protect RDN assets and mitigate the potential high consequence of fire risk.


SUMMARY/CONCLUSIONS

In order to protect the property and equipment of the RDN and/or its contractors from damage, fire, vandalism or theft, security services are required at the Regional Landfill. A contracted security person is on-site continuously whenever the landfill is closed for business from 5:30 pm of each business day until 6:30 am the following business day seven days per week including statutory holidays to ensure that no unauthorized individuals enter the facility or emergency services are notified as soon as possible in the event of a fire.

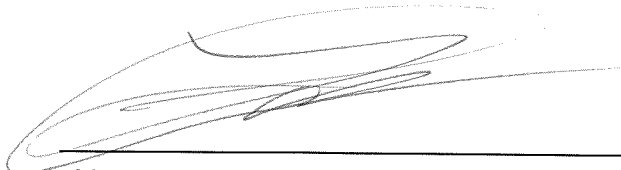
A tender was issued in May 2015 to provide this security service at the Regional Landfill for a three year period from August 1, 2015 to July 30, 2018. The lowest tender was submitted by *Securiguard* for a total contract cost of \$275,777.20.



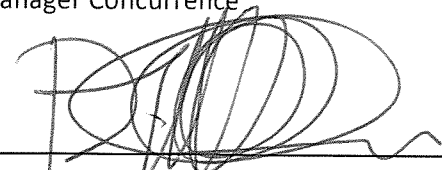
Report Writer



General Manager Concurrence



Manager Concurrence



C.A.O. Concurrence