



REPORT

To: Electoral Area Directors Committee

Report Number: ADM-EADC-003

From: Crystal Brown, Electoral Area Manager

Date: May 12, 2020

Subject: Regional District of Kitimat-Stikine Proposed Boundary Expansion

RECOMMENDATION #1:

That the Electoral Area Directors Committee receive the report titled "Regional District of Kitimat-Stikine Proposed Boundary Expansion" dated May 12, 2020 for discussion.

BACKGROUND/RATIONALE:

The Regional District of Kitimat-Stikine (RDKS) is interested in potentially expanding its northwest and northeast boundaries to encompass two areas of the Stikine region that are currently under provincial jurisdiction.

The Stikine region is the only area of the province that is not part of a regional district or municipality. When the regional district system was established in the 1960s, the Stikine region did not have sufficient population or property assessments to support being established as a regional district.

Without municipalities or a regional district, the Stikine region relies on the provincial government for basic local governance. Over the years the Stikine region has been reviewed for opportunities to have areas evolve to local governance via a regional district and reduce the role of the Province in managing local affairs.

The last significant change to the external boundary of the Stikine region came in 2007 when the boundary of the RDKS was expanded into the Stikine region to take in the community of Dease Lake. Since 2007, there has been continuing consideration of whether further boundary changes should be considered, taking a more holistic approach to governance and services.

In 2014, a study was completed that looked at the financial, service delivery and governance implications of expanding the northwest and northeast boundaries of the RDKS to encompass two areas of the Stikine region that are currently under Provincial jurisdiction.

Under a regional district local governance regime, the primary responsibility for service delivery would shift to the regional district. As occurred when Dease Lake was included in the RDKS, the area would be represented by a locally elected electoral area director who would sit at the regional district board table on behalf of the residents residing in that electoral area.

In 2017, staff from the Ministry, the RDKS, the Peace River Regional District (PRRD) and the Regional District of Bulkley-Nechako (RDBN) discussed the respective interests of the regional districts in bringing areas of the Stikine into their boundaries to provide basic local governance and service delivery where needed. No action was taken following these discussions with local governments. The collective view is that now is a logical time to reinvigorate these discussions, including conversations with First Nations in the region.

On the recommendation of the Minister of Municipal Affairs and Housing, the Provincial Cabinet can alter the boundaries of a regional district to include an area not in a regional district. Before the Minister makes a decision on a boundary change proposal, the Ministry gathers the perspectives and concerns of First Nations, neighbouring regional districts and stakeholders so that the Minister's decision can be made with due consideration of the perspectives of those who may be impacted by the boundary change.

If the proposed RDKS boundary expansion is approved, there will be an orphaned area created. The Regional District of Bulkley-Nechako is interested in taking over the orphaned area, but will require a part of the Peace River Regional District's Electoral Area B boundary in order to gain access to the orphaned area.

ALTERNATIVE OPTIONS:

1. That the Electoral Area Directors Committee provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

None at this time.

COMMUNICATIONS CONSIDERATION(S):

None at this time.

OTHER CONSIDERATION(S):

None at this time.

Attachments:

1. Ministry Letter
2. Regional District of Kitimat-Stikine Proposed Boundary Expansion Map
3. Regional District of Kitimat-Stikine Boundary Expansion Report
4. Regional District of Bulkley-Nechako Proposed Boundary Expansion Map



Ref: 251237

February 5, 2020

Dear Djil Djila:

I am writing to provide you with some background on government and service structures in the Stikine region and to let you know about efforts underway to assess the need for potential boundary changes involving adjoining regional districts. I am respectfully seeking your feedback, including any concerns or interests that your community may have regarding the possibility of including portions of the Stikine region within a regional district.

The Stikine region is the only area of the province that is not part of a regional district or municipality (see map for reference in Appendix 1). When the regional district system was established in the 1960s, the Stikine region did not have sufficient population or property assessments to support being established as a regional district. Regional districts were created to provide local democracy, planning and servicing to communities which were not municipalities, and to also enable those communities to collect taxes to provide for local services they desired.

Without municipalities or a regional district, the Stikine region relies on the provincial government for basic local governance. Over the years the Stikine region has been reviewed for opportunities to have areas evolve to local governance via a regional district and reduce the role of the Province in managing local affairs. The Ministry of Municipal Affairs and Housing (Ministry) provides general oversight and has responsibility for local governance, and assists the Atlin Community Improvement District, which the Province established, to provide some local services.

The Atlin Community Improvement District was established in 1967, shortly before the Regional District of Kitimat-Stikine (RDKS), and encompasses a small portion of the Stikine in the area surrounding the community of Atlin. It offers a few local services such as fire protection, water, street lighting, sidewalks and landfill. It also provides guidance on local land use for the community in the absence of a regional district.

The last significant change to the external boundary of the Stikine region came in 2007 when the boundary of the RDKS was expanded into the Stikine region to take in the community of Dease Lake, in order to address an urgent need for local fire protection. The RDKS now operates the fire service for the Dease Lake community and recovers the costs through taxation of the local community that participates in and benefits from the service.

.../2

Since 2007, there has been continuing consideration of whether further boundary changes should be considered, taking a more holistic approach to governance and services. To that end, a study (enclosed) was completed in 2014 that looked at the financial, service delivery and governance implications of expanding the northwest and northeast boundaries of the RDKS to encompass two areas of the Stikine region that are currently under Provincial jurisdiction (see extension areas map for reference in Appendix 2). The study recommended the RDKS consider combining the new boundary extension areas, electoral area F, and electoral area D together into one large electoral area (an expanded electoral area D).

Under a regional district local governance regime, the primary responsibility for service delivery would shift to the regional district. As occurred when Dease Lake was included in the RDKS, the area would be represented by a locally elected electoral area director who would sit at the regional district board table on behalf of the residents residing in that electoral area. As with areas that are currently within a regional district, the Province would continue to be the decision-maker with respect to all provincial land use decisions that are currently the purview of the Province, such as natural resource sector authorizations on Crown land.

In 2017, staff from the Ministry, the RDKS, the Peace River Regional District and the Regional District of Bulkley-Nechako (RDBN) discussed the respective interests of the regional districts in bringing areas of the Stikine into their boundaries to provide basic local governance and service delivery where needed. No action was taken following these discussions and with local governments into the second year of their 4-year term, the collective view is that now is a logical time to reinvigorate these discussions, including conversations with First Nations in the region.

On the recommendation of the Minister of Municipal Affairs and Housing, the Provincial Cabinet can alter the boundaries of a regional district to include an area not in a regional district. Before the Minister makes a decision on a boundary change proposal, the Ministry gathers the perspectives and concerns of First Nations, neighbouring regional districts and stakeholders so that the Minister's decision can be made with due consideration of the perspectives of those who may be impacted by the boundary change. To that end, the Ministry would like to understand your interests in potential boundary changes and can provide you with further information about the Stikine region and the role of regional districts as requested.

I would appreciate hearing back from you by April 6, 2020. Also, we will be following up with further correspondence when the RDKS and RDBN confirm their respective interests in this matter. At that point, First Nations and relevant regional districts may benefit from government to government discussions about their individual interests in this proposal.

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As a preliminary step, I look forward to hearing from you and discussing your interests about the future of local governance for the Stikine region. We will be reaching out again.

Sincerely,



Marijke Edmondson, A/Executive Director
Governance and Structure Branch
Ministry of Municipal Affairs and Housing

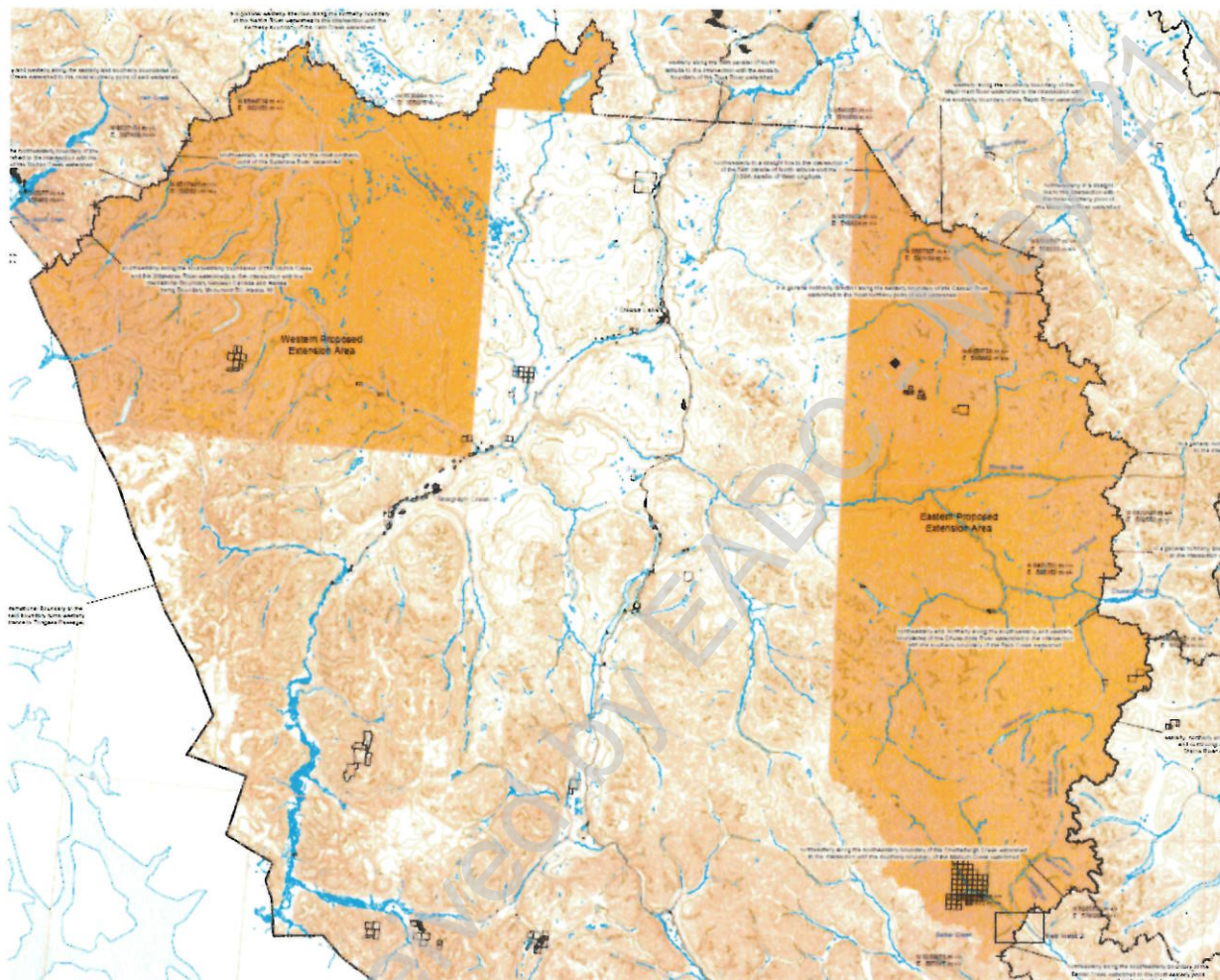
Enclosure

CC: Ron Poole, Chief Administrative Officer, Regional District of Kitimat-Stikine
CC: Curtis Helgesen, Chief Administrative Officer, Regional District of Bulkley-Nechako

Appendix 1 – Map of Stikine Region



Appendix 2 – Map of Proposed Extension Areas





Proposed Regional District Boundary Expansion of Kitimat Stikine Regional District Adjacent to the Peace River Regional District



1:6,500,000





Regional District of
Kitimat-Stikine

Regional District of Kitimat-Stikine

Phase 2 Boundary Extension



Photo credit: www.spatsizi.com

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Executive Summary

The Regional District of Kitimat-Stikine (RDKS) is interested in potentially expanding its northwest and northeast boundaries to encompass two areas of the Stikine region that are currently under provincial jurisdiction. The RDKS contracted Urban Systems in 2013 to study the financial, service delivery and governance implications of a potential boundary extension into these areas, and to consult with property owners and stakeholders. The report provides a summary of the process and outcomes of the study, as well as options and recommendations for proceeding with a formal boundary extension proposal to the Ministry of Community, Sport and Cultural Development (the Ministry).

This is a Phase 2 Boundary Extension study, which expands upon the 2006 Phase 1 study that resulted in the expansion of the RDKS boundary to include Dease Lake, and the creation a new local service area for Dease Lake Fire Protection. At the time, a new electoral area was created (Electoral Area F), with the intention that it would be amalgamated with neighbouring Area D during the 2008 local government election, which has not happened to date. The Phase 2 study included a review of services and potential taxation impacts due to the potential Phase 2 boundary extension. Many provincial services such as school, provincial rural, BC Assessment, and police taxes would not change as part of a boundary extension. The potential additional taxes due to boundary extension would include the Municipal Finance Authority (MFA), hospital district capital funding, and RDKS Electoral Area services. Sample tax calculations were conducted on a Class 1 (residential) and Class 6 (business) property, valued at their current assessed values of \$18,000 and \$4,800 respectively. Based on 2014 assessment and tax rates, the current property taxation on the above properties is estimated at \$100.89 for the Class 1 property and \$46.69 for the Class 6 property within Electoral Area F. The potential tax impacts to the sample Class 1 property within the proposed study area would be an additional \$19.45 within an expanded Area F, \$28.45 within an expanded Area D, or \$27.82 within a combined expansion of Area D/F. The potential tax impacts to the sample Class 6 property within the proposed study area would be an additional \$12.71 within an expanded Area F, \$18.58 within an expanded Area D, or \$18.17 within a combined expansion of Area D/F.

The study also explored the potential taxation impact of a future mine within the proposed study area, based on the assessed values of a previously operating mine (Eskay Creek) in Electoral Area D. Based on the assessment in its final year of operation (\$6,540,800 in 2008) and a combined taxation using Class 1 (residential) and Class 4 (major industry) assessment, such a mine in the proposed Phase 2 boundary extension area would see an increase in property taxes from approximately \$74,000 to \$100,000, or about \$26,000.

There are a number of boundary options for the RDKS to consider, including:

- Including the new boundary extension area into Electoral Area F;
- Splitting the new boundary extension area between Electoral Area D (western portion) and Electoral Area F (eastern portion);
- Combining the new boundary extension area, Electoral Area F, and Electoral Area D together into one large electoral area (expanded Electoral Area D); or
- Maintain the status quo.

The Phase 2 study explored these options, noting the potential taxation and other impacts and benefits of the various boundary configurations. It is recommended that the RDKS Board consider *Option 3: Area D, F, and Phase 2 Combined*, given the temporary nature of the establishment of Electoral Area F following the Phase 1 analysis, the relatively small taxation impacts due to boundary extension within the study, and the reasonable population and area of a combined Area D/F compared to the other 3 electoral areas.

The project included consultation with all of the property owners within the proposed boundary extension area, as well as guide outfitters, industry, and First Nations. As of the date of this report, no responses have been received from any of the guide outfitters. One response was received from a property owner / industry (Shell) requesting additional information, and one response was received from the Taku River Tlingit First Nation also requesting more information. This report will be made available to all of the stakeholders, property owners and First Nations within the proposed boundary extension area.

As part of the boundary extension process, the report highlighted a few additional considerations that should be discussed with the RDKS Board and the Ministry of Community, Sport and Cultural Development. These include:

- Refining the proposed western boundary of the Phase 2 boundary extension area, given the potential overlapping traditional territories of the Taku River Tlingit and Tahltan nation as well as recognizing that lands that are tributary to Atlin are best excluded from the boundary extension as they have more ties to the Yukon than with the RDKS;
- Confirming that including the Sacred Headwaters within the Phase 2 boundary extension area is appropriate, even if it becomes a permanently protected area; and
- Resolving the potential “orphaned” area of land that would be created between the proposed boundary extension area, the Peace River Regional District and the Bulkley Nechako Regional District.

This Phase 2 Boundary Extension Report is presented for review by the RDKS Board, and would form the background document as part of a formal application to the Ministry of Community, Sport and Cultural Development, if the Regional Board decides to pursue the boundary extension.

1.0 Introduction

The Regional District of Kitimat-Stikine (RDKS) is interested in potentially expanding its northwest and northeast boundaries to encompass two areas of the Stikine region that are currently under provincial jurisdiction. The RDKS contracted Urban Systems in 2013 to study the financial, service delivery and governance implications of a potential boundary extension into these areas, and to consult with property owners and stakeholders. This report provides a summary of the process and outcomes of the study, as well as options and recommendations for proceeding with a formal boundary extension proposal.

