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## General Purposes Committee

Anderson Room, City Hall  
6911 No. 3 Road

Monday, September 17, 2012  
4:00 p.m.

Pg. #      ITEM

### MINUTES

**GP-5**      *Motion to adopt the minutes of the meeting of the General Purposes Committee held on Tuesday, September 4, 2012.*



### FINANCE AND CORPORATE SERVICES DEPARTMENT

1.    **LIQUOR LICENCE AMENDMENT APPLICATION 0755  
RESTAURANT & LOUNGE INCORPORATED – UNIT 2188 - 3779  
SEXSMITH ROAD**  
(File Ref. No. 12-8275-30-001/2012-Vol 01) (REDMS No. 3612005)

**GP-21**

See Page **GP-21** for full report

*Designated Speaker: Glenn McLaughlin*

### STAFF RECOMMENDATION

*That a letter be sent to the Liquor Control and Licensing Branch advising that:*

- (1)    *The application by 0755 Restaurant & Lounge Incorporated, to amend their hours of liquor service under Food Primary Liquor License #304745 from Monday through Sunday 9:00 a.m. to 12:00 a.m. to Monday through Sunday 9:00 a.m. to 2:00 a.m., be supported.*
- (2)    *Council comments on the prescribed considerations are:*

- (a) *There is little potential for additional noise if the application is approved;*
  - (b) *The amendment would not pose a negative impact on the community based on the lack of comments received from the public; and*
  - (c) *The amendment to permit extended hours of liquor service under the Food Primary Liquor License should not change the establishment so that it is operated in a manner that is contrary to its primary purpose as there has been no history of non-compliance with this operation*
- (3) *Council comments on the views of residents were gathered as follows:*
  - (a) *Property owners and businesses within a 50 metre radius of the subject property were contacted by letter detailing the application and provided with instructions on how community concerns could be submitted; and*
  - (b) *Signage was posted at the subject property and three public notices were published in a local newspaper. The signage and notice provided information on the application and instructions on how community comments or concerns could be submitted.*

*Based on the lack of negative responses from residents and businesses in the nearby area and the lack of responses received from the community through notifications, Council considers that the application is acceptable to a majority of residents.*



## ENGINEERING AND PUBLIC WORKS DEPARTMENT

### 2. GATEWAY THEATRE SEWER HEAT RECOVERY SYSTEM

(File Ref. No. 10-6600-10-01) (REDMS No. 3537486 v.13)

GP-29

See Page GP-29 for full report

*Designated Speaker: Cecilia Achiam*

STAFF RECOMMENDATION

*That the incorporation of the Sewage SHARC wastewater heat recovery system into the existing building heating system at Gateway Theatre (as described in the staff report titled Gateway Theatre Sewer Heat Recovery System dated August 15, 2012 from the Interim Director, Sustainability and District Energy), be endorsed.*



3. **PROVINCIAL CARBON TAX REVIEW – RECOMMENDED INPUT FROM THE CITY OF RICHMOND**

(File Ref. No. 01-0370-01) (REDMS No. 3636786 v.2)

GP-35

See Page GP-35 for full report

*Designated Speaker: Margot Daykin*

STAFF RECOMMENDATION

*That as input to the Provincial carbon tax review, a letter be sent to the Minister of Finance, with copies to the Premier, Minister of Environment, UBCM and Metro Vancouver Board of Directors, conveying that:*

- (1) *The City of Richmond supports the continuation of the carbon tax as a means to reduce greenhouse gas emissions with the understanding that:*
  - (a) *the tax is applied in a manner that offsets disproportionate impacts to low-income or other vulnerable populations;*
  - (b) *the tax is applied in a manner that does not result in a loss in competitiveness for local businesses; and*
  - (c) *the Province continues the Climate Action Revenue Incentive Program (CARIP) for local governments;*
- (2) *The City of Richmond requests that the Province conduct detailed studies and incorporate further public consultation and engagement with local governments and other stakeholders, to evaluate appropriate tax rates, scope and structure; and*
- (3) *The City of Richmond requests that the Province direct a portion of the carbon tax revenue, and/or establish alternative funding sources, to support local government actions and other investments that will reduce community emissions.*



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ITEM

ADJOURNMENT





## General Purposes Committee

Date: Tuesday, September 4, 2012

Place: Anderson Room  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Chak Au  
Councillor Linda Barnes  
Councillor Derek Dang  
Councillor Evelina Halsey-Brandt  
Councillor Ken Johnston  
Councillor Bill McNulty  
Councillor Linda McPhail

Absent: Councillor Harold Steves

Call to Order: The Chair called the meeting to order at 4:02 p.m.

