

Tofino Ratepayers Association



Oct. 9, 2020 Update

Hello Members

As the rainy season seems to have started today, I thought you all may have some time to read.

First, a newsy update. Then, secondly, a suggestion of a platform around which discussion can occur for how Tofino moves forward as a community.

It has been an interesting summer.

What started out slowly, with increased visitation as Covid restrictions began to be lifted and the town got back to business, quickly turned into an avalanche. Apparently, occupancy rates followed this pattern as dramatically as other aspects of our just past summer. We were full.

Bylaw enforcement became an important issue. Dissatisfaction around illegal camping, beach fires, sanitary conditions etc. were apparent and on a lot of people's minds. A shout out to those who initiated petitions and tried to engage the public and our Council on these issues.

Parking issues, particularly for beach access, exploded. Day visitation was making many in the community wonder about "capacity" and how existing facilities seemed overrun. Questions were asked around public safety on the highway, overuse in general and in residential areas near the beach, overnight parking, and a general sense of degradation of the beach environment.

I think there is an emerging consensus that these happenings are not good for either the town's tourism image nor the experience of living here, trying to enjoy the place or go about your business in a reasonable fashion. Am I wrong? Or overstating the situation?

By my own estimates, the parking demand at or around the beach is compounding on average by about 20% per annum over the last few years. That is a doubling every 4 years. When you go from 30 to 60 it does not seem as big a deal but when you go from 500 to 1000 in a few years, it is serious business. I don't think it unfair to say Tofino is, was, and will be, unprepared to deal with these problems, unless new strategic thinking comes to bear.

At our inaugural meeting, 18 months ago, the Ratepayers Association presented a graph of visitation to Clayoquot Sound for recent years. The data was provided by the work of the Biosphere Trust. It showed an astounding parabolic curve of exponential growth over the last decade ending straight up. This trend has obviously preceded Covid and has not abated but accelerated since. As a group of taxpayers, we see the problems and we want to know what the solutions are, and what will that mean for our pocketbooks. More to come on this.

On another front, DoT council passed the rezoning of the affordable housing proposal on Leighton Way, DL 114. Then, later in August, approved a motion to waive all property taxes for the rental portions of the project. The rental portion being about 90% of the total proposed units. For some this was disappointing. More on this later.

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With the Mayor hitting the campaign trail as MLA candidate, I had a good chat with CAO Bob MacPherson on the current state of some of these issues and taxation issues as a focus. Particularly any new initiatives for alternate forms of taxation.

Here is a summary of that conversation and as you might expect, there is the “good”, and the “bad” to follow.

Council is still looking to get a portion of the MRDT back for municipal purposes. To refresh your memories, the MRDT or “bed tax” as it is sometimes referred to, is currently at 3% of the cost of a night’s stay (applied as sales tax) at our resorts and motels. The contract is between Tourism Tofino, the DoT and the Province. All three need to sign on. It is a 5-year deal and runs for another two. The thinking was that the DoT should get 1% when the deal is renewed to help cover the cost and burdens that tourism puts on local infrastructure. It had been proposed to use this money to help pay down the expected costs of interest on money borrowed to construct the Sewage treatment facility. It made sense. 1,000,000 tourists and rising vs 2000 residents. Who should pay what? With this project now very much up in the air (bid prices received were 50% over anticipated costs and put the project effectively out of reach of the community’s ability to pay). However, there are any number of alternate uses to which such funding could apply that fall into the infrastructure category. What assurance can be given that it will go to infrastructure? How can the municipality mount an effective campaign to secure these changes?

The good news is, while it is expected to take some time to implement, a new MRDT agreement, that pays back to the DoT, is under discussion. There appears to be a serious intent to amend the current agreement. Let’s hold Council’s feet to the fire.... We need more facts.

On another front, Council is in discussion with the Province about getting a level of commercial tax from Vacation Rentals (VRs). The general idea is that VRs would pay a commercial tax for tourist accommodations on a portion of residentially zoned property. As you would expect, the devil is in the details, which are very much up in the air at this stage. I am told there may be exemption for a portion of the year as low season (presumably winter), a certain number of business as usual days (40) was the suggestion that could go untaxed. Details to come, I guess. I am sure this will be a sensitive issue, but overall, this could be a good thing for the town. I hope whatever Council comes up with, they are able to be fair to all concerned. Some folks in the VR business are fully invested in multiple locations, while others are more trying to cover the costs of an expensive mortgage, the price of trying to live in Tofino. We need more facts. The VR community in particular, as well as, the whole community needs to be engaged.