1.1 Background

In 2006, the RDKS completed a Phase 1 study to identify service delivery and governance options for the community of Dease Lake. The impetus for Phase 1 was the need for fire protection in the community after the existing provider, Ministry of Forests, ceased funding and discontinued operations in the area in 2005. As a result of the Phase 1 study, RDKS boundaries were extended in 2007, a new electoral area (Area “F”) was created, and the Regional District began providing fire protection service in Dease Lake through a Local Service Area. The boundary for Electoral Area F was drawn based on lines of latitude and longitude to facilitate the provision of the fire protection service. It was envisioned that Area F would be a temporary measure and that it would be amalgamated with Area D during the 2008 local government election.

During the Phase 1 process, the Minister of the day made a commitment to conduct a Phase 2 study to examine the potential of rationalizing the Regional District’s northwest and northeast boundaries. The areas of interest included the lands to the west and east/southeast of Electoral Area F, which are some of the last remaining areas of the province that are not located within a regional district. The Ministry of Community, Sport and Cultural Development (“the Ministry”) followed up with a grant to the Regional District in 2013 to conduct the Phase 2 study.

1.2 Phase 2 Study Area

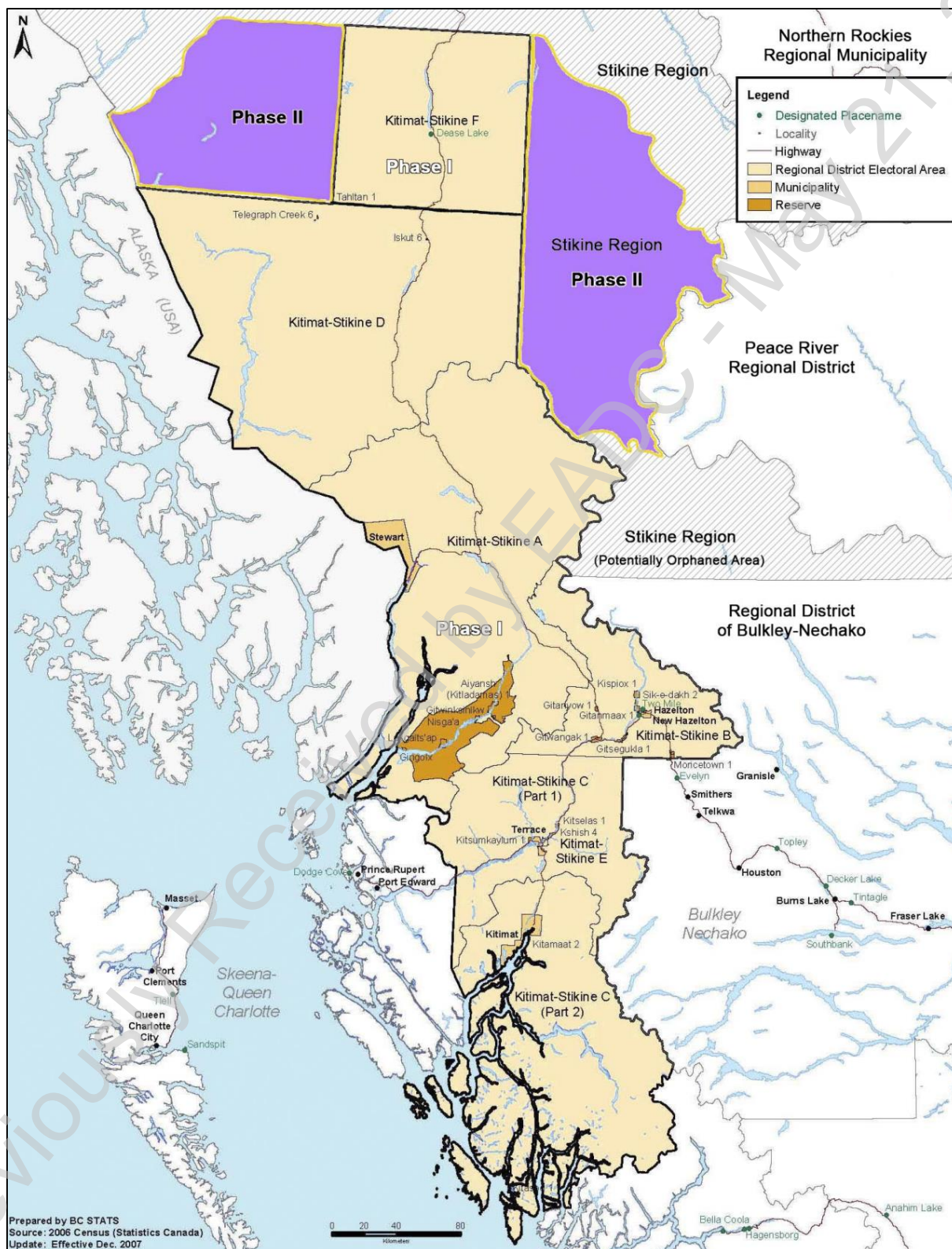
Potential options for the Phase 2 boundary were analyzed based on the concept of “tributaries”: geographic, economic and cultural. Key considerations included watershed boundaries; First Nation traditional territories and statements of interest; trade areas; and transportation routes.

The proposed Phase 2 study area is highlighted in **Figure 1** and is based on the following factors:

- Eastern boundary – follows Tahltan Statement of Interest, Stikine watershed and the boundary of the Peace River Regional District;
- Northern boundary – follows 59 degrees north latitude, consistent with the current northern boundary of Electoral Area F; and
- Western boundary – follows Tahltan Statement of Interest to the British Columbia / Alaska border.

The study area has no public roads or local government services. It is estimated to have a seasonal population of less than 50 people, with virtually no permanent residents.

Figure 1: Phase 2 Study Area



The location of the Phase 2 study area was also chosen to include several mining projects in the Stikine region, including a jade mining operation and four significant mineral exploration projects. More information about mining and mineral exploration activities and stakeholders in the Phase 2 study area is provided in **Section 2.2(d)**.

The study area excludes the Northwest BC communities of Good Hope, Lower Post and Atlin. It was identified in the early stages of the study that stretching north to include these communities would commit the RDKS to administer services over unrealistic distances from Terrace, given current resources. Additionally, the RDKS does not have a history of ties with Good Hope, Lower Post and Atlin, as these communities have greater connections (i.e. economic and transportation tributaries) with the Yukon Territory than they do with British Columbia.

The selection of the Phase 2 study area boundary was a collaborative effort. The boundary was originally identified by the RDKS in consultation with the Ministry of Community, Sport and Cultural Development. It was then included in the Terms of Reference for the Phase 2 study, and validated by Urban Systems early in the study process. In order to confirm the study area boundary, members of the consulting team travelled to Dease Lake, BC in September 2013 to conduct a series of interviews. Meetings were held with the following:

- Director and Alternate Director for Electoral Area F;
- Staff from relevant government ministries and agencies; and
- Dease Lake residents and business owners with knowledge of the Phase 2 area.

A telephone interview was conducted the following month with the Regional Director for Electoral Area D.

A variety of feedback was collected through the noted meetings and interviews; a summary memo is attached in **Appendix A**. The feedback was ultimately used by the RDKS and Urban Systems to review and confirm the desired location of the Phase 2 study area boundary. The boundary was then presented to the Regional District Board of Directors in October 2013. A memo to the Board requesting confirmation of the study area boundary is also attached in **Appendix A**.

2.0 Stakeholder Consultation

2.1 Overview

Stakeholder consultation for the Phase 2 study was undertaken between December 2013 and March 2014. The intent of the consultation was to inform key stakeholders of the boundary extension study and to invite feedback. A variety of different groups were targeted as part of the consultation program, including: property owners, guide outfitters, First Nations, and companies involved in mining and mineral exploration. This section provides information about each stakeholder group, as well as a summary of the consultation conducted and feedback received.

2.2 Stakeholders and Issues

a) Property Owners

There are approximately 33 properties in the study area, 27 of which are owned by 11 different individuals and businesses. The remaining properties are registered to the Province of BC, Environment Canada and the Nature Trust of BC. Each of the 11 private landowners was sent a letter in December 2013 that described the Phase 2 study and provided an estimate of the potential property tax increase they could experience from being included in the RDKS. A sample of this letter is attached in **Appendix B**.

Property owners were given approximately two months to provide a response or to request a telephone interview. Only one of the 11 property owners, Shell Canada Ltd., responded to the letter. A telephone meeting was subsequently conducted with a representative from Shell's property tax department in Calgary. The representative requested additional information and context about the Phase 2 study but did not express any concerns about a potential boundary extension. The individual also requested that Shell be notified of the Phase 2 process moving forward.

Additional information about property owners in Phase 2 is provided in **Section 4.1**.

b) Guide Outfitters

There are currently 13 different guide outfitting territories, registered to 16 different individuals, in the Phase 2 study area¹. The extent of the territories relative to the proposed Phase 2 boundary is shown in **Figure 2**. Each guide outfitter in the gray highlighted area in **Figure 2** was sent a letter in December 2013. The month of December was strategically chosen for the mail-out as it is considered to be part of the off-season for hunting and guiding in the Stikine region.

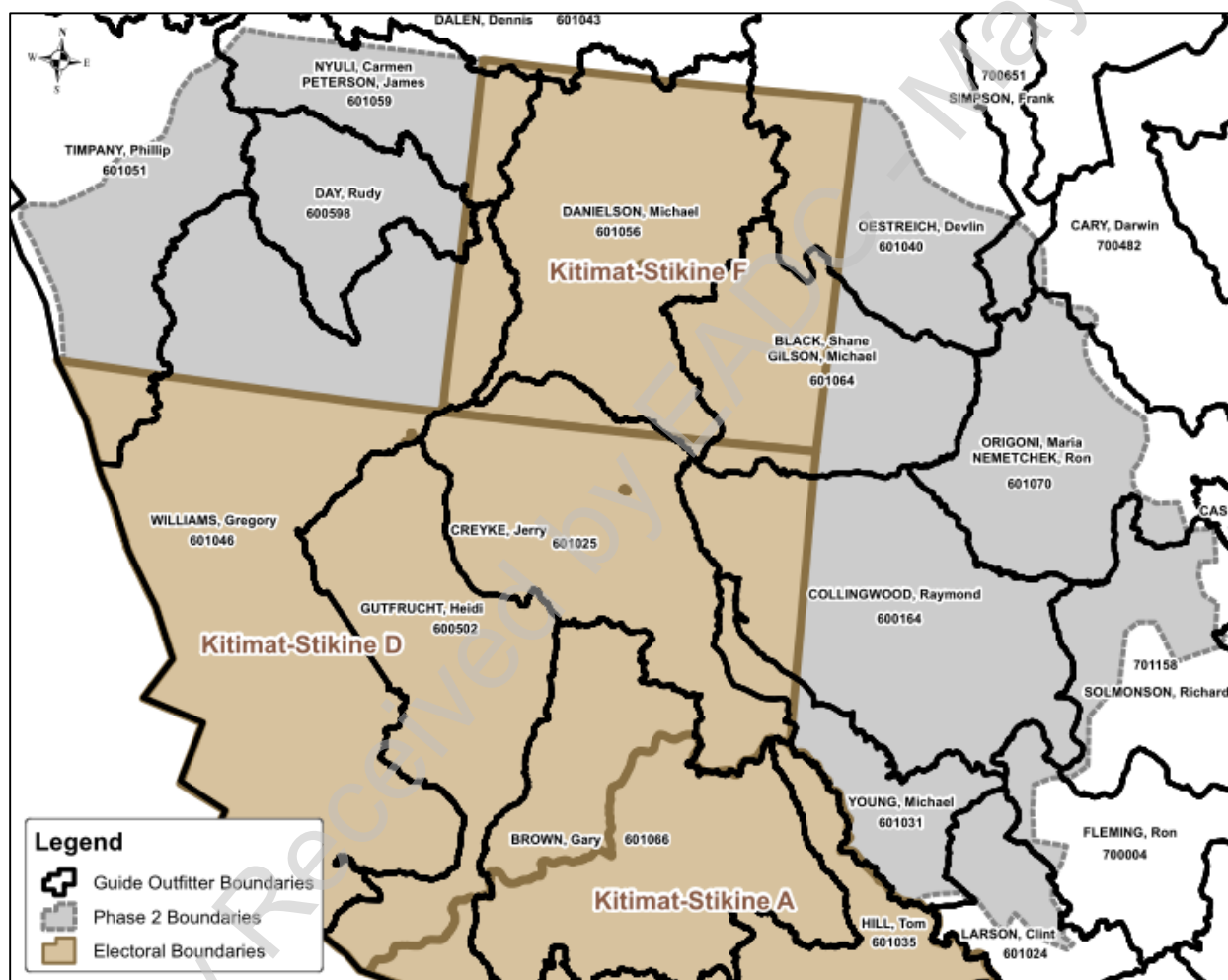
The letters to the guide outfitters included a description of the Phase 2 study and an estimate of the potential property tax increase that could result from the boundary extension. A copy of the letter is attached in **Appendix B**. It should be noted that property tax increases are only applicable to the guide outfitters who are also property owners. Many of the guide outfitters do not "own" property, but rather hold a guide outfitting

¹ Information regarding guide outfitting territories was provided in 2013 by Mark Williams from the Ministry of Forests, Lands and Natural Resource Operations (Fish and Wildlife Branch)

certificate. According to the Ministry of Forests, Lands and Natural Resource Operations, guide outfitting certificates are valid for 25 years and can be renewed, transferred or sold.

The guide outfitters were given approximately two months to provide a response or to request a telephone interview. Despite timing the letters to coincide with the guide outfitters' off-season, the consulting team did not receive any responses.

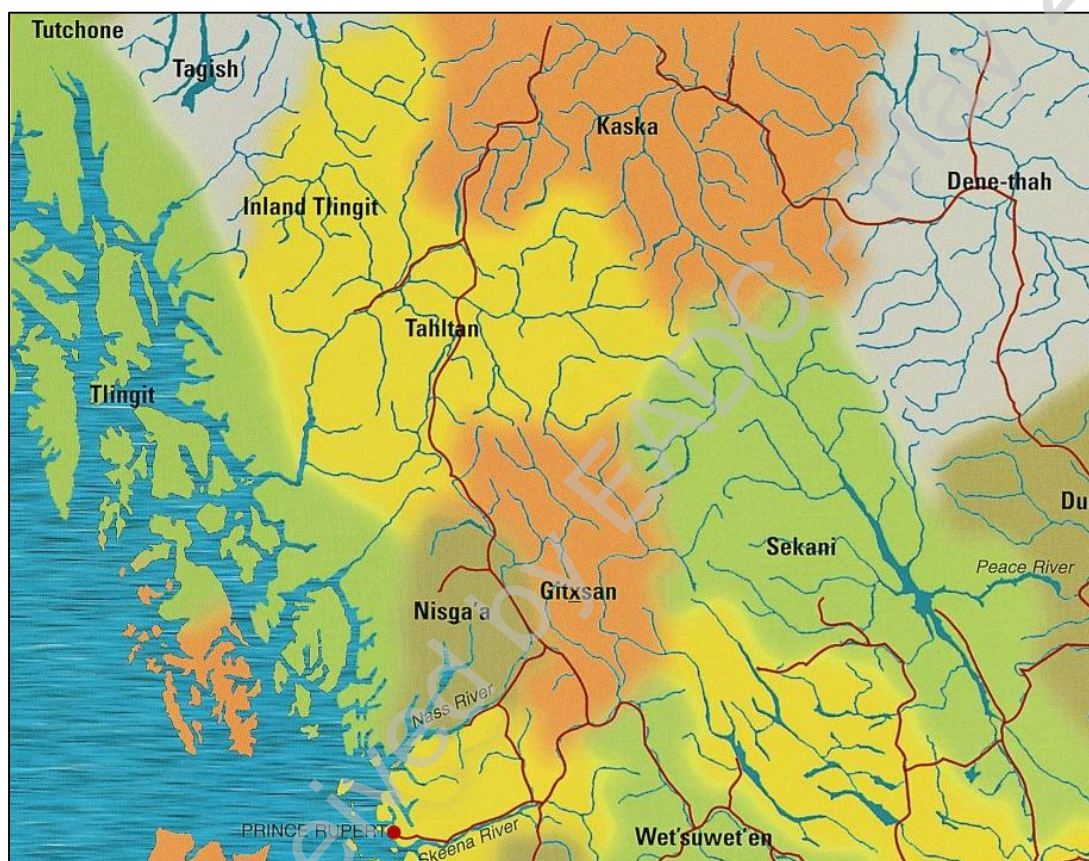
Figure 2: Guide Outfitters in Phase 2 Study Area



c) First Nations

There are no reserves in the Phase 2 study area. The lands do however fall within the traditional territories of the Tahltan, Inland Tlingit and Kaska Nations. **Figure 3** below shows the approximate location of these territories, as well as those of other Northern BC First Nations.