### MINUTES

It was moved and seconded

*That the minutes of the meeting of the General Purposes Committee held on Monday, July 16, 2012, be adopted as circulated.*

**CARRIED**

### COUNCILLOR LINDA BARNES

1. **AMENDMENTS TO THE RESIDENTIAL TENANCY ACT DISPUTE  
RESOLUTION PROCESS**

(File Ref. No.: ) (REDMS No.)

Councillor Linda Barnes provided background information in connection to the above noted matter, and suggested that an additional motion be made with regard to notifying local MLAs and requesting their support on this issue.

1.

**General Purposes Committee**  
**Tuesday, September 4, 2012**

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It was moved and seconded

- (1) *That Richmond City Council supports the following resolution in principle:*

*“WHEREAS the Province of British Columbia has enacted legislation through the Residential Tenancy Act (RTA) to protect tenants from unacceptable living conditions;*

*AND WHEREAS Part 5 of the RTA outlines a process for resolving disputes that provides the Residential Tenancy Branch (RTB) with the authority to make any order necessary to give effect to the rights, obligations and prohibitions under the RTA, but in order to enforce an RTB order, it must be filed in the Court and enforced as a judgement or an order of the Court;*

*AND WHEREAS tenants who wish to enforce their rights under the RTA must navigate a complex bureaucratic and legal process and be prepared to spend significant amounts of time and money to engage with the process, creating barriers for tenants to access the RTA, especially tenants with low incomes or other vulnerabilities;*

*THEREFORE BE IT RESOLVED that the Union of BC municipalities urge the Province of British Columbia, in consultation with municipal governments, to establish minimum occupancy standards for rental properties and to increase the effectiveness and accessibility of the residential tenancy dispute resolution process by amending the Residential Tenancy Act such that the Residential Tenancy Branch enforces their dispute resolution decisions or orders, and does so within a reasonable timeframe.”*

- (2) *That a letter indicating Richmond City Council’s support of the resolution be sent to UBCM, local MLAs and the appropriate opposition critics requesting their support and request for immediate action; and*
- (3) *That staff review Richmond’s experience with the Rental Premises Standard of Maintenance Bylaw No. 8159.*

The question on the motion was not called, as discussion ensued about staff’s ability to review the Rental Premises Standard of Maintenance Bylaw No. 8159. Staff advised that the current standards would be reviewed for any changes that may be required. Staff was also requested to provide information on the City’s limitations regarding enforcement of the bylaw.

The question on the motion was then called, and it was **CARRIED**.

## **General Purposes Committee**

### **Tuesday, September 4, 2012**

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2. **LONDON LANDING WATERFRONT PARK PLAN**  
(File Ref. No. 06-2345-20-LLAN1) (REDMS No. 3614791 v. 3)

With the aid of a rendering, Mike Redpath, Senior Manager, Parks, accompanied by Yvonne Stich, Park Planner, provided an overview of the proposed park plan.

A discussion then ensued about specific park features as well as the proposed relocation of the dirt bike terrain park. Members of committee requested staff to provide further details and options for the proposed dirt bike terrain park.

It was moved and seconded

***That:***

- (1) the design concept and program for the London Landing Waterfront Park as described in the staff report titled London Landing Waterfront Park Plan (dated August 10, 2012, from the Senior Manager, Parks) be endorsed;***
- (2) the Operating Budget Impact of \$20,000 for park maintenance of the new London Landing Park be considered in the 5 Year Financial Plan for commencement in 2016; and***
- (3) Staff report back to Council through Committee regarding potential locations and configurations on the dirt bike terrain park prior to public consultation.***

The question on the motion was not called, as Dana Westermarck, Applicant and Developer, briefly spoke about public access to the site and parking.

The question on the motion was then called, and it was **CARRIED**.