Another new undertaking is to create a pay parking scheme. It would encompass both the beach and downtown areas. I assume that means the whole town. New Director of Infrastructure and Public Works, Fraser Work, has been set to the task to come up with recommendations. It is starting to sound like something similar to the ideas the Tofino RPA have put forward in the past. One price for the day, good for anywhere in Tofino. Like a user fee. Locals get a pass. We don’t need a bunch of parking meters. For visitors, a system using a cell phone “app” may be all that is necessary as is currently in use

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in some other municipalities. Most encouraging, there seems to be a recognition that the visitors need to pay for the services they receive when they come for the day and these parking fees could be used to offset those costs to the local tax base. For providing toilets, garbage collection, showers, maintenance, bylaw etc. But, as they say, the devil will be in the details of which there are few at present. We need more facts. But let's keep in mind, there is no amount of parking that we could create, that will satisfy the desire for it. Particularly when it is free. We cannot have limitless parking, but we do need to charge and manage.

So, the recurrent theme is we need more facts. I have encouraged the CAO that all these matters should be addressed in the full light of day. With public engagement up front, rather than dictates at the end of an unscrutinised process.

Now on to Housing issues

Without regurgitating the whole argument about the DoT's rental housing plan, it is a significant expenditure for the local community to make. The granting of tax-free status only further burdens the existing tax base to cover for this development. The occupants will want the same services as everyone else in the community. We are left wondering whether we are getting good value for our contribution with the likelihood of \$25,000,000.00 worth of untaxed assessment value.

My conversation with the CAO included that situation. In addition to the need for rental, the current difficulty many folks have with getting a stake in the community (ie. buying a home) needs to be addressed. A home for those who work and want to live here, for young and old. If they are unable to gain such a stake in the community, it will have negative consequences for the nature of our community going forward. Without approving private sector development, the town has not been providing a suitable range and balance of options. I suggested an additional and alternative model of public/private involvement. If council is going to exempt taxes for the Tofino Housing Corp rental housing project, then let's do that for everyone who can provide a long-term lease unit.

Rezone land for single family residences that includes the "granny suite", without a VR use. Make them to be rented only on a monthly basis. Give these new owners and anyone offering a rental unit on that basis a tax break if they operate the long-term rental unit. The benefits are many.

- 1) More folks could own their own homes. The rental unit revenues could offset their mortgage costs.
- 2) The town would get more rental housing without the heavy subsidies we have witnessed. It would be cheaper than what DoT has just done.
- 3) The monies, ownership and rents stay local and the community gets better off.
- 4) The tax base is broadened and that helps everyone. No matter how much of a tax break is given for constructing or operating a new rental suite, it will be less than the new taxes being collected for the new principle residences being constructed and occupied.
- 5) Net tax revenue gain. Good for existing tax base. Good for the town.

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6) Rental units attached to single family housing integrate tenants into the community, rather than creating more of a concentrated enclave. Net social benefit.

Alright, think about it and let us hear your views.

So here is the basis of a platform or an agenda. The town needs to address all these issues or suffer the consequences. Time waits for no one is the old adage. We have serious infrastructural needs.

WATER We've heard long enough we don't have enough. Get on with improvements to Imaaksis Creek Reservoir. Long term, we need a regional water supply. Kennedy Lake. Perhaps in the next round of "Infrastructure stimulus spending" the Federal gov't could support our needs as well as their wants. A reference to the \$70 million Park path.

SEWER It must be affordable. The federal gov't must help more...and the tourism sector needs to pay its fair share, see above.

HOUSING We need options for people to buy. We need approvals. We need a bigger tax base to help pay for all the things Tofino and Tofitians want.

BYLAW enforcement How can we address the many tourist management issues.

PARKING we need a plan please. One that can contribute to the cost of servicing the visitors.

All these things cost money. We need some creativity in these areas. How are they going to be funded? How can we get the visitors to pay their fair share. The above programme, if appropriately executed, could go a long way to solving some of these issues without making the town any more, or too, expensive to live in. All public officials and councillors, as well as any future candidates for office, need to address these issues. Your feedback is appreciated.

Cheers Jack Gillie