

Press Release

City of Castlegar To Establish Infrastructure Investment Levy

- \$1.25 Million Annually Will Re-Invest In Repair and Replacement,
Enhancing Quality of Life and Investment -

February 7, 2019 — the City of Castlegar is proposing to establish a new Infrastructure Investment Levy to fund the repair and replacement of city roads, facilities, parks, and vehicle fleet as part of the Council's approval of the 2019 budget.

"This ongoing investment will ensure, unlike many communities, that we fully fund the repair and replacement of what we build and own," says Mayor Bruno Tassone. "This budget – and all future ones – will be different. We want to make sure our legacy doesn't leave a big infrastructure mortgage that future generations have to overcome."

In its Budget 2019 report to Council, City Administration says that investing a little more now will mean paying less in future, like we do elsewhere in our lives like when we get an oil change for our car or put new shingles on the roof of our house.

Benefits of an Infrastructure Investment Levy are:

- Total tax rates and charges that get even more competitive when comparing against other communities that don't tackle their infrastructure deficits and are hit with big surprises down the road.
- Better quality of life for residents who interact with quality infrastructure.
- Long term tax predictability for residents.
- Better ability to attract investment and jobs that come to Castlegar for high quality infrastructure and high quality of life.

The Levy will be implemented over a 5 year period, which helps residents adjust while helping the City move quicker to repair and replace infrastructure.

For this and future years, residents will see a tax rate that will show each the inflation increase, the Infrastructure Investment Levy, Operational Requests (administration), and New Funding Requests (e.g. new services).

"This budget and tax rate approach helps residents better see how money is spent," Tassone adds. "It's also more predictable because large segments of the budget are planned over the long term."

The 2019 Budget and five-year financial plan is still being debated by Council; the Investment Infrastructure Levy is proposed to be an approximate tax adjustment of 4.42% in 2019, which would equate to approximately \$47 for the average home.

For more information visit: <https://www.castlegar.ca/city-hall/informationmaterials/2019-budget/>

About the City of Castlegar (www.castlegar.ca)

The City of Castlegar (pop. 13,700 City and area, trade area 70,000) is a service centre within British Columbia's West Kootenay interior, including presence of the West Kootenay Regional Airport and Selkirk College's main campus. The economy is diversified and growing, focused on forestry (Mercer Celgar Mill, Interfor), energy (Columbia Power), and mining (Teck) sectors in the Valley, and commercial services in the City. Quality of life features backcountry adventure and an increasingly dynamic urban culture, including addition of Millennium Ponds and the annual Sculpture Walk event in recent years. The City's desirability as an affordable business and lifestyle choice will continue to grow with anticipated investments in a new recreation complex, redevelopment of the City's primary commercial artery, first sales of West Kootenay Centre lands (39 acres) adjacent to the airport, and TELUS extension of 250/250 broadband service that will address the City's interest in attracting entrepreneurs and creative industries.

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Attachment – Backgrounder



BACKGROUND – INFRASTRUCTURE INVESTMENT LEVY

WHAT IS THE INFRASTRUCTURE INVESTMENT LEVY?

The Levy will fund the building, maintenance, repair, and replacement of ROADS, PARKS AND PATHWAYS, MUNICIPAL BUILDINGS, MUNICIPAL VEHICLES.

The Infrastructure Investment Levy is supplemented by:

WATER AND SEWER – self-funding as required by B.C. law

STORM SYSTEM – annual levy currently \$150 established in 2016 based on study of required investment and re-investment.

HOW DOES THE INFRASTRUCTURE INVESTMENT LEVY IMPACT YOU? OUR COMMUNITY?

WE ARE PAYING DOWN THE MORTGAGE - we have fallen behind on investing in our aging infrastructure and need to re-invest in it.

INVESTMENT NOT TAXES - we tend to think of taxes as “bad” and investment as “good.” Fixing and enhancing our infrastructure requires taxes, but it’s an investment in a better future for our community and residents.

WE ARE CREATING TAX PREDICTABILITY – every year as a community we debate the tax rate. Our investment in infrastructure will appear as its own item in the tax levy. It’s based on long-term planning over 5 year periods, so there won’t be need to debate capital investments every year.

THE QUICKER WE RE-INVEST THE BETTER - the quicker we build the bank account that pays for infrastructure repair/replacement, the better off we are as a community over the long term – both financially and quality of life.

IT MATTERS TO YOU – when you hit a pothole, have water shut off to fix a pipe, or sit on an aging park bench you directly experience the challenges of aging infrastructure. Re-investment aims to do two things: 1) Make your quality of life better by improving municipal infrastructure; 2) Have lower long-term taxes and charges than we could otherwise achieve by waiting for infrastructure to break before fixing it – which is much more expensive to fix than a regular repair program is.

THE AMOUNT IS BASED ON PLANNING – once fully phased in, the \$1.25 million annual capital replacement program is based on evaluation of infrastructure and estimates of what’s needed to repair and maintain it in good condition.

QUALITY OF INFRASTRUCTURE MATTERS – new investment, which is really important for next generation community prosperity, increasingly makes location decisions based on quality of infrastructure. We are about to put a regular reinvestment plan into motion.

WE WILL STILL HAVE AMONG THE LOWEST TOTAL TAXES AND CHARGES – even with a new infrastructure investment levy, Castlegar will be in the Top 3 total taxes and charges in the West Kootenay in 5 years – even if total taxes and rates didn’t go up anywhere else over the next 5 years.

THIS PUTS US AHEAD OF OTHER COMMUNITIES – lots of infrastructure in most communities is getting to the age where there’s significant repair money required. By investing now we will have lower tax and rates charges and have better infrastructure than most communities. That means better quality of life, and more investment and tourists attracted to our community – with all of its benefits – compared to other communities.

WHERE THE INFRASTRUCTURE INVESTMENT LEVY GOES: 2019 CAPITAL PROGRAM

Columbia Avenue Phase 2 Preliminary & Detailed Design	\$456,000
5 th Avenue & 2nd Street Storm Project	\$100,000
CMMS & Asset Management System	\$31,250
Pavement Management Plan	\$120,000
Sidewalk replacement	\$40,000
Contribution to Development	\$20,000
27 Street & 1 st Avenue retaining wall replacement design	\$50,000
Airport Lands Intersection	\$1,934,000
Oil Containment Facility at PW	\$25,000
Public Works Building air handling Improvements	\$40,000
Audible crosswalk Lights	\$15,000
City wayfinding Signage	\$84,000
CPR Crossing contribution	\$75,000
Facilities Condition Assessment	\$100,000

Note: the annual capital budget exceeds the annual Infrastructure Investment Levy of \$1.25 M. Additional funds come from general revenue (\$645K annually) and successful grant funding.