3. **2016 BC SUMMER GAMES – RESPONSE TO REFERRALS**  
(File Ref. No.) (REDMS No. 3639772 v.3)

Dave Semple, General Manager, Community Services, accompanied by Ross Sakai, Community Facilities Coordinator, reviewed staff's rationale for the recommendation to decline the opportunity to bid to host the 2016 BC Summer Games, and spoke about the time spent and research work done by members of the Richmond Sports Council in preparation of the draft bid. Mr. Semple also noted that the figures presented in the staff report were conservative.

A discussion then ensued about:

- the proposed budget for the Games, including possible revenue and expenses;
- how securing sponsorship for the event may impact local businesses, and other difficulties associated with sponsorship;

## General Purposes Committee

### Tuesday, September 4, 2012

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- experiences of the municipalities that have previously hosted the Games;
- the need for volunteers to host such an event;
- the need for community support for the Games, including support from the Richmond Sports Council;
- the size and magnitude of the Seniors Games, which the City has hosted previously, in comparison to the BC Summer Games, including a comparison of the budget, transportation, housing, food and volunteer requirements;
- other events of a similar scale that the City has hosted or may be interested in hosting, including non-sports related events;
- how the BC Summer Games are not considered to be the right fit with the City's Sport Hosting Policy; and
- how the BC Summer Games may pose a financial liability for the City.

Jim Lamond, joined by Bob Jackson, Richmond Sports Council, submitted a presentation to the Committee (attached as Schedule 1 and forming part of these minutes) in favour of submitting a bid to host the 2016 BC Summer Games. The delegation spoke about community legacy, economic benefits, infrastructure legacies, and the financial impact that would result from hosting the Games. In conclusion, Mr. Jackson commended City staff for the superb job they did in assisting the Richmond Sports Council in preparing the draft bid.

It was moved and seconded

***That:***

- (1) the report titled "2016 BC Summer Games – Response to Referrals" from the Senior Manager, Recreation be received for information;***
- (2) the City of Richmond decline the opportunity to bid to host the 2016 BC Summer Games as requested by Richmond Sports Council; and***
- (3) a letter be sent to Richmond Sport Council advising them of the decision and thanking them for their commitment to support hosting of multi-sport events such as the BC Summer Games.***

The question on the motion was not called, as members of committee expressed their views in support of or in opposition to submitting a bid to host the 2016 BC Summer Games.

There was agreement that Parts (1) (2) and (3) of the motion be dealt with separately.

The question on Part (1) of the motion was then called and it was **CARRIED**.



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The question on Part (2) of the motion was then called, and it was **DEFEATED ON A TIE VOTE** with Cllrs. Halsey-Brandt, Johnston, and McNulty, and McPhail opposed.

The question on Part (3) of the motion was then called, and it was **CARRIED**.

**ADJOURNMENT**

It was moved and seconded  
*That the meeting adjourn (5:49 p.m.).*

**CARRIED**

Certified a true and correct copy of the  
Minutes of the meeting of the General  
Purposes Committee of the Council of the  
City of Richmond held on Tuesday,  
September 4, 2012.

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Mayor Malcolm D. Brodie  
Chair

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Shanan Sarbjit Dhaliwal  
Executive Assistant  
City Clerk's Office

Presentation to the General Purposes Committee

September 4 ,2012

By

JIM LAMOND

8820 Ash Street

Richmond, BC,

At the Parks, Recreation meeting of July 24 2012 'a report to the committee regarding the City of Richmond submitting a bid to host the 2016 BC Summer Games on a request by Richmond Sport Council at that time the Staff recommendation was to decline the opportunity for reasons outline in their report.the Committee requested that additional information be provided and a draft bid be prepared

That the BC Summer Games Bid 2016 be referred back to Staff to work with the Richmond Sports Council on a draft Bid that would provide further analysis on the possibility of hosting 2016 BC summer Games Including relationship and cost of the School District also providing cost in general ..