Figure 3: First Nations Traditional Territories in Northern BC²



The majority of the study area and the neighbouring Electoral Areas D and F are located within the Tahltan traditional territory. The following Tahltan bands were included in the Phase 2 consultation:

- Iskut First Nation Band (Iskut, BC);
- Tahltan Band (Telegraph Creek, BC); and
- Tahltan Central Council (Dease Lake, BC).

² Map obtained from the BC Ministry of Education website: <http://www.bced.gov.bc.ca/abed/map.htm>.

There is some overlap between the Tahltan Statement of Interest and the Statements of Interest of the Inland Tlingit and Kaska Nations. Recognizing that the Inland Tlingit and Kaska have an interest in the northwest and northeast portions of the Phase 2 area respectively, three additional bands were included in the Phase 2 consultation:

- Taku River Tlingit First Nation (Atlin, BC);
- Daylu Dena Council (Lower Post, BC); and
- Dease River Band (Good Hope Lake, BC).

The RDKS mailed letters to the six bands in November 2013. The letters provided background on and a description of the Phase 2 project, as well as a justification for rationalizing the RDKS' boundaries. The letters explained that political boundaries are typically located to reflect economic, cultural, historical and/or geographic factors, rather than lines of latitude and longitude as is currently the case with Electoral Area F. A copy of the letter is attached in **Appendix B**.

The RDKS did not receive any responses from the Tahltan bands but was contacted by the Taku River Tlingit (TRTFN) by phone. A representative from TRTFN inquired into the reasons for the Regional District's interest in extending its boundaries. As part of this discussion, the TRTFN provided the RDKS with information on the extent of its territory, which overlaps with the Tahltan Statement of Interest in the western portion of the Phase 2 area. A map showing the overlapping Tahltan and TRTFN territories is provided in **Figure 4**. A copy of a follow up e-mail sent from the RDKS to the TRTFN is provided in **Appendix B**.

Figure 4: Taku River Tlingit and Tahltan Boundaries



d) Mining and Mineral Exploration Companies

The Phase 2 study area includes a jade mining operation, four significant mineral exploration projects, and one decommissioned gold mine. The jade mines are owned and operated by Continental Jade, also known as Jade West. The four mineral exploration projects include:

- Arctos Anthracite (metallurgical coal) – Fortune Minerals
- Turnagain (nickel) - Hard Creek Nickel Corporation
- Groundhog Coal (metallurgical coal) - Atrium Coal
- Kutcho Creek (copper, zinc, silver, gold) - Capstone Mining Corporation

Continental Jade is one of the 11 property owners noted in **Section 2.2(a)**. A letter was sent to the company in December 2013 describing the Phase 2 study and the estimated potential property tax increase they could experience from being included in the RDKS. Continental Jade was given approximately two months to ask questions or provide feedback to the consulting team, however they did not respond to the letter.

The four mineral exploration companies were mailed a courtesy letter in March 2014. Similar letters were also mailed to the Association for Mineral Exploration BC and the Mining Association of British Columbia. The intent of the letters was to inform the companies and associations of the Phase 2 study and provide an opportunity to ask questions. A sample of the letters is attached in **Appendix B**.

It should be noted that the four exploration projects do not have an assessment at this time and thus no immediate property tax impacts are anticipated from a potential boundary extension. Should one or more of these projects develop in the future, significant property assessments could result triggering taxation by the province, as well as the RDKS in the event of a boundary extension. Additional information regarding potential property tax impacts to the four mineral exploration companies is provided in **Section 4.3(d)**.

The decommissioned gold mine, known as Golden Bear, is currently listed on Goldcorp's website as a closed underground and open pit mine. Goldcorp was not consulted as part of the Phase 2 study as the Golden Bear mine has been inoperable since 2000. Goldcorp's website states that the reason for closure was depletion of the gold reserve. Significant reclamation work has taken place at the mine site and the access road was transferred to the province in 2007.

3.0 Services

This section provides an overview of the services currently provided within the Regional District of Kitimat-Stikine. Some of the services would be provided to Phase 2 properties in the event of a boundary extension, while others are already being provided in the study area by the provincial government. Other services are exclusive to specific areas of the Regional District (e.g. Dease Lake) and would not be provided to the Phase 2 area regardless of a boundary extension. More information about service delivery is provided below.

3.1 Provincial Government Services

The provincial government currently provides the following services within the RDKS:

- Rural Roads and Highways;
- Policing;
- Schools; and
- BC Assessment Authority.

These services apply to all properties currently within the RDKS, including those in Electoral Areas D and F. The services also apply to properties outside of the RDKS, within the Phase 2 study area and elsewhere. In other words, all property owners currently pay for and receive the noted provincial government services. There would be no change in provincial services within the Phase 2 area if RDKS boundaries are extended.

3.2 Regional District Services

a) Electoral Area Services

The RDKS currently provides a number of services that are funded by and apply to most properties in Electoral Areas D and F. These services include:

- | | |
|--|------------------------|
| • Regional Planning | • Emergency Services |
| • General Government Administration | • Economic Development |
| • Regional Hospital District (capital funding) | • Feasibility Studies |
| • Emergency Planning | • Heritage Registry |
| • Municipal Finance Authority | |

The electoral area services above account for the majority of new services that would apply to Phase 2 property owners in the event of a boundary extension. Phase 2 property owners would pay for and receive these services if they were brought into Area D, Area F, or a combined Area D/F.

Additionally, the RDKS provides two electoral area services in Area D (Refuse Sites and Noise, Nuisance and Unsightly Premises) that are not provided in Area F, and one electoral area service in Area F (House Numbering) that is not provided in Area D. In the event a boundary extension occurs, these three services could apply to Phase 2 property owners if Areas D and F are combined. If Areas D and F are not combined, then only house numbering (in Area F) or Refuse Sites and Noise, Nuisance and Unsightly Premises (in Area D) would apply.

The Dease Lake Landfill in Electoral Area F is not currently a RDKS service. The landfill is a locally provided service that is owned and operated by the Ministry of Transportation and Infrastructure (MoTI). The RDKS has indicated that it would likely assume ownership, maintenance and operation of the landfill in the event the Ministry develops an appropriate approach for remediation and closure.

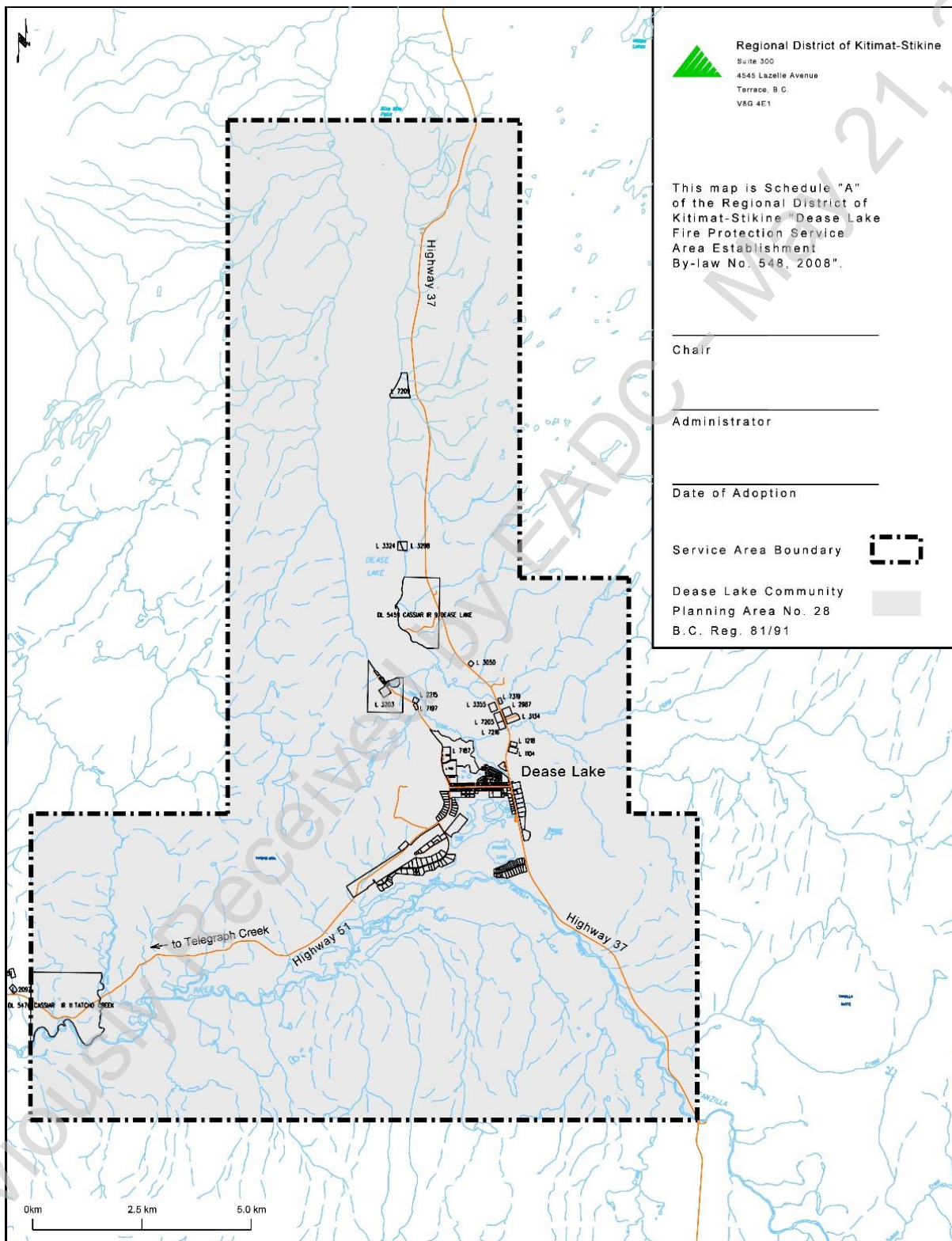
Upon transfer to the RDKS, it is likely that the Dease Lake Landfill would be included in the Refuse Sites electoral area service. This would be the case regardless of whether Electoral Area F is amalgamated with Area D or not. Therefore, all property owners in Electoral Area F would be required to contribute to the Refuse Sites service in the event the RDKS assumes ownership of the Dease Lake Landfill.

b) Local Service Areas

In addition to electoral area services, the RDKS also provides “Local Service Areas” or area-specific services. Currently, there are no Local Service Areas in Area D, and there is one Local Service Area in a portion of Area F, namely the Dease Lake Fire Protection Service, the boundaries of which are shown in **Figure 5**.

The boundaries of the Dease Lake Fire Protection Service Area do not include the Phase 2 study area. As such, a boundary extension would not result in this service being provided to Phase 2 properties.

Figure 5: Dease Lake Fire Protection Area



4.0 Property Assessment and Taxation

4.1 Phase 2 Property Assessment

There are 33 properties within the Phase 2 study area. Many of the properties are classified by BC Assessment as either Recreation (Class 8) or a mix of Recreation and Business (Class 8/6); these properties largely consist of hunting, fishing and/or guiding camps and lodges. There are also a couple of residential (Class 1) properties in the study area. Other noteworthy properties include:

- 1 Provincial Park - Spatsizi Plateau Wilderness Park (non-taxed);
- 2 unclassified properties registered to Environment Canada and the Nature Trust of BC, located in the vicinity of Spatsizi Plateau Wilderness Park (non-taxed);
- 1 Light industrial property owned by Shell Canada (Class 5);
- 1 Utility property owned by NorthwestTel (Class 2); and
- 1 Light Industrial/Residential property owned by Continental Jade (Class 5 and 1).

Table 1 below provides detailed assessment values according to property class, while **Table 2** identifies the number of occurrences of property in each class. The values in Tables 1 and 2 were obtained through analysis of BC Assessment data for the 2014 tax year.

Table 1 – Phase 2 Property Assessment Values (2014)

Property Class	Net Land	Net Improvements	Net Total	Exemptions
1 – Residential	\$20,400	\$13,500	\$33,900	-
2 – Utilities	\$2,800	\$19,400	\$22,200	-
4 – Major Industry	-	-	-	-
5 – Light Industry	\$4,900	-	\$4,900	-
6 – Business	\$4,800	-	\$4,800	-
8 – Rec/Non Profit	\$40,600	\$5,800	\$46,400	\$169,600
Split 1 & 5	\$3,200	\$23,900	\$27,100	\$3,100
Split 8 & 6	\$79,500	\$169,650	\$249,150	\$10,175
Crown Provincial, Environment Canada or Nature Trust of BC	-	-	-	\$165,700
Totals	\$156,200	\$232,250	\$388,450	\$348,575

Table 2 – Property Class Occurrences (2014)

Class	# of Occurrences
1 – Residential	2
2 – Utilities	1
5 – Light Industry	1
6 – Business and Other	1
8 – Rec/Non Profit	11
Split 1 & 5	1
Split 8 & 6	10
Unclassified (Crown, etc.)	6
Total	33

4.2 Tax Rates

This section provides information on the 2014 tax rates for Electoral Areas D and F in the RDKS. **Table 3** below identifies the property tax rates for Electoral Area D and **Table 4** identifies the property tax rates for Electoral Area F.

Table 3: Electoral Area D Tax Rates (2014)

Tax	Class 1: Residential	Class 2: Utilities	Class 4: Major Industry	Class 5: Light Industry	Class 6: Business	Class 8: Recreation & Non Profit
School	4.7214	13.6000	6.000	6.000	6.000	3.4000
Provincial Rural	0.5600	3.8200	5.3400	2.9100	2.9100	0.9400
Police	0.1748	0.6117	0.5942	0.5942	0.4282	0.1748
BC Assessment Authority	0.0619	0.5115	0.5115	0.1755	0.1755	0.0619
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0007	0.0005	0.0002
North West Hospital	0.5620	1.9670	1.9108	1.9108	1.3769	0.5620
RDKS Area D*	1.1051	3.8679	3.7573	3.7573	2.7075	1.1051**

Source: Provincial rural area tax rates

*Tax rates include provincial 5.25 percent tax collection fee.

**Dawson Creek Rural (787) Tax Rate for Area D

Table 4: Electoral Area F Tax Rates (2014)

Tax	Class 1: Residential	Class 2: Utilities	Class 4: Major Industry	Class 5: Light Industry	Class 6: Business	Class 8: Recreation & Non Profit
School	4.7214	13.6000	6.000	6.000	6.000	3.4000
Provincial Rural	0.5600	3.8200	5.3400	2.9100	2.9100	0.9400
Police	0.2619	0.9166	0.8904	0.8904	0.6416	0.2619
BC Assessment Authority	0.0619	0.5115	0.5115	0.1755	0.1755	0.0619
Municipal Finance Authority	0.0002	0.0007	0.0007	0.0007	0.0005	0.0002
North West Hospital	0.5620	1.9670	1.9108	1.9108	1.3769	0.5620
RDKS Area F*	0.5183	1.8141	1.7622	1.7622	1.2698	0.5183
Dease Lake Fire Protection**	3.1523	11.0331	10.7178	10.7178	7.7231	3.1523

Source: Provincial rural area tax rates

*Tax rates include provincial 5.25 percent tax collection fee

**Applies only within the Dease Lake Fire Protection Area (see Figure 5)

It should be noted that the RDKS Area D tax rate was over double the RDKS Area F rate in 2014 - 1.1051 per \$1,000 of assessed value compared to 0.5183. The reason for the large variation in tax rate was a significant difference between the Area D and F requisitions to the provincial government.

In 2014, the RDKS had a total requisition for Area D of approximately \$650,000. The five largest expenses in Area D included refuse sites (\$382,000), general government (\$78,000), planning services (\$67,000), emergency measures (\$41,000) and preparation for emergencies (\$36,000).

In contrast, the RDKS had a total 2014 requisition for Area F of \$29,000. The large difference in requisition is largely due to the fact that refuse sites are not currently a Regional District service in Area F. As noted earlier, the Dease Lake landfill in Area F is currently owned and operated by the Ministry of Transportation.

4.3 Taxation Impacts

If the Phase 2 study area is brought into the Regional District, there is expected to be some minor property taxation impacts. Currently, properties in the study area do not pay Hospital, Municipal Finance Authority, or Regional District (electoral area service or Local Service Area) property taxes. Properties in the study area do however pay:

- School tax,
- Provincial rural tax,
- Police tax; and
- BC Assessment Authority.

Included in **Appendix C** are sample tax calculations for two properties within the study area. One notice is for a Class 1 Residential property and the other is for a Class 6 Business property. **Sections 4.3(a)** and **4.3(b)** below provide a breakdown of existing provincial taxes, as well as potential future RDKS taxes for these properties if they were brought into Electoral Area D, F, or a combined Electoral Area D/F.

a) Tax Impact on Sample Class 6 Business Property

Tables 5, 6 and **7** on the following page indicate the tax rates (2014) that currently apply to a sample Class 6 Business property in the study area. The tables also indicate the additional taxes the property owner would have to pay if their property was brought into Electoral Area D, F or a combined Area D/F.

Table 5: Class 6 Tax Rates (2014) – Electoral Area D Scenario

Status	Tax	Class 6 - Business Tax Rate
Current taxes	School	6.0000
	Provincial rural	2.9100
	Police tax	0.4282
	BC Assessment Authority	0.1755
	Sub-total	9.5137
Additional taxes if brought into Area D of the Regional District	Municipal Finance Authority	0.0005
	North West Hospital	1.3769
	Electoral Area D	2.7075
	Sub-total	4.0849
Total		13.5986

Table 6: Class 6 Tax Rates (2014) – Electoral Area F Scenario

Status	Tax	Class 6- Business Tax Rate
Current taxes	School	6.0000
	Provincial rural	2.9100
	Police tax	0.6416
	BC Assessment Authority	0.1755
	Sub-total	9.7271
Additional taxes if brought into Area F of the Regional District	Municipal Finance Authority	0.0005
	North West Hospital	1.3769
	Electoral Area F	1.2698
	Sub-total	2.6472
Total		12.3743

Table 7: Class 6 Tax Rates (2014) – Combined Electoral Area D/F Scenario

Status	Tax	Class 6- Business Tax Rate
Current taxes	School	6.0000
	Provincial rural	2.9100
	Police tax	0.4282*
	BC Assessment Authority	0.1755
	Sub-total	9.5137
Additional taxes if brought into combined Area D/F of the Regional District	Municipal Finance Authority	0.0005
	North West Hospital	1.3769
	Electoral Area D/F	2.6222
	Sub-total	3.9996
Total		13.5133

* Class 6 Business police tax rate in Electoral Area D

The owner of the sample Class 6 Business property currently pays \$46.69³ in properties taxes based on an assessment (land and improvements) of \$4,800. If the property was brought into Electoral Area D, the estimated additional taxes would be \$18.58, for a total of \$65.27. If the property was brought into Electoral Area F, the estimated additional taxes would be \$12.71, for a total of \$59.40. If the property was brought into a combined Electoral Area D/F, the estimated additional taxes would be \$18.17, for a total of \$64.86.

A summary of the estimated additional taxes for the sample Class 6 Business property is provided below:

- If brought into Area D - \$18.58
- If brought into Area F- \$12.71
- If brought into combined Area D/F - \$18.17

Information regarding how the combined Electoral Area D/F Class 6 Business tax rate was derived is provided in **Section 5.0** under Option 3.

³ Assumes Area F police tax rate of 0.6416

b) Tax Impact on Sample Class 1 Business Property

Tables 8, 9 and 10 below indicate the tax rates (2014) that currently apply to a sample Class 1 Residential property in the study area. The tables also indicate the additional taxes the property owner would have to pay if their property was brought within Electoral Area D or F of the RDKS.

Table 8: Class 1 Tax Rates (2014) – Electoral Area D Scenario

Status	Tax	Class 1 - Residential Tax Rate
Current taxes	School	4.7214
	Provincial rural	0.5600
	Police tax	0.1748
	BC Assessment Authority	0.0619
	Sub-total	5.5181
Additional taxes if brought into Area D of the Regional District	Municipal Finance Authority	0.0002
	North West Hospital	0.5620
	Electoral Area D	1.1051
	Sub-total	1.6673
Total		7.1854

Table 9: Class 1 Tax Rates (2014) – Electoral Area F Scenario

Status	Tax	Class 1 - Residential Tax Rate
Current taxes	School	4.7214
	Provincial rural	0.5600
	Police tax	0.2619
	BC Assessment Authority	0.0619
	Sub-total	5.6052
Additional taxes if brought into Area F of the Regional District	Municipal Finance Authority	0.0002
	North West Hospital	0.5620
	Electoral Area F	0.5183
	Sub-total	1.0805
Total		6.6857

Table 10: Class 1 Tax Rates (2014) – Combined Electoral Area D/F Scenario

Status	Tax	Class 1 - Residential Tax Rate
Current taxes	School	4.7214
	Provincial rural	0.5600
	Police tax	0.1748*
	BC Assessment Authority	0.0619
	Sub-total	5.5181
Additional taxes if brought into combined Area D/F of the Regional District	Municipal Finance Authority	0.0002
	North West Hospital	0.5620
	Electoral Area D/F	1.0703
	Sub-total	1.6325
Total		7.1506

* Class 1 Residential police tax rate in Electoral Area D

The owner of the sample Class 1 Residential property currently pays \$100.89⁴ in taxes on their property which is assessed at \$18,000. If the property was brought into Electoral Area D, the additional taxes would be \$28.45, for a total of \$129.34. If the property was brought into Electoral Area F, the additional taxes would be \$19.45, for a total of \$120.34. If the property was brought into a combined Electoral Area D/F, the additional taxes would be \$27.82, for a total of \$128.71.

A summary of the estimated additional taxes for the sample Class 1 Residential property is provided below:

- If brought into Area D - \$28.45
- If brought into Area F- \$19.45
- If brought into combined Area D/F - \$27.82

Information regarding how the combined Electoral Area D/F Class 1 Residential tax rate was derived is provided in **Section 5.0** under Option 3.

c) Property Tax Impact on Guide Outfitters

There are currently 13 different guide outfitting territories, registered to 16 different individuals, in the Phase 2 study area. Each of the 16 individuals owns a guide outfitting certificate for his or her territory, however not every individual owns property in the study area. Of the 16 different guide outfitters, seven own property in the study area and nine do not. Estimated potential tax increases for the seven property owners if their properties are brought in the RDKS approximately range from \$5 to \$95 a year; the median increase is \$49 dollars.

⁴ Assumes Area F police tax rate of 0.2619

d) Property Tax Impacts on Mining and Mineral Exploration Companies

There are a number of mining and mineral exploration companies operating in the study area. Continental Jade is the only company at the present time that has a producing mine and that owns property in the area. The estimated property tax increase that would result from the inclusion of their split Class 1 and 5 property into the RDKS is approximately \$40.

There are four mineral exploration companies with significant holdings in the study area, however they do not own or occupy land with any assessment. These companies are in various stages of exploration, have land tenure and are operating on Crown land. During exploration, the BC Assessment classification of the land continues as it previously was. Once the use has changed, for instance when a mine becomes operational, the assessment class will change and as a result property taxes will become payable.

Property that is owned by the Crown is exempt from taxation under the *Constitution Act*. If an exempt property is occupied, including a tenure-holder in possession of land, then the property is assessable in that person's name.⁵ For mineral exploration companies operating in the Stikine region, this means a property will go from Crown land with full assessment exemption, to a Class 4 Major Industry property once a mine becomes operational. Regardless of the location inside or outside the RDKS boundary, this assessment change would have a significant effect on the property taxes levied.

It is possible to get a general sense of the property tax impact that would result from the inclusion of an operating mine from the Phase 2 study area into the RDKS by comparing two scenarios. A review of a gold and silver mine in Electoral Area D (Eskay Creek) indicated that, in its final year of operation (2008), the mine had a total assessment of \$6,540,800. The property had a Class 1 Residential assessment of \$1,358,000 and a Class 4 Major Industry assessment of \$5,182,800. Using this assessment and the current tax rates applicable in Electoral Area D, the estimated property tax payable for Eskay Creek in 2014 would be approximately \$100,000. If the same mine was operating in the Phase 2 study area in 2014, the estimated property tax payable would be approximately \$74,000. Therefore, the additional property tax that would result from the mine being in Electoral Area D compared to the Phase 2 study area is approximately \$26,000.

⁵ BC Assessment, Fact Sheet: Occupiers of Crown, Municipal or Otherwise Exempt Land,
<http://bcassessment.ca/public/Fact%20Sheets/Occupiers%20of%20Crown,%20Municipal%20or%20Otherwise%20Exempt%20Land.aspx> (2012)

5.0 Options

There are a number of different boundary extension options for the RDKS to consider, based on the findings of the Phase 2 study described in this report. Each option is briefly outlined as follows. For reference, population numbers for each electoral area and member municipality in the RDKS are provided in **Table 11** below.

Table 11: Populations - RDKS Electoral Areas and Member Municipalities

	2001 Census	2006 Census	2011 Census
Regional District of Kitimat-Stikine	40,786	38,476*	37,361
Electoral Area A	1,900	1,965	1,944
Electoral Area B	5,545	5,572	5,021
Electoral Area C	4,137	3,962	4,059
Electoral Area D	594	677	617
Electoral Area E	4,550	4,100	4,083
Electoral Area F	-	477**	386
City of Terrace	12,109	11,320	11,486
District of Kitimat	10,285	8,987	8,335
Village of Hazelton	345	293	270
District of New Hazelton	750	627	666
District of Stewart	661	496	494

* Includes Area F population estimate in 2006

** Population estimate of Area F prior to inclusion into the RDKS (number provided by RDKS Planning Department)

Option 1: Phase 2 included in Electoral Area F

Option 1 is to extend the RDKS boundaries to include all of the study area into the existing Electoral Area F. If this was option was pursued, the assessment base for Electoral Area F would increase by approximately \$388,000 (2014 value) and the Regional Director for Area F would be required to represent a much larger geographic area. The population of Electoral Area F would remain largely unchanged at 386 people (2011 Census), as the study area has no permanent population.

Figure 6 shows what the new RDKS and Electoral Area F boundaries could look like if Option 1 was implemented.

Figure 6 – Option 1: Phase 2 included in Electoral Area F



Option 2: Phase 2 split between Electoral Areas D and F

Option 2 is to extend and re-configure the RDKS boundaries such that the western portion of Phase 2 is included in Electoral Area D and the eastern portion is located in Electoral Area F. If this option was pursued, the study area's assessment base of \$388,000 (2014 value) would be divided between the two Electoral Areas. Also, the Regional Directors for Areas D and F would both be required to represent larger geographic areas than they do today, however the burden would not be as extensive as in Option 1. The populations of Electoral Areas D and F, 617 and 386 people respectively (2011 Census), would remain largely unchanged as the study area has no permanent population.

A benefit of Option 2 is that the western portion of the study area is already considered by locals to be connected to Telegraph Creek. During one of the consulting team's interviews in Dease Lake in September 2013, it was suggested that it would be appropriate for the Area D Regional Director to represent the western portion of Phase 2. Similarly, it was mentioned that the eastern portion of the Phase 2 area is connected to Dease Lake, and that the Area F Director could appropriately represent this area.

Figure 7 shows what the new RDKS and Electoral Areas D and F boundaries could look like if Option 2 was implemented.

Figure 7 – Option 2: Phase 2 split between Electoral Areas D and F



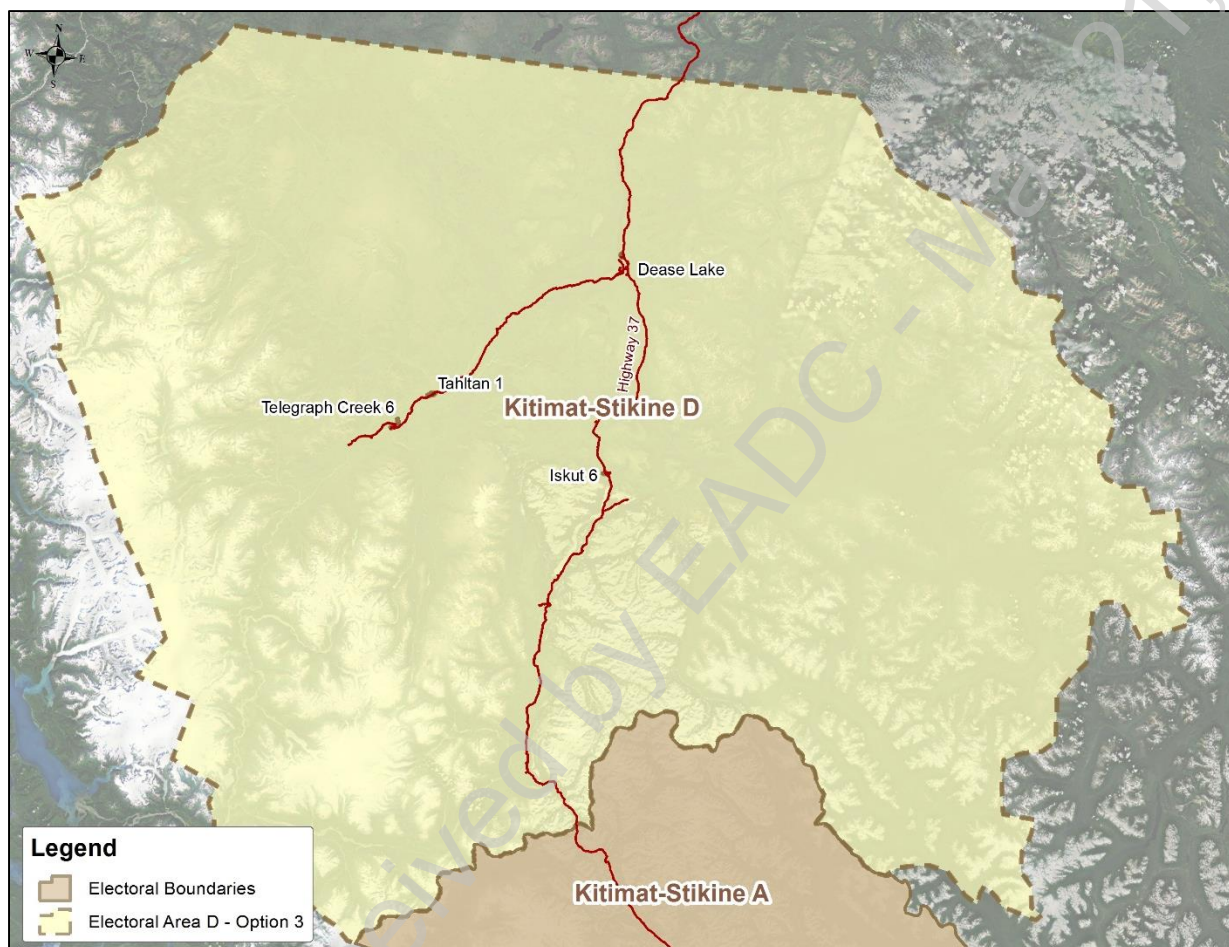
Option 3: Areas D, F and Phase 2 Combined

Option 3 is to extend the RDKS boundaries to include the Phase 2 area, and amalgamate Electoral Areas D and F such that the three areas become one enlarged Electoral Area D. During the Phase 1 study in 2006/2007, it was indicated that Electoral Area F was seen as a temporary measure and that it was intended to be amalgamated with Area D as part of the 2008 local government election. Option 3 would give the RDKS an opportunity to combine these areas as they were intended, while at the same time extending the overall boundaries to include Phase 2.