In certain areas we worked very closely with Staff in which schools would be close to sports Facilities

Were athletes would be able to walk to their sports venues we also discussed the sports venues and what was best for the games budget as for the final budget Staff did their budget and we did ours copy enclosed

As for staff recommendation we received the final report late Friday our comments are as follows

**ECONOMIC BENEFIT**

The BC Games bid book states that the four day BC games brings significant economic to the host community the last Direct spending impact was measured in Kelowna in July 2008. That study indicated \$2.6 Million of Direct Spending. Our own BC senior games in 2009 economic impact summary was \$ 3.1 Million

**COMMUNITY SUPPORT**

Most of our summer major sporting events go in the month of July as for BC Games they are usually held the third weekend of July so there should be no problem most of the sponsor of our major events are repeat sponsor..

## INFRASTRUCTURE LEGACIES

As the report states the City has most of the Facilities required to host the Games except a beach volleyball Court we have 5 indoor courts on Mitchell island and for the five days it would cost the games \$5.000 dollars.

## SUPPORT for CITY PLANS and PRIORITIES

Outside the Midget Hockey Tournament and the Steveston Dragon Boat Festival which are yearly events the rest are a wish list that we are bidding on.

## IMPACT on City Budget and OPERATION

The total commitment to the miscellaneous City services, for a total commitment of approximately \$367.000 the project deficit is \$217.000 quite a bit less than the \$275,000 for the senior games as for volunteers and staff stretching our Capacity and will likely reduce the ability to respond to other opportunities that may arise in the period leading up to and during the games i think we can take a lesson from the senior games we had the fireman and police games in Vancouver and Burnaby in 2009 we had the Olympic games in 2010 and we trained over 2,000 volunteers for the O Zone and our Olympics i don't think the people of Richmond will have any problems with 2016 BC summer games

## COMMUNITY LEGACY

What is a community legacy every time a athlete leaves our community to represent our province or our country it is a legacy to Richmond we want to be the tournament capital of Canada surely we Can host the BC summer Games it is a good job we did not bid for the Canada Summer Games that is one of the National games we talk about you have to use classroom and feed the athletes the same as the BC summer games.

## FINANCIAL IMPACT

As per the report \$217,000 additional Budget relief as based upon the projected budget would the BC summer games come under a Major Event for a sports hosting Grant .

Just remember the BC games are Community Games a quote from one of our papers should Richmond host the BC summer games it shouldn't all boil down to money . Supporting amateur sports isn't about the immediate payoff; it's about the long- term investment that will grow over time perhaps in rare instances developing into a world class athlete but almost always into well-adjusted healthy and happy human beings.

Please find enclosed Sports council estimated city cost Appendix (1)

Comparison of 2009 senior and surrey 2012 summer games Appendix (2)

Operations Manager for 2012 Surrey Games Appendix (3)

Past BC Summer games legacy totals Appendix (4)

Host Communities of the BC summer Games Appendix (5)

Economic Impact Summary of the 2009 Senior games Appendix (6)

Sports Council Budget BC 2016 summer Games Appendix (7)

## APPENDIX #1

### ESTIMATED CITY COSTS

	<u>City Estimate</u>	<u>Sport Council Estimate</u>
City contrubution to Host Society	\$45,000	\$45,000
Service-in-Kind (Minimum required is \$50,000)		
• 1 full time Operations Manager for 12 months (benefits included)	\$120,000	\$65,000
• 5 Office Assistants - 6 months (benefits included)	\$60,000	\$0
• Office and Admin. Costs (loss of facility rental, power, phones,etc.	\$25,000	\$10,000
• Equipment storage facility (container rental) for 6 months	\$3,000	\$0
• Equipment delivery, set-up, removal (e.g. bleachers, baracades City Stage & tents)	\$25,000	\$20,000
• Misc. city costs, litter, setup, takedown, field lining, custodial services, etc.	\$45,000	\$20,000
• Traffic Control for ceremonies and some events - e.g. Triathlon	\$20,000	\$0
• Net cost of use of City controlled facilities including loss of rental and program income (Oval, rinks, pools,gyms, fields, etc.	\$70,000	\$10,000
• Overnight Security at some venues	\$7,000	\$0
• Capital improvements fo Games facilities (beach volleyball courts)	<u>\$50,000</u>	<u>\$10,000</u>
	<b>\$470,000</b>	<b>\$180,000</b>