If Option 3 was pursued, the combined Electoral Area D, Electoral Area F and Phase 2 would have a total population of approximately 1,003 people. This number would consist of 617 people from Electoral Area D and 386 people from Electoral Area F (2011 Census). The inclusion of the Phase 2 study area would have virtually no effect on the population of the combined area, as Phase 2 has no permanent population. It should be noted that, even with a total population of 1,003 people, the new combined area in Option 3 would be the least populated electoral area in the RDKS (as indicated in **Table 11**). The closest electoral area in terms of population would be Area A, with 1,944 people (2011 Census).

Figure 8 shows what the new RDKS and Electoral Area D boundaries could look like if Option 3 was implemented.

Figure 8 – Option 3: Areas D, F and Phase 2 combined



Option 3 would result in a combined assessment of \$219,992,330 and potential combined revenue of \$714,624 in 2014; a breakdown by property class is provided in **Table 12** below. The combined 2014 requisition amount would be \$678,695, consisting of \$649,702 from Electoral Area D and \$29,263 from Electoral Area F. Adding on the 5.25% administration fee would bring the total requisition to \$714,611.⁶

⁶ Assumes no added requisition cost for the Phase 2 study area, given that the area currently has no permanent population or active mine sites

Table 12: Combined Assessment and Potential Combined Revenue – Electoral Areas D, F and Phase 2 (2014)

Class	Combined Assessment (2014)	Tax Rate	Potential Combined Revenue (2014)
1 – Residential	\$34,125,045	1.0703	\$36,524
2 – Utilities	\$135,434,900	3.7461	\$507,346
3 - Supportive Housing	-	1.0703	-
4 – Major Industry	\$37,315,600	3.6390	\$135,792
5 – Light Industry	\$1,461,500	3.6390	\$5,318
6 – Business and Other	\$11,063,013	2.6222	\$29,010
7 – Managed Forest Land	-	3.2109	-
8 – Recreational / Non Profit	\$574,500	1.0703	\$615
9 – Farm	\$17,772	1.0703	\$19
Totals	\$219,992,330		\$714,624

Table 13 below provides a comparison between the calculated 2014 electoral area service tax rates (i.e. not including school, police, hospital, etc.) for the combined Electoral Area D/F/Phase 2 area and the 2014 rates for the existing Electoral Areas D and F. As shown, if Option 3 was implemented, property owners who are currently in Electoral Area D would experience a slight decrease in tax rates, and property owners who are currently in Electoral Area F would experience an increase in tax rates. Please note that the Area F tax rate does not currently include levies for the refuse site function as it does in the Area D calculation. This could occur in Area F in the future, if the RDKS assumes the Dease Lake Landfill. It should also be noted that Table 13 does not include the Dease Lake Fire Protection Area, which is an additional levy for those that participate in that local service area (i.e. the majority of the population of Area F).

Table 13: Tax Rate Comparison

Class	Combined Area D, F and Phase 2 Tax Rate	Area D Tax Rate	Area F Tax Rate
1 – Residential	1.0703	1.1051	0.5183
2 – Utilities	3.7461	3.8679	1.8141
3 - Supportive Housing	1.0703	1.1051	0.5183
4 – Major Industry	3.6390	3.7573	1.7622
5 – Light Industry	3.6390	3.7573	1.7622
6 – Business and Other	2.6222	2.7075	1.2698
7 – Managed Forest Land	3.2109	3.3153	1.5549
8 – Recreational / Non Profit	1.0703	1.1051	0.5183
9 – Farm	1.0703	1.1051	0.5183

Option 4: Status Quo

Option 4 is to leave the boundaries of Electoral Areas D and F as they are, and to not include the Phase 2 area in the RDKS. However, the Phase 2 Boundary Extension Study has produced evidence that a boundary extension is worth considering in some fashion, and therefore Option 4 is not recommended at this time.

Other Boundary Considerations

The RDKS may choose to proceed with an amended version of one of the four options above. For example, further review of the proposed western boundary of Phase 2 is warranted, as there is an overlapping boundary between the stated traditional territory of the Tahltan Nation and the Taku River Tlinglet Nation. This is likely best left with the Province to review and determine as part of the formal boundary extension proposal. In addition, the potential western boundary of Phase 2 should take into consideration the lands which are tributary towards Atlin. As was described in **Section 1.2**, Atlin does not have a history of ties with the RDKS as it is more effectively connected the Yukon Territory than it is to British Columbia.

Another consideration for the RDKS is whether to include the Sacred Headwaters – the headwaters of the Skeena, Nass and Stikine Rivers – in the eastern portion of the proposed boundary extension. In the event this area becomes a permanently protected area, there may be little rationale for including it in the RDKS from a taxation perspective. However, it could become a destination for guides and tourists, who would likely utilize local services from communities within the RDKS. Currently there are a number provincial parks and other protected areas within the RDKS. Note that the Sacred Headwaters is currently being protected under a government order that has put new coal tenures on hold for one year, effective December 2013. The intent of the order is to allow time for the Tahltan Nation, government of BC and the mining industry to negotiate a management agreement for the area.

Lastly, in the event RDKS boundaries are extended into the eastern portion of the study area, an “orphaned” area without regional district representation would be created, between the current boundaries of the Peace River Regional District (PRRD) to the north and the Regional District of Bulkley Nechako (RDBN) to the south. The potential orphaned area is shown in **Figure 1** of this report. The area is not considered to be tributary to any RDKS communities and would potentially be more appropriately associated with the RDBN, as the area is accessed from a forestry road originating from the RDBN. This should be reviewed by the province when considering the formal Phase 2 boundary extension proposal.

6.0 Summary

Phase 1 of the RDKS Boundary Extension was triggered primarily by the need for improved fire protection service in the Dease Lake area, after the Ministry of Forestry ceased funding to provide that local service in 2005. The Phase 1 study resulted in a boundary extension of the RDKS, with the expectation that a further review of the RDKS boundary would take place in the future, as represented by this Phase 2 study.

After reviewing the potential Phase 2 boundary extension area (which potentially may have extended north to the Yukon border) with various stakeholders, RDKS and Ministry staff, the Regional Board endorsed a boundary extension area to the west and east of the current Electoral Area F boundary. While there is currently limited population and assessment base in the proposed boundary extension area, there are a number of guide outfitters and resource exploration activities, all of whom were included in the consultation process for this project.

This study included a review of services and potential taxation impacts due to the potential Phase 2 boundary extension. Many provincial services such as school, provincial rural, BC Assessment, and police taxes would not change as part of a boundary extension. The potential additional taxes due to boundary extension would include the Municipal Finance Authority (MFA), hospital district capital funding, and RDKS Electoral Area services. Sample tax calculations were conducted on a Class 1 (residential) and Class 6 (business) property, valued at their current assessed values of \$18,000 and \$4,800 respectively. Based on 2014 assessment and tax rates, the current property taxation on the above properties is estimated at \$100.89 for the Class 1 property and \$46.69 for the Class 6 property within Electoral Area F. The potential tax impacts to the sample Class 1 property within the proposed study area would be an additional \$19.45 within an expanded Area F, \$28.45 within an expanded Area D, or \$27.82 within a combined expansion of Area D/F. The potential tax impacts to the sample Class 6 property within the proposed study area would be an additional \$12.71 within an expanded Area F, \$18.58 within an expanded Area D, or \$18.17 within a combined expansion of Area D/F.

The study also explored the potential taxation impact of a future mine within the proposed study area, based on the assessed values of a previously operating mine (Eskay Creek) in Electoral Area D. Based on the assessment in its final year of operation (\$6,540,800 in 2008) and a combined taxation using Class 1 (residential) and Class 4 (major industry) assessment, such a mine in the proposed Phase 2 boundary extension area would see an increase in property taxes from approximately \$74,000 to \$100,000, or about \$26,000.

There are a number of boundary options for the RDKS to consider, including:

- Including the new boundary extension area into Electoral Area F;
- Splitting the new boundary extension area between Electoral Area D (western portion) and Electoral Area F (eastern portion);
- Combining the new boundary extension area, Electoral Area F, and Electoral Area D together into one large electoral area (expanded Electoral Area D); or
- Maintain the status quo.

The Phase 2 study explored these options, noting the potential taxation and other impacts and benefits of the various boundary configurations. It is recommended that the RDKS Board consider *Option 3: Area D, F, and Phase 2 Combined*, given the temporary nature of the establishment of Electoral Area F following the Phase 1 analysis, the relatively small taxation impacts due to boundary extension within the study, and the reasonable population and area of a combined Area D/F compared to the other 3 electoral areas.

In addition to the potential taxation impacts and boundary extension options, Section 5 of the report highlighted a few additional considerations that should be discussed with the RDKS Board and the Ministry of Community, Sport and Cultural Development. These include:

- Refining the proposed western boundary of the Phase 2 boundary extension area, given the potential overlapping traditional territories of the Taku River Tlinget and Tahltan nation as well as recognizing that lands that are tributary to Atlin are best excluded from the boundary extension as they have more ties to the Yukon than with the RDKS;
- Confirming that including the Sacred Headwaters within the Phase 2 boundary extension area is appropriate, even if it becomes a permanently protected area; and
- Resolving the potential “orphaned” area of land that would be created between the proposed boundary extension area, the Peace River Regional District and the Bulkley Nechako Regional District.

This Phase 2 Boundary Extension Report is presented for review by the RDKS Board, and would form the background document as part of a formal application to the Ministry of Community, Sport and Cultural Development, if the Regional Board decides to pursue the boundary extension.

Appendix A

Study Area Confirmation

MEMORANDUM

Date: September 18, 2013
To: Andrew Webber
From: Dan Huang and Ryan Beaudry
Cc: Dannie Carsen
File: 1262.0001.01
Subject: Phase 2 Boundary Extension – Progress Update

To develop our understanding of the issues, opportunities and stakeholders in the Phase 2 study area, our team organized and executed a trip to Dease Lake. Six meetings were held over a three-day period, between September 11th and 13th. Key findings are provided in Section 1.0 below. A summary of outcomes and next steps is provided in Section 2.0.

1.0 – Key Findings

Meeting #1 – Mark Williams, Senior Wildlife Biologist – Skeena Region, Ministry of Forests, Lands and Natural Resource Operations

- A guide outfitter's certificate is a form of ownership/tenure over a specified land (concession) area. The government is moving towards a 25-year certificate, which can be renewed, transferred or sold. The certificate allows for the exclusive hunting of game, subject to government quotas, by non-residents within the area. Guide outfitters pay basic property tax for their concessions.
- Traplines do not have any associated land rights or ownership. They are essentially a license to hunt and trap within a specified area. Traplines can be located within guide outfitter concession areas. Many traplines are "owned" by First Nations, although technically only one trapline can be held by any one "owner" at a time.
- There are approximately 45 guide outfitter concessions, and somewhere between 200-300 traplines in the Skeena-Stikine area.
- The main legislation for guide outfitters is the BC Wildlife Act.
 - The government is changing the legislation to allow multiple names on guide outfitter's certificates, and to allow corporations to purchase certificates.
- The Land Management Branch issues tenure and occupancy permits to guide outfitters.
 - Guide outfitters pay for tenures through the Land Management Act.
- Improvements within guide outfitter concessions can include any of the following: base camps, docks, landing strips, fly camps, lodges, etc. The extent of the improvements generally depends on the scale and location of the operation.
- In Mark's opinion, there are no obvious benefits of a boundary extension for guide outfitters.
- The provincial government maintains a database of guide outfitters (Mark provided us a print-out of the guide outfitters in the Skeena-Stikine area).
- The Lands Resource Data Warehouse (LRDW) contains a map layer of the guide outfitter concessions. Rick Deegan with the Ministry in Victoria administers the mapping layer for the guide outfitter concessions.
- Mark Williams' counterparts in the Fort St. John and Prince George branches of the Ministry are Lori Jeffrey and Glen Watts respectively.
- There are two guide outfitter associations to be aware of: Northwest Guide Outfitters and the BC Association of Guide Outfitters. The latter recently had their AGM and the former is holding an

MEMORANDUM

Date: September 18, 2013
File: 1262.0001.01
Subject: Phase 2 Boundary Extension – Progress Update
Page: 2 of 5

AGM in Smithers on November 29th-30th. Sonny Perkinson is the president of the NW Guide Outfitters association.

Meeting #2 – Darcie Frocklage, RDKS Electoral Area F Director

- There was community opposition to the Phase 1 boundary extension in Dease Lake.
- There is no fire protection in the Phase 2 area, thus the only benefit Darcie can see for the stakeholders (guide outfitters, etc.) is local representation.
- Local mining projects are putting stress on the hospital system. From this perspective, it makes sense to move forward with a boundary extension as the mining companies are already using RDKS services.
- The fire department in Dease Lake consists of a part-time (20 hours per week) paid Chief position and volunteers. The department has not been functioning correctly since its inception – one issue has been the fact that many able-bodied volunteer fire fighters work in camp.
- The Phase 2 boundary extension area could potentially go north to the Yukon border, excluding Atlin.
- If a Phase 2 Open House is held in Dease Lake it should be in the winter when hunting, exploration and construction activity settles down.

**Meeting #3 – Edith Carrier, Alternate RDKS Electoral Area F Director
Stephen Quigley, APC Member and Owner of the Arctic Divide Inn in Dease Lake**

- The inclusion of Dease Lake in the Regional District has not had much of an impact on community life, other than house insurance being less expensive because of the fire department.
- The Dease Lake airport has seen an increase in activity due primarily to charter flights to/from Red Chris mine.
- Many of the mining companies use the hospital and fire department services.
- A slowdown in mining activity in 2013 has been observed in Dease Lake (e.g. fewer people have been renting rooms at the Arctic Divide Inn).
- There currently is a volunteer-based library in Dease Lake that could potentially be turned into a Regional District service.
- There are no known problems with water or sewer service in Dease Lake. The community is on wells and septic.
- Comments about the fire department:
 - The department inherited old equipment from its predecessor. The province currently provides/maintains some of the department's equipment, specifically pumps and a chainsaw.
 - The fire department does not have many call-outs for fire – approximately one per year.
 - Fire service is offered on the neighbouring reserve by the fire department.
- There is a Dease Lake APC but it has not had any meetings in the past year. There has been minimal activity in Dease Lake and thus nothing to comment on.
- The Phase 2 lands west of Dease Lake (excluding Atlin) should join Area D, as they are more of interest to Telegraph Creek and Iskut. The lands east of Dease Lake should join Area F.

MEMORANDUM

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Subject: Phase 2 Boundary Extension – Progress Update
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- Potential methods to disseminate information to community members in Dease Lake:
 - Mail-outs. Mining companies use mail-outs to advertise their open houses.
 - Bulletin boards. There are boards at the grocery store, post office and at Service BC.
- Potential venues for an open house in Dease Lake are the community hall and the School Board office.

Meeting #4 – Justin Waite, Volunteer Firefighter with the Dease Lake Fire Department

- The fire department was previously not functioning well due to personnel issues. A new Fire Chief recently started and some of the issues have been addressed.
- There is a lack of volunteer fire fighters. There are currently only four volunteers although the department needs six to eight to properly function.
- Most of the calls the fire department receives are for first-response to motor vehicle accidents along Highway 37.

Meeting #5 – Claus Rygaard, APC Member and Forest Protection Officer – Cassiar Fire Zone, Wildfire Management Branch of the Ministry of Forests, Lands and Resource Operations

- The airport in Dease Lake is an issue. It needs \$3 million in improvements (resurfacing) but there is no means to generate revenue to pay for it. There currently is no landing fee but there is a charge for fuel. The mining companies and guide outfitters use the airport but do not contribute.
- The Dease Lake community is split in terms of support for the local community hall. Those with children are in favour of making improvements to it and those without are not in favour.
- The APC has not had any meetings for the last year. There has been nothing to comment on.
- The Phase 2 lands west of Dease Lake (excluding Atlin) should join Area D. Area F should take in the area east of Dease Lake and north up to the border, including Lower Post and Good Hope.

Meeting #6 – Amanda Jacobs, Dease Lake Government Agent, Service BC

- Key stakeholders in the proposed Phase 2 area are guide outfitters and mining companies.
- The airport is an issue. It would be preferable to do something to generate revenue (e.g. landing fee), however it would have to be done sensitively so as to not drive business away.
- There are constant complaints in Dease Lake about property taxes.
- There have not been any RDKS meetings in Dease Lake focused on community priorities, needs, etc. It would be great to identify the top three things that the community wants and doesn't want.
- The Dease Lake APC needs something to do other than provincial referrals. They need to reconvene and strengthen.
- Dave Brocklebank is an effective electoral area director for Area D. He is outspoken and will "fight" for the area he represents. He would be a suitable future director for Dease Lake and the surrounding areas.
- It would be preferable to capture more property tax, so long as there is an adequate leader to guide the spending of the tax. Without adequate representation and having someone who can fight for the area, a boundary extension would not be worth the time and resources.