## APPENDIX #2

### Comparison

of

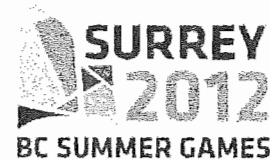
**2009 Richmond BC Senior Games**

and

**2012 Surrey BC Summer Games**

	<b>2009 Richmond BC Senior Games</b>	<b>2012 Surrey BC Summer Games</b>
Athletes	3819	2300
Coaches	n/a	478
Officials	<u>350</u>	<u>397</u>
<b>TOTAL</b>	<b>4,169</b>	<b>3175</b>
Activities	29	20
Administration of Activities - run the event	Richmond	PSO's
Meals	3 box lunches 1 banquet	4 breakfast 4 box lunches 4 suppers
Number to be fed	4,100	3,200
Accommodation	0	3,175
Transportation needs	a few athletes & officials	most athletes & officials
Transportation Costs	\$19,592	Significantly more
Economic Impact to Host Community (STEAM)	\$2.1 M	#2.0 M

## APPENDIX 3



### **OPERATIONS MANAGER Surrey 2012 BC Summer Games**

(10 month contract position commencing November 1<sup>st</sup>, 2011)

#### ***"WE'RE GAME"***

The Surrey 2012 BC Summer Games Board of Directors are seeking a dynamic, enthusiastic OPERATIONS MANAGER, adept at leading, organizing and managing an event that will bring together up to 3,800 participants (athletes, coaches, managers, and officials) and 3500 volunteers. The successful candidate must be extremely confident in their ability to develop the Surrey 2012 BC Summer Games into a community event to remember.

The OPERATIONS MANAGER will be required to set up and maintain a well functioning Games office and provide support to the Board of Directors (16) and their 73+ Chairs.

#### Related Duties

Duties will include: hiring and supervising all Games staff, assisting volunteers in meeting critical deadlines, assisting/monitoring the functioning of various systems and processes, coordinating the dismantling procedure of all Games property, and attending all required meetings. Past experience in event and/or BC Games planning required.

#### Education & Experience

The successful applicant should possess a minimum post secondary diploma in business, recreation, event management or other related field. A minimum 2 years experience in event planning or working with a not for profit society is also preferred. A combination of education and experience will be considered.

Remuneration is \$3,600 per month plus 10% of salary in lieu of benefits.

Please send resume and covering letter by October 27<sup>th</sup>, 2011 to:

President, Surrey 2012 BC Summer Games Society  
c/o Parks, Recreation & Culture Department  
City of Surrey  
14245 – 56 Ave, Surrey, BC Canada V3X 3A2

Or Email to [summer@surrey2012.ca](mailto:summer@surrey2012.ca)

The Surrey 2012 BC Summer Games Board of Directors thanks all that apply, however, only those selected for an interview will be contacted.

## APPENDIX #4

### PAST BC SUMMER GAMES LEGACY TOTALS

<u>Year</u>	<u>Community</u>	<u>Legacy</u>
1996	Trail/Castlegar	\$141,878
1997	Burnaby	\$109,287
1998	Ridge Meadows	\$110,272
2000	Victoria	\$57,424
2002	Nanaimo	\$197,682
2004	Abbotsford	\$174,394
2006	Kamloops	\$101,576
2008	Kelowna	\$77,852
2010	Township of Langley	\$75,320

Derived from profits from souvenir sales, interest on Government grants, and a percentage of the savings from the Host Operating Budget



## APPENDIX #5

### Host Communities of the BC Summer Games

<u>Community</u>	<u>Years Hosted</u>		
Kelowna	1980	1994	2008
Nanaimo	1985	2002	2014
Penticton	1978	1995	
Maple Ridge	1983	1995	
Burnaby	1984	1997	
Oak Bay/Victoria	1988	2000	
Surrey	1989	2012	
<b>RICHMOND</b>	<b>1979</b>		
Comox Valley	1981		
Vernon	1982		
Cranbrook	1986		
Delta	1987		
Prince George	1990		
Chilliwack	1993		
Trail/Castlegar	1996		
Abbotsford	2004		
Langley Township	2010		
Kamloops	2006		

Last held in Richmond in 1979 - 33 years ago

Richmond athletes have been participating in other communities for the last 33 years

As a community that takes pride in being a **sport hosting community** isn't our turn to host the BC Summer Games in 2016?