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Subject: Phase 2 Boundary Extension – Progress Update
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- Two potential options for boundary extension:
 - Option 1 - Phase 2 lands west of Dease Lake (excluding Atlin) join Area D. Area F takes in the area east of Dease Lake and north up to the border, including Lower Post and Good Hope.
 - Option 2 – Area D, Area F, and the proposed Phase 2 area (including the area north to the border) combine into one electoral area represented by Dave Brocklebank.
- A potential venue for an open house in Dease Lake is the new restaurant (Simaritan's). We could reserve the whole restaurant for the event and would not have to administer catering, setup, clean-up, etc.

2.0 – Summary of Outcomes and Next Steps

From the conversations detailed above, we have identified the following next steps for the Phase 2 Boundary Extension project:

Phase 2 Boundary Changes. It was suggested a number of times that the proposed Phase 2 boundary should be revised to take in a larger area than the one proposed. We would like to discuss this possibility with the RDKS.

Mapping. Obtain the guide outfitters mapping layer from the LRDW and layer it on top of the Phase 2 mapping to identify which guide outfitters to consult with. We also need to determine if the proposed Phase 2 area crosses into other provincial guide outfitter regions, and if so contact the appropriate staff person at the Ministry (i.e. Lori Jeffrey in Fort St. John and/or Glen Watts in Prince George).

Engagement with Guide Outfitters. Once we have identified which guide outfitters have concessions within the Phase 2 study area, we intend to arrange one-on-one interviews. These interviews will likely be via telephone, however we will aim to meet in person if possible.

Community Engagement. Select a date, time and venue for a mid-October open house in Dease Lake. We will need to prepare an advertisement and: (a) conduct a mail-out to all of the Dease Lake households using the Canada Post service; and (b) have someone post the advertisement on the notice boards at the grocery store, post office and at Service BC in Dease Lake. Given the comments we received during our meetings, we would recommend that a staff person from the RDKS join our team at the open house to field questions and concerns specific to services and taxation in Dease Lake.

Engagement with Mining Companies. We need to clarify the tax impact on mining companies by talking to the Surveyor of Taxes. Once the level of impact has been identified, the appropriate type of engagement will be identified and applied.

Engagement with First Nations. To determine the appropriate approach for engaging with local First Nations we would like to have a teleconference with you and Dannie Carsen to discuss engagement options.

Tax Analysis. Detailed tax analysis will be completed to identify the tax impact on different property classes if they were brought into the Regional District.

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We intend to carry out the above activities over the next two months. Depending on the timing and outcomes of our engagement with the various groups identified, it is anticipated that we will have a draft final report ready for your review by mid-November.

3.0 – Closing

We look forward to discussing the current status of this project and answering any questions or concerns you may have. Please let us know when there is a good time to discuss the next steps of this project.

Thank you,

URBAN SYSTEMS LTD.

Dan Huang, MCIP, RPP
Senior Planner/Principal

Ryan Beaudry, MA(PL)
Planner

/rb

Document1

MEMORANDUM

Date: October 23, 2013
To: Andrew Webber, Regional District of Kitimat Stikine
From: Dan Huang and Ryan Beaudry
Cc: Dannie Carsen, Ministry of Community, Sport, and Cultural Development
File: 1262.0001.01
Subject: Phase 2 Boundary Extension – Progress Update and Next Steps

This memo provides a summary of work completed and an overview of next steps for the Phase 2 Boundary Extension project. The purpose of Phase 2 is to rationalize the RDKS' northern and north-eastern boundaries to meet the geographic, economic, administrative and political needs of the area.

1.0 - Background

In 2006, the RDKS completed the Phase 1 Study to identify servicing and governance options for the community of Dease Lake. As a result of this study, RDKS boundaries were extended in 2007 to include Dease Lake. During that process, the Minister of the day made a commitment to examine the potential of extending the northern and north-eastern boundaries of the Regional District as part of a subsequent phase (i.e. Phase 2). Urban Systems was contracted by the RDKS to undertake the Phase 2 study in June 2013; our progress to date is detailed in the following section.

2.0 - Work Completed to Date

The Phase 2 Boundary Extension project commenced in July 2013 with a review of background information pertaining to the study area and the adjoining Electoral Areas D and F. Preliminary discussions with the RDKS and the Ministry of Community, Sport and Cultural Development (MCSCD) were held, research was conducted, and an introductory memo was prepared. The memo included an overview of the population, services, tax rates, known issues, and other considerations in and around the Phase 2 study area.

Following the completion of the introductory memo, our team met with RDKS staff to review our initial findings and to discuss next steps. It was determined that a site visit to Dease Lake would be necessary in order to develop a more thorough understanding of the issues and opportunities in the Phase 2 area. This trip was executed over a three-day period, from September 11th to 13th. Meetings were held with the following individuals in Dease Lake and Smithers, BC:

- Darcie Frocklage, RDKS Electoral Area F Director
- Edith Carrier, Alternate RDKS Electoral Area F Director
- Claus Rygaard, APC Member and Forest Protection Officer – Cassiar Fire Zone, Wildfire Management Branch of the Ministry of Forests, Lands and Natural Resource Operations
- Stephen Quigley, APC Member and Owner of the Arctic Divide Inn in Dease Lake
- Mark Williams, Senior Wildlife Biologist – Skeena Region, Ministry of Forests, Lands and Natural Resource Operations
- Amanda Jacobs, Dease Lake Government Agent, Service BC
- Justin Waite, Volunteer Firefighter with the Dease Lake Fire Department

MEMORANDUM

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Subject: Phase 2 Boundary Extension – Progress Update and Next Steps
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Our team documented our findings from the Dease Lake trip in a summary memo and subsequently followed up with RDKS staff and the MCSCD. Through discussion, it was determined that focused engagement with three specific groups would be necessary to advance the project: guide outfitters, local First Nations and industry. It was ultimately decided that the RDKS would engage with the local First Nations and that Urban Systems would engage with the guide outfitters and industry.

Our team also obtained BC Assessment data for all of the properties in the Phase 2 area and conducted a comprehensive tax impact analysis. It was determined that the impacts to most properties in the study area would be minimal if a boundary extension was to occur, primarily due to low assessment values and assessment exemptions. As a supplement to our tax impact analysis, our team is currently conducting research into the taxation protocols for guide outfitters and industry.

On October 18th, our team met with RDKS staff to discuss the work in progress and the proposed Phase 2 study area boundary. At that meeting, it was determined that direction from the Regional Board would be needed to confirm the study area boundary before commencing further stakeholder engagement.

3.0 – Phase 2 Boundary Delineation

The intent of the meeting on October 18 was to identify the most appropriate delineation for the study area boundary, in light of our findings up to this point. The main issue for discussion was whether the proposed Phase 2 area should be extended north to the Yukon border to include the communities of Good Hope, Lower Post and Atlin. The following considerations were discussed:

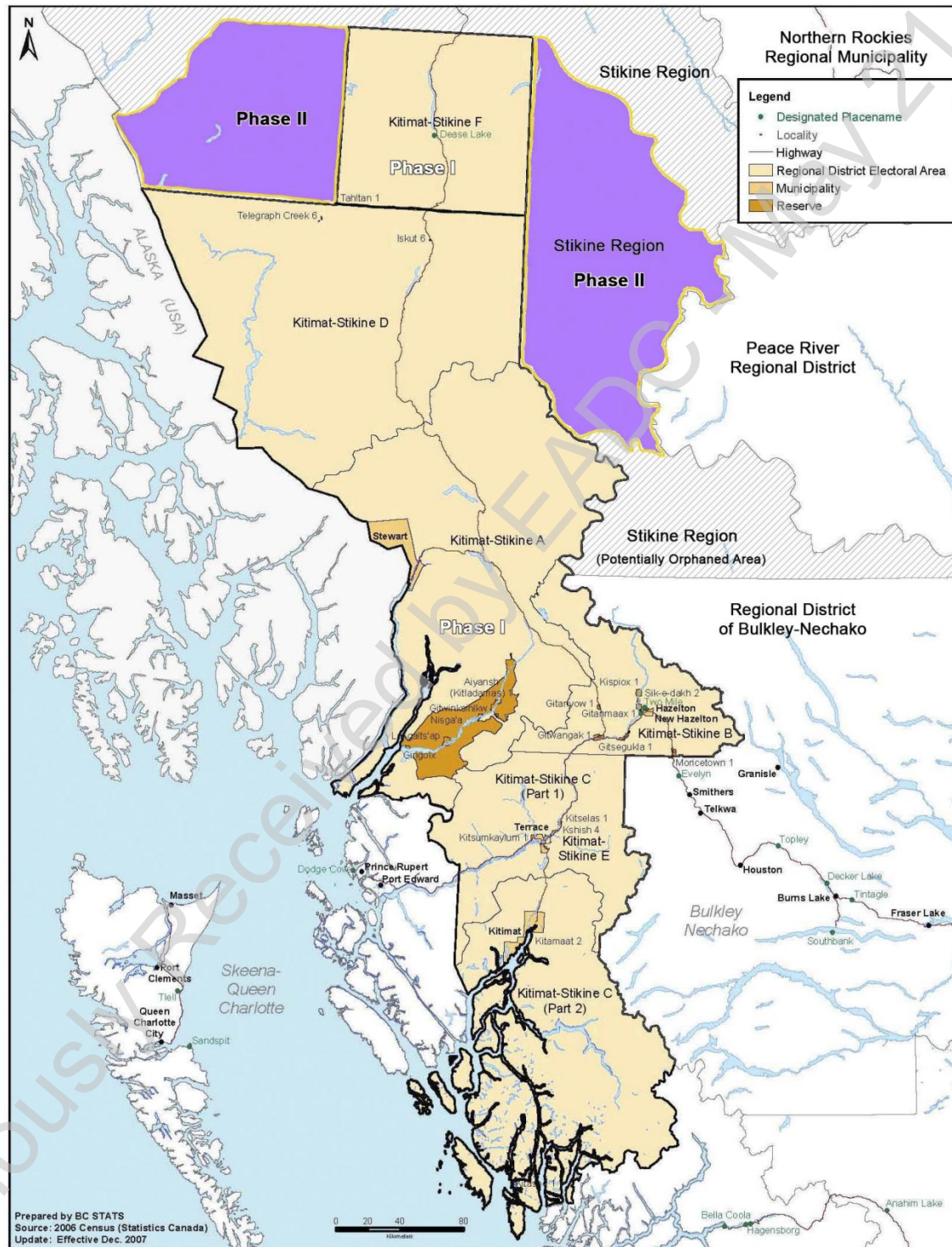
- Watershed boundaries;
- Extent of Tahltan Statement of Interest;
- RDKS' capacity to administer services north to the Yukon border;
- Relevance of Good Hope, Lower Post and Atlin to the RDKS (demographics, economy, service provision, etc.);
- Existing and future industrial activity; and
- Feedback received from elected officials and local residents during our September 11th - 13th trip.

After review and discussion, it was suggested that the original Phase 2 area boundary (see **Figure 1**) is the most appropriate study area at this time. The rationale is as follows:

- The proposed boundary follows the Stikine watershed and Tahltan Nation traditional territory, while largely circumventing the Kaska Dena territory;
- Stretching north to include Good Hope, Lower Post and/or Atlin would commit the RDKS to administer services over significant distances from Terrace, which is considered unrealistic given the RDKS' current resources;
- Our research suggests that the communities of Good Hope and Lower Post would be unlikely to support inclusion into the RDKS at this time; and
- Our research suggests that Atlin would also be unlikely to support inclusion into the RDKS at this time, due to its unique characteristics and connection to the Yukon.

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Figure 1 – Proposed Phase 2 Study Area



MEMORANDUM

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In sum, there do not appear to be any compelling reasons to extend the Phase 2 study area boundaries beyond what was originally proposed in the Terms of Reference for this project. The RDKS could potentially consider an extension further north as part of a subsequent project, depending on future conditions and circumstances in and around the area of interest.

4.0 – Next Steps

At this time we are awaiting the confirmation from the Regional Board to proceed with stakeholder engagement using the Phase 2 study area boundary shown in **Figure 1**. Following this, we will finalize our list of guide outfitters, industry and other local stakeholders, and begin to schedule interviews. We anticipate that we will conduct interviews in November and December. The interviews will likely be via telephone, however we will aim to meet in person when possible. We anticipate that the RDKS will concurrently undertake engagement with local First Nations.

Based on the above, we intend to develop and submit an initial Draft Report to the RDKS by December 2013. The report will include our initial findings and preliminary recommendations for the Phase 2 boundary extension. In early 2014, we will work to finalize the report as well as assist the RDKS and MCSCD with consultation and engagement.


5.0 – Closing

We are recommending that the Regional Board confirm the boundaries in Figure 1 are suitable and that they be used for the purposes of engagement and consultation with local stakeholders and First Nations.

Thank you for the opportunity to work on this project; we look forward to advancing the project to completion in 2014.

Sincerely,

URBAN SYSTEMS LTD.



Dan Huang, MCIP, RPP
Senior Planner/Principal

/rb/dh



Ryan Beaudry, MA(PL)
Planner

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Appendix B

Stakeholder Consultation

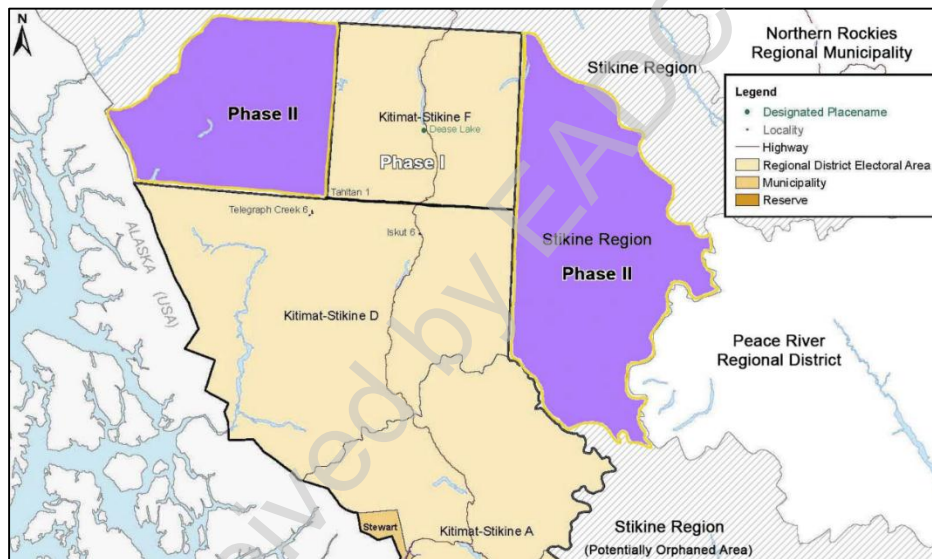
December 16, 2013

Frank Simpson
Box 1901
Claresholm, AB, T0L 0T0

Dear Mr. Simpson,

The Regional District of Kitimat-Stikine (RDKS) is currently undertaking a study (Phase 2) to explore the possibility of extending its boundaries. The study is a continuation of an earlier study (Phase 1) that was undertaken in 2006/2007, which resulted in an extension of the Regional District boundaries to include the Dease Lake area. The area being considered for inclusion as part of the Phase 2 study is highlighted in purple in the map below.


The Phase 2 study is still in the early stages. The RDKS has contracted the services of Urban Systems to help analyze the technical, administrative and financial components of a potential Phase 2 boundary extension. This work, along with stakeholder consultation and engagement, will continue into 2014.




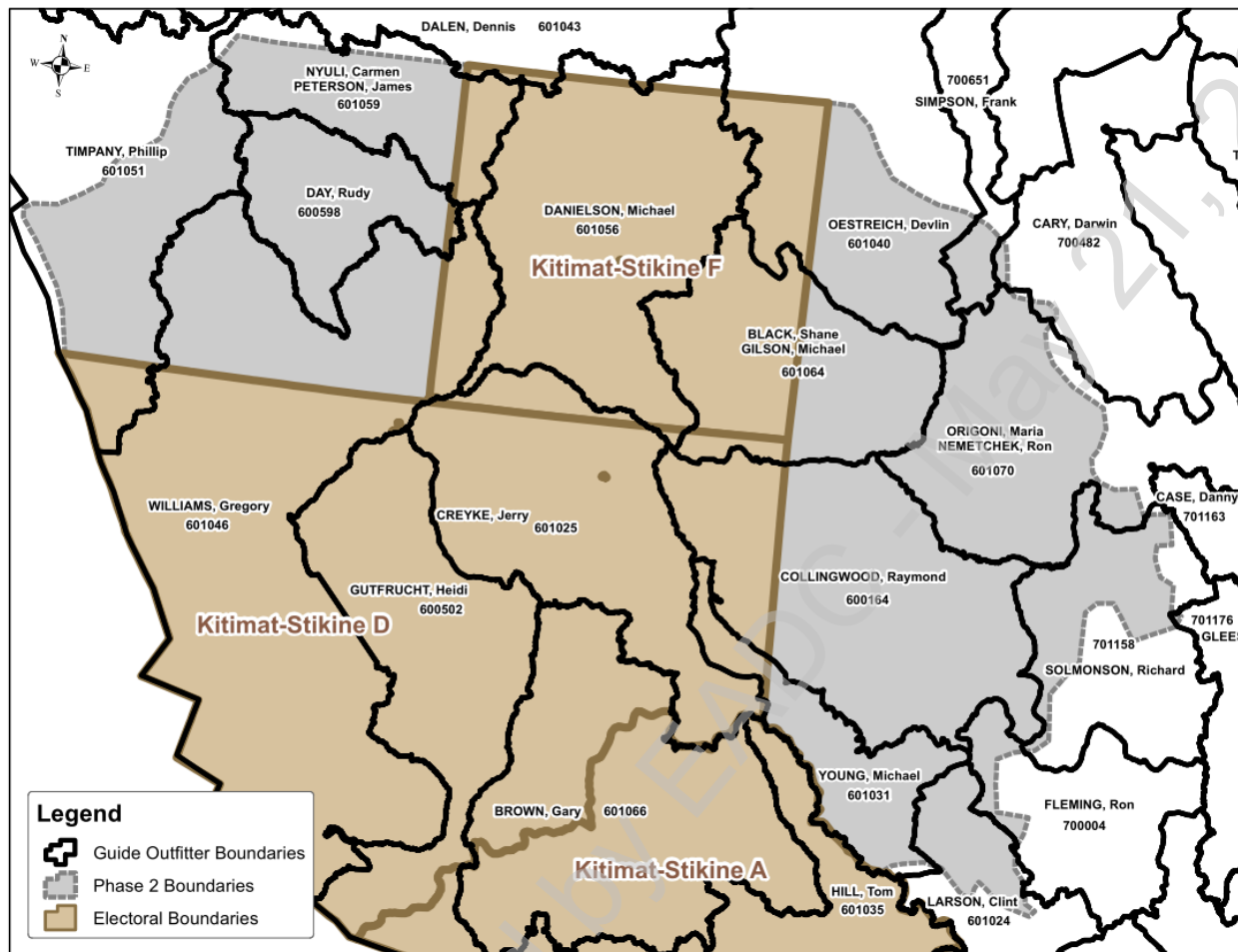
You have received this letter because you own property and hold a guide outfitter's certificate for a territory located within the proposed Phase 2 area (see attached map). Based on our analysis using 2013 BC Assessment values, it is anticipated that the Phase 2 boundary extension would result in an increase of approximately \$90 in your annual property taxes.

The RDKS would like to give you an opportunity to provide your thoughts and ask any questions you might have regarding the potential boundary extension. Urban Systems, on behalf of the RDKS, will be available for telephone meetings for the remainder of December and all of January. If you would like to set up a meeting, or if you have any questions or comments, please contact Ryan Beaudry at 604-235-1701 or rbeaudry@urbansystems.ca. You can also contact the RDKS directly by phoning 250-615-6100 (ask for Andrew Webber) or by e-mailing awebber@rdks.bc.ca.

Sincerely,


Ryan Beaudry, MA(PL)


Dan Huang, MCIP, RPP



* The map above is based on readily available data from the provincial government's Land and Resource Data Warehouse (LRDW). Recent changes in ownership or territory boundaries may not be reflected on the map.

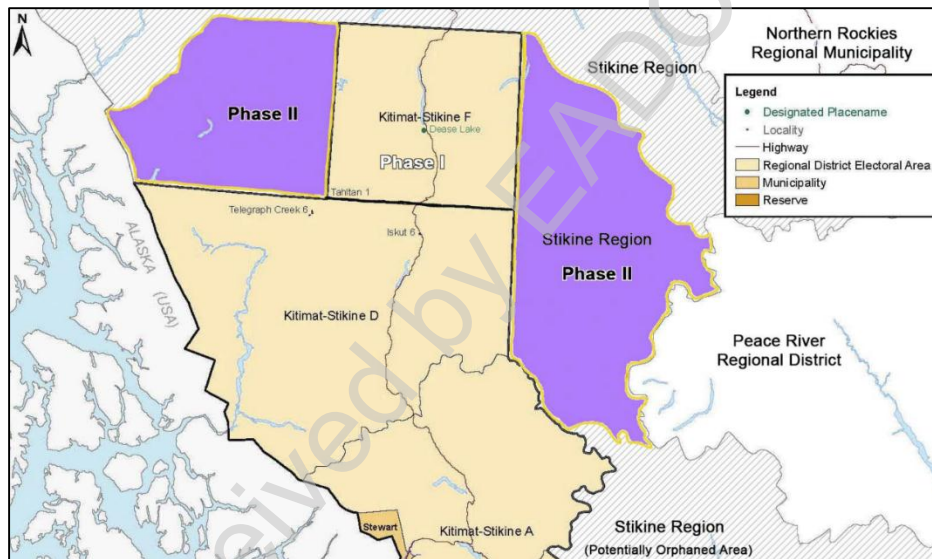
December 16, 2013

Shane Black
120 King Drive
Prince George, BC V2M 4V4

Dear Mr. Black,

The Regional District of Kitimat-Stikine (RDKS) is currently undertaking a study (Phase 2) to explore the possibility of extending its boundaries. The study is a continuation of an earlier study (Phase 1) that was undertaken in 2006/2007, which resulted in an extension of the Regional District boundaries to include the Dease Lake area. The area being considered for inclusion as part of the Phase 2 study is highlighted in purple in the map below.


The Phase 2 study is still in the early stages. The RDKS has contracted the services of Urban Systems to help analyze the technical, administrative and financial components of a potential Phase 2 boundary extension. This work, along with stakeholder consultation and engagement, will continue into 2014.




You have received this letter because you hold a guide outfitter's certificate for a territory located within the proposed Phase 2 area (see attached map). Based on our analysis using 2013 BC Assessment values, it is anticipated that the Phase 2 boundary extension would have no impact on the property taxes for your territory.

The RDKS would like to give you an opportunity to provide your thoughts and ask any questions you might have regarding the potential boundary extension. Urban Systems, on behalf of the RDKS, will be available for telephone meetings for the remainder of December and all of January. If you would like to set up a meeting, or if you have any questions or comments, please contact Ryan Beaudry at 604-235-1701 or rbeaudry@urbansystems.ca. You can also contact the RDKS directly by phoning 250-615-6100 (ask for Andrew Webber) or by e-mailing aweber@rdks.bc.ca.

Sincerely,


Ryan Beaudry, MA(PL)


Dan Huang, MCIP, RPP



* The map above is based on readily available data from the provincial government's Land and Resource Data Warehouse (LRDW). Recent changes in ownership or territory boundaries may not be reflected on the map.

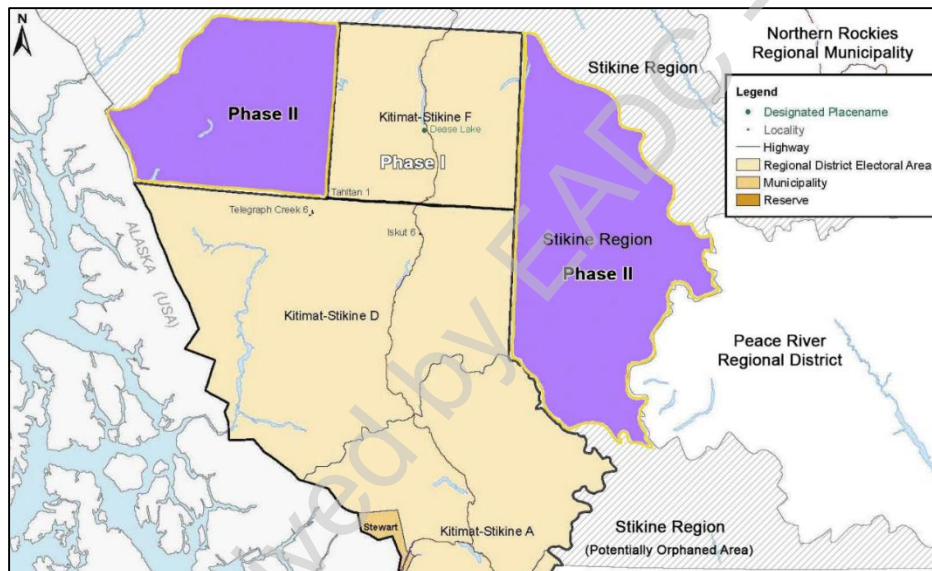
December 16, 2013

John Badiuk
41 Sherman Dr.
St. Catharines, ON L2N 2K9

Dear Mr. Badiuk,

The Regional District of Kitimat-Stikine (RDKS) is currently undertaking a study (Phase 2) to explore the possibility of extending its boundaries. The study is a continuation of an earlier study (Phase 1) that was undertaken in 2006/2007, which resulted in an extension of the Regional District boundaries to include the Dease Lake area. The area being considered for inclusion as part of the Phase 2 study is highlighted in purple in the map below.

The Phase 2 study is still in the early stages. The RDKS has contracted the services of Urban Systems to help analyze the technical, administrative and financial components of a potential Phase 2 boundary extension. This work, along with stakeholder consultation and engagement, will continue into 2014.




You have received this letter because you are the registered owner of property within the proposed Phase 2 area. Based on our analysis using 2013 BC Assessment values, it is anticipated that the Phase 2 boundary extension would result in an increase of approximately \$55 in your annual property taxes.

The RDKS would like to give you an opportunity to provide your thoughts and ask any questions you might have regarding the potential boundary extension. Urban Systems, on behalf of the RDKS, will be available for telephone meetings for the remainder of December and all of January. If you would like to set up a meeting, or if you have any questions or comments, please contact Ryan Beaudry at 604-235-1701 or rbeaudry@urbansystems.ca. You can also contact the RDKS directly by phoning 250-615-6100 (ask for Andrew Webber) or by e-mailing awebber@rdks.bc.ca.

Sincerely,


Ryan Beaudry, MA(PL)


Dan Huang, MCIP, RPP

Regional District of Kitimat-Stikine

300 - 4545 Lazelle Avenue
Terrace, British Columbia
V8G 4E1

Tel (250) 615-6100
Fax (250) 635-9222

Our file no. 3400 20

March 17, 2014

Rick Conte, Vice-President
Association for Mineral Exploration BC
Suite 800 - 889 West Pender Street
Vancouver, BC
V6C 3B2

Dear Mr. Conte:

Re: Regional District of Kitimat Stikine Boundary Review

This letter is to inform you of the status of a boundary review for the Regional District of Kitimat-Stikine.

The Regional District has contracted consulting firm Urban Systems to prepare a background report for a potential adjustment to the Kitimat-Stikine boundaries in its northerly areas. The report is to describe potential scenarios for new boundaries and identify property taxation, servicing and governance issues with such boundary changes. Among its tasks, Urban Systems has contacted tenure holders and property owners in potential boundary extension areas and is examining property assessment and taxation data.

This letter is being written as a courtesy to four minerals sector companies with significant holdings in the study area and to AMEBC and MABC. These companies are Fortune Minerals, Hard Creek Nickel, Capstone Mining and Atrum Coal. At this time these projects have negligible or no assessment triggering property taxes; however, development of these projects might result in significant property assessment subject to property taxation by the province and potentially local government. Currently all these properties are located in the unincorporated Stikine Region

We are in an exploratory phase, receiving perspectives on potential Regional District boundaries. Once the Urban Systems report is complete, expected in late March or early April, and depending on the outcome of the study, decisions will be made by the Regional District and the province (Ministry of Community, Sport and Cultural Development) on whether or not proceed with a boundary adjustment. A boundary extension would entail consultation with First Nations and likely further consultation with neighbouring regional districts and key economic players such as guiding territories and the minerals sector.

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Regional District of Kitimat-Stikine

AMEBC

March 17, 2014

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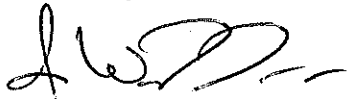
In late 2007, the Regional District of Kitimat-Stikine boundaries were extended northward from 58°N to include the community of Dease Lake. The main impetus behind the boundary extension was to enable the Regional District to maintain a local fire protection service, to that point delivered by the BC Ministry of Forests. Regional District governance also positions the community to obtain in the future other local government services, such as community water, solid waste management and street lighting, and improves eligibility to receive senior government grants. Dease Lake and the surrounding area now participates in a number of general services of the Regional District, such as community land use planning and house numbering. And to ensure community concerns would have a voice with the Regional District, Regional District Electoral Area F was created as an interim step coincident with the boundary extension.

The boundaries selected in 2007 follow lines of latitude and longitude. They were a temporary measure to facilitate the Regional District acquiring and operating the fire protection service. Ideally the boundaries of a regional district emerge from identifying clusters of communities with similar issues and similar histories, considering economic ties, transportation linkages and the landscape itself. In other words, boundaries are based on economic, cultural, historical and geographic factors.

I am including a basic map showing the Regional District of Kitimat-Stikine and boundaries being used by Urban Systems for further analysis. The northern limit of the study area is 59°N latitude.

If you would like more information or to discuss the Regional District's Northern Boundary Review project further, feel free to call.

Yours truly



Andrew Webber
Manager - Development Services

Encl.

Regional District of Kitimat-Stikine

300 - 4545 Lazelle Avenue
Terrace, British Columbia
V8G 4E1

Tel (250) 615-6100
Fax (250) 635-9222

Our file no. 3400 20

November 5, 2013

Chief Rick McLean
Tahltan Band
PO Box 46
Telegraph Creek, BC V0J 2W0

Dear Chief McLean:

Re: Regional District of Kitimat Stikine Boundary Review

This letter is to inform you of the status of a boundary review for the Regional District of Kitimat-Stikine.

The Regional District has contracted with consulting firm Urban Systems to prepare a background report for a potential adjustment to the Kitimat-Stikine boundaries in its northerly areas. The report is to describe potential scenarios for new boundaries and identify property taxation, servicing and governance issues with such boundary changes. Among its tasks, Urban Systems is contacting tenure holders and property owners in potential boundary extension areas and examining property assessment and taxation data.

We are in an exploratory phase, receiving perspectives on potential boundaries. Once the Urban Systems report is complete, expected late this year or early next year, and depending on the outcome of the study, the province may lead a more formal process of engagement with First Nations in the area. This may also lead to further consultation with neighbouring regional districts and key economic players such as guiding territories and the minerals sector. An open house may also be held on this topic in Dease Lake at a later date.

In late 2007, the Regional District of Kitimat-Stikine boundaries were extended northward to include the community of Dease Lake. The main issue behind the boundary extension was to enable the Regional District to maintain a local fire protection service, to that point delivered by the BC Ministry of Forests. Regional District governance also positions the community to obtain in the future other local government services, such as community water, solid waste management and street lighting, and improves eligibility to receive senior government grants. Dease Lake and the surrounding area now participates in a number of general services of the Regional District, such as community land use planning and house numbering. And to ensure community concerns would have a voice with the Regional District, as an interim step Regional District Electoral Area F was created coincident with the boundary extension.

The boundaries selected in 2007 follow lines of latitude and longitude. They were a temporary measure to facilitate the Regional District acquiring and operating the fire protection service.