## 2009 BC Seniors Games

## Economic Impact Summary

### The 2009 BC Seniors Games in Richmond generated:

- **\$3.1 million in economic impact**
- **2,915 Richmond hotel room nights**
- **Direct spending 15 times the City's investment.**

#### Participants

3,817 participants registered for the Games. 831 of those were from the Lower Mainland and 758 from the Fraser Valley, and 2,228 from the rest of the province. This is the largest ever BC Seniors Games, and larger than any previous BC Games event.

	#
Richmond Hotel Guests	1,499
No. of Rooms generated	852
Ave # participants per room	1.76
Ave. nights per guest	3.42
Room nights generated	2,915

#### Accommodation

Interviews with participants showed:  
 60% stayed overnight away from home  
 48% used paid accommodation  
 Almost all hotel guests stayed in Richmond

At Home	40%
Friends	12%
Richmond Hotel	39%
Other Hotel	1%
RV	7%

#### Economic Impact

The City of Richmond has calculated the total expenditure and economic impact of the 2009 Seniors Games using an industry-standard economic impact model, STEAM.

This show the economic impact of the 2009 Seniors Games:

**Economic impact in total BC: \$3.1 million**  
**Economic impact in Richmond: \$2.1 million**  
**Direct expenditure in Richmond: \$1.4 million.**

#### Richmond Hotel Impact

The BC Seniors Games generated 2,915 room nights for Richmond hotels.

- 1,500 participants stayed in Richmond hotels
- 852 Richmond hotel rooms
- An average of 3.4 nights each.

"Direct expenditure" includes visitors and organizing committee expenditure; economic impact calculation also factors in indirect, "knock-on" expenditure, for example purchases and wages paid by hotel or restaurants.

The City of Richmond invested \$50,000 in cash and \$45,000 in in-kind expenditure to support the Games. With \$1.4 million in direct expenditure resulting, these Games generated a return to Richmond 15 times the investment.

**Revenue**

BC Games Society Grant	600,000	
City funding	45,000	
Souvenir Sales	20,000	
Donations Sponsorship	180,000	\$845,000

**EXPENSES**

Accommodation	29,630	
Administration	209,477	
Ceremonies	57,567	
Communications	35,278	
Food Service	168,179	
Friend of the Games	24,322	
Medical	4,462	
Promotions	34,800	
Protocol	67,280	
Registration and Results	16,830	
Security	10,478	
Special Events	50,213	
Sport	80,040	
Transportation	72,384	
Total	860,938	\$860,938





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<b>To:</b>	General Purposes Committee	<b>Date:</b>	August 8, 2012
<b>From:</b>	W. Glenn McLaughlin Chief Licence Inspector & Risk Manager	<b>File:</b>	12-8275-30-001/2012- Vol 01
<b>Re:</b>	<b>Liquor Licence Amendment Application</b> <b>0755 Restaurant &amp; Lounge Incorporated - Unit 2188 - 3779 Sexsmith Road</b>		

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### Staff Recommendation

That a letter be sent to the Liquor Control and Licensing Branch advising that:




1. The application by 0755 Restaurant & Lounge Incorporated, to amend their hours of liquor service under Food Primary Liquor License #304745 *from* Monday through Sunday 9:00 a.m. to 12:00 a.m. *to* Monday through Sunday 9:00 a.m. to 2:00 a.m., be supported.
2. Council comments on the prescribed considerations are:
  - a. There is little potential for additional noise if the application is approved;
  - b. The amendment would not pose a negative impact on the community based on the lack of comments received from the public; and
  - c. The amendment to permit extended hours of liquor service under the Food Primary Liquor License should not change the establishment so that it is operated in a manner that is contrary to its primary purpose as there has been no history of non-compliance with this operation.
3. Council comments on the views of residents were gathered as follows;
  - a. Property owners and businesses within a 50 metre radius of the subject property were contacted by letter detailing the application and provided with instructions on how community concerns could be submitted; and
  - b. Signage was posted at the subject property and three public notices were published in a local newspaper. The signage and notice provided information on the application and instructions on how community comments or concerns could be submitted.

Based on the lack of negative responses from residents and businesses in the nearby area and the lack of responses received from the community through notifications, Council considers that the application is acceptable to a majority of residents.