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Regional District of Kitimat-Stikine

November 5, 2013

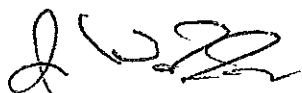
Page 2

Ideally the boundaries of a regional district emerge from identifying clusters of communities with similar issues and similar histories, considering economic ties, transportation linkages and the landscape itself. In other words, boundaries are based on economic, cultural, historical and geographic factors.

I am including a basic map showing the Regional District of Kitimat-Stikine and boundaries being used by Urban Systems for further analysis. The northern limit of the study area is 59°N latitude.

If you would like more information or to discuss the Regional District's Northern Boundary Review project further, feel free to call. Also, if schedules and travel plans coordinate, meetings to discuss potential Regional District boundaries and other topics of common concern may be feasible.

Yours truly



Andrew Webber
Manager - Development Services

Encl.

Appendix C

Sample Tax Calculations



787 - DAWSON CREEK RURAL - 2014

Prop Class	Item Name	Rate
1	GEN RESIDENTIAL	\$0.5600
1	SCH RESIDENTIAL	\$4.7214
1	BC ASSESSMENT	\$0.0619
1	POLICE TAX	\$0.2619
Total Tax Rate		\$5.6052
Assessed Value		\$18,000
Total Estimated Taxes		\$100.89

[Clear Rates](#)[New Assessed Value](#)[Back](#) to Estimating Your Rural Property Taxes Page



787 - DAWSON CREEK RURAL - 2014

Prop Class	Item Name	Rate
6	GEN BUSINESS/OTHER	\$2.9100
6	SCH BUSINESS/OTHER	\$6.0000
6	BC ASSESSMENT	\$0.1755
6	POLICE TAX	\$0.6416
Total Tax Rate		\$9.7271
Assessed Value		\$4,800
Total Estimated Taxes		\$46.69

[Clear Rates](#)[New Assessed Value](#)[Back](#) to Estimating Your Rural Property Taxes Page

Appendix D

BC Assessment Data – 2013 and 2014

**2013 HOSPITAL NET TAXABLE AND CONVERTED VALUES
FOR REGIONAL DISTRICT ELECTORAL AREAS
- Per Sec 804.2 (1) (A) & (B) Local Government Act
Completed Roll**

Processed Date: 06/Dec/2012
Printed Date: 07/Dec/2012

Regional District: 25 - Kitimat-Stikine
Electoral Area: D
Jurisdiction: 788 - Terrace Rural
787 - Dawson Creek Rural

Prop	Class	Occurrences	Land	Converted Land	Improvements	Converted Impr	Total	Converted Total	Conv %
01	Residential	147	1,752,150	175,215	7,825,858	782,585	9,578,008	957,800	10.00
02	Utilities	14	367,600	128,660	40,530,300	14,185,605	40,897,900	14,314,265	35.00
04	Major Industry	2	40,800	13,872	497,000	168,980	537,800	182,852	34.00
05	Light Industry	9	423,000	143,820	905,400	307,836	1,328,400	451,656	34.00
06	Business And Other	35	311,360	76,283	4,222,350	1,034,475	4,533,710	1,110,758	24.50
08	Rec/Non Profit	23	245,900	24,590			245,900	24,590	10.00
09	Farm	5	17,772	1,777			17,772	1,777	10.00
Total		235	3,158,582	564,217	53,980,908	16,479,481	57,139,490	17,043,698	
Total				564,216		16,479,482		17,043,699	
(Less S.353LGA/398VC)									

**2013 HOSPITAL NET TAXABLE AND CONVERTED VALUES
FOR REGIONAL DISTRICT ELECTORAL AREAS
- Per Sec 804.2 (1) (A) & (B) Local Government Act
Completed Roll**

Processed Date: 06/Dec/2012
Printed Date: 07/Dec/2012

Regional District: 25 - Kitimat-Stikine
Electoral Area: F
Jurisdiction: 787 - Dawson Creek Rural

Prop	Class	Occurrences	Land	Converted Land	Improvements	Converted Impr	Total	Converted Total	Conv. %
01	Residential	276	2,782,402	278,240	11,756,926	1,175,692	14,539,328	1,453,932	10.00
02	Utilities	12	337,700	118,195	8,705,900	3,047,065	9,043,600	3,165,260	35.00
05	Light Industry	1	14,500	4,930			14,500	4,930	34.00
06	Business And Other	51	457,898	112,185	4,207,805	1,030,912	4,665,703	1,143,097	24.50
08	Rec/Non Profit	9	134,300	13,430			134,300	13,430	10.00
Total		349	3,726,800	526,980	24,670,631	5,253,669	28,397,431	5,780,649	
Total				526,980		5,253,669		5,780,650	
(Less S.353LGA/398VC)									

**2014 HOSPITAL NET TAXABLE AND CONVERTED VALUES
FOR REGIONAL DISTRICT ELECTORAL AREAS
- Per Sec 804.2 (1) (A) & (B) Local Government Act
Completed Roll**

Processed Date: 06/Dec/2013
Printed Date: 07/Dec/2013

Regional District: 25 - Kitimat-Stikine
Electoral Area: D
Jurisdiction: 788 - Terrace Rural
787 - Dawson Creek Rural

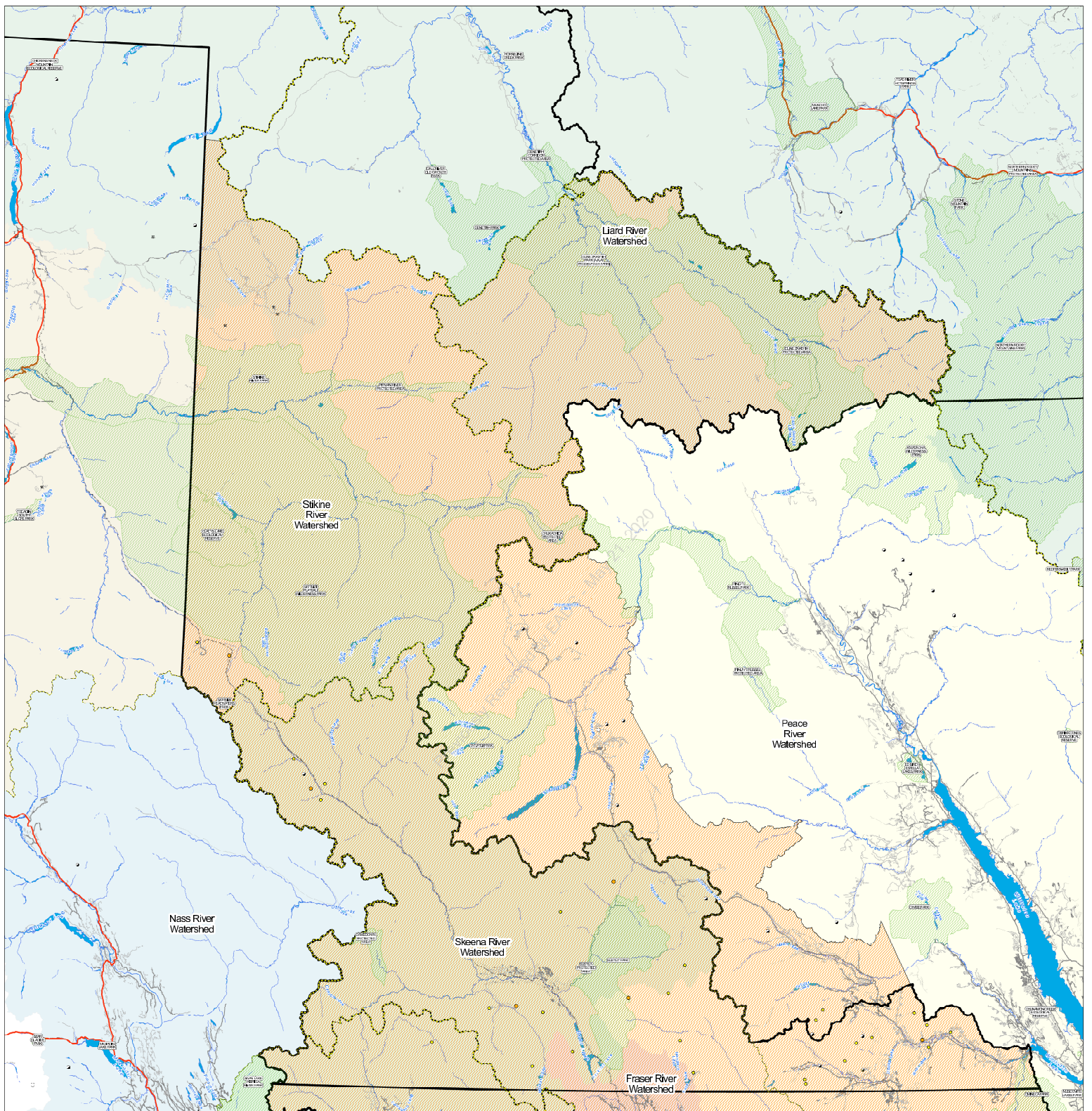
Prop. Class	Occurrences	Land	Converted Land	Improvements	Converted Impr	Total	Converted Total	Conv %
01 Residential	148	1,879,100	187,910	15,901,764	1,590,176	17,780,864	1,778,086	10.00
02 Utilities	14	3,724,200	1,303,470	122,863,900	43,002,365	126,588,100	44,305,835	35.00
04 Major Industry	4	413,600	140,624	36,902,000	12,546,680	37,315,600	12,687,304	34.00
05 Light Industry	10	525,700	178,738	892,500	303,450	1,418,200	482,188	34.00
06 Business And Other	35	308,501	75,582	5,664,309	1,387,755	5,972,810	1,463,338	24.50
08 Rec/Non Profit	25	312,300	31,230			312,300	31,230	10.00
09 Farm	5	17,772	1,777			17,772	1,777	10.00
Total	241	7,181,173	1,919,331	182,224,473	58,830,426	189,405,646	60,749,758	
Total (Less S.353LGA/398VC)			1,919,331		58,830,427		60,749,758	

**2014 HOSPITAL NET TAXABLE AND CONVERTED VALUES
FOR REGIONAL DISTRICT ELECTORAL AREAS
- Per Sec 804.2 (1) (A) & (B) Local Government Act
Completed Roll**

Processed Date: 06/Dec/2013
Printed Date: 07/Dec/2013

Regional District: 25 - Kitimat-Stikine
Electoral Area: F
Jurisdiction: 787 - Dawson Creek Rural

Prop. Class	Occurrences	Land	Converted Land	Improvements	Converted Impr	Total	Converted Total	Conv %
01 Residential	272	2,986,852	298,685	13,322,529	1,332,252	16,309,381	1,630,938	10.00
02 Utilities	12	339,400	118,790	8,485,200	2,969,820	8,824,600	3,088,610	35.00
05 Light Industry	1	14,500	4,930			14,500	4,930	34.00
06 Business And Other	51	467,791	114,608	4,447,962	1,089,750	4,915,753	1,204,359	24.50
08 Rec/Non Profit	9	136,300	13,630			136,300	13,630	10.00
Total	345	3,944,843	550,643	26,255,691	5,391,822	30,200,534	5,942,467	
Total (Less S.353LGA/398VC)			550,643		5,391,823		5,942,467	



Boundary Proposals

Proposal by Date

18/05/2017

Boundaries

- Municipalities
- Regional District Boundaries
- Natural Resource Regions
- Natural Resource Districts
- Park or Protected Area

Transport

- Rail Lines
- Roads - by surface type
 - Asphalt
 - Gravel
 - Loose
 - Grass
 - Seasonal
 - Overgrown
 - Unknown
 - Discommissioned
- Highways

Mines and Minerals

Select Mineral Resources

Status

- Proven
- Developed Prospect
- Prospect

Mining Projects

- Type
 - Exploration
 - Proposed Mine
 - Mine
 - Care and Maintenance

DRAFT - Regional District Boundary Revision

0 30 60 120 Kilometers

Document: C:\Users\james\Documents\Bulkley-Nechako\Regional District Boundary Revision
 Date: 2018/05/17
 Author: E. Schmidt

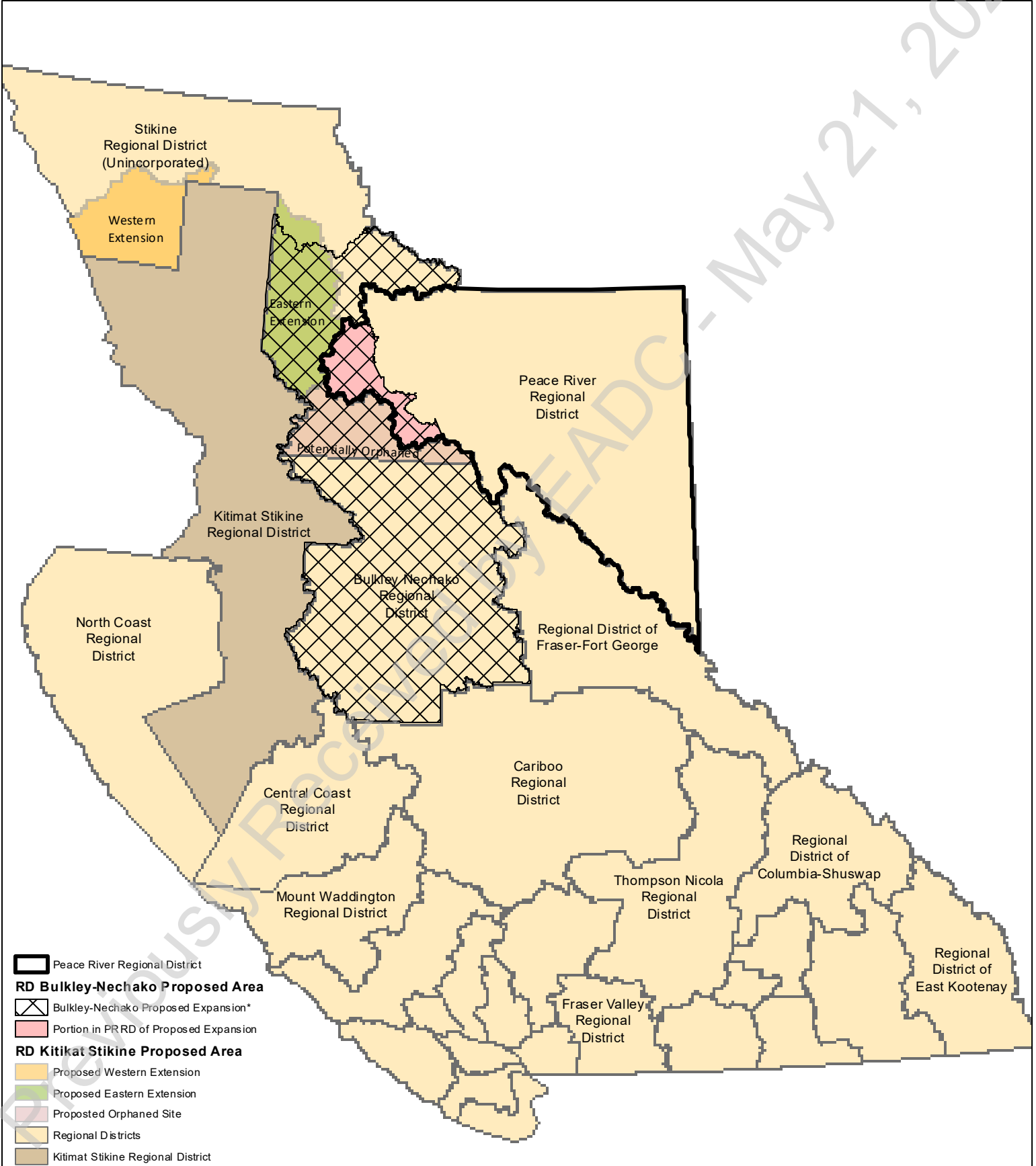




Proposed Regional District Boundary Expansions of Kitimat Stikine Regional District & Regional District of Bulkley-Nechako Adjacent to the Peace River Regional District



1:6,500,000



- Peace River Regional District
- RD Bulkley-Nechako Proposed Area**
 - Bulkley-Nechako Proposed Expansion*
 - Portion in PRRD of Proposed Expansion
- RD Kitimat Stikine Proposed Area**
 - Proposed Western Extension
 - Proposed Eastern Extension
 - Proposed Orphaned Site
- Regional Districts
- Kitimat Stikine Regional District

*Proposed Expansion boundary is from 2017.
Proposed expansion boundary has not been confirmed with Bulkley-Nechako.