W. Glenn McLaughlin  
Chief Licence Inspector & Risk Manager  
(604-276-4136)

Att. 1

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY SMT SUBCOMMITTEE	INITIALS: 
REVIEWED BY CAO	INITIALS: 

## Staff Report

### Origin

The Provincial Liquor Control and Licensing Branch (LCLB) issues licences in accordance with the Liquor Control & Licensing Act and Regulations.

This report deals with an application submitted by 0755 Restaurant & Lounge Inc. (the Applicant) operating from premises located at 3779 Sexsmith Road, Unit 2188 for the following:

- to amend their hours of liquor service *from* Monday through Sunday 9:00 a.m. to 12:00 a.m. *to* Monday through Sunday 9:00 a.m. to 2:00 a.m.

There is no patron participation endorsement requested.

Local government is given opportunity to provide comments and recommendations to the LCLB with respect to liquor licence applications and amendments. For an amendment to an existing licence, the process requires local government to provide a Council resolution that addresses the following review criteria:

- the potential for noise if the application is approved,
- the impact on the community if the application is approved, and
- whether the amendment may result in the establishment being operated in a manner that is contrary to its primary purpose.

### Background

The Applicant has been operating a 7,000 square foot restaurant with a seating capacity for 283 at this location since January 2012. The restaurant is located in a shopping plaza which is comprised of two buildings from which a number of shops offer retail services, professional offices and other eateries. Surrounding the property to the south are other commercial businesses, to the north is the Cambie Field and single family housing and to the west and east are single family housing. The property is zoned Auto-Oriented Commercial (CA) and the Applicant's use is consistent with the permitted uses for this zoning district. (Attachment 1)

The Applicant's letter of explanation states that they are requesting the amendment because they feel that they operate a unique restaurant that serves food inspired by Mainland China and other Asian themes and that the extended hours of liquor service will attract a clientele that likes to dine out later in the evening and still be able to get liquor with full meal service.

There are a number of restaurants operating within the vicinity. A review of restaurants similar to the Applicant's reveal the following liquor service hours of operation:

- Monday to Saturday from 11:00 a.m. to 1:00 a.m. and Sunday to midnight
- Monday to Sunday 11:00 a.m. to 1:00 a.m.
- Monday to Sunday 12:00 p.m. to 2:00 a.m.
- Monday to Sunday 9:00 a.m. to Midnight

The increase in hours requested by the Applicant is consistent with similar operations in the area.

## **Regulatory Criteria**

### *Potential for Noise*

Staff believes that there would be no noticeable increase in noise if the additional hours of liquor service were supported.

### *Potential for impact on the Community*

Any typical potential impacts associated with extended hours of liquor sales such as drinking and driving, criminal activity and late-night traffic are not expected to be unduly increased with this amendment. Having received no responses from those contacted in the consultation area and none from the city-wide public notifications, staff feel that the endorsement of this application is warranted due to the lack of negative public feedback and that the business focus as a food service establishment is to be maintained.

### *Potential to operate contrary to its primary purpose*

Staff is of the opinion that due to a lack of any non-compliance issues related to the operation of this business that there would be little potential of the business being operated in a manner that would be contrary to its main purpose as a food primary establishment.

### *Views of nearby residents, businesses and property owners*

To satisfy LCLB requirements, the City's review process requires that the public be notified of the liquor licence amendment application and be given an opportunity to express any concerns related to the proposal.

The City's process for reviewing applications for liquor related permits is prescribed by the Development Application Fees Bylaw 7984 which under section 1.9.1 calls for:

1.9.1 Every applicant seeking approvals from the City in connection with:

(b) any of the following in relation to an existing licence to serve Liquor:

- (i) addition of a patio
- (ii) relocation of a licence
- (iii) change of hours; or
- (iv) patron participation

must proceed in accordance with subsection 1.9.2.

1.9.2 Pursuant to an application under subsection 1.9.1, every applicant must:

(b) post and maintain on the subject property a clearly visible sign which



indicates the intent of the application; and

- (c) publish a notice in at least three consecutive editions of a newspaper that is at least weekly in the area affected by the application

In addition to the advertised public notice requirements set out in Section 1.9.2, staff have adapted from a prior bylaw requirement, the process of the City sending letters to businesses, residents and property owners within a 50-metre radius of the establishment (Attachment 1). This letter provides details of the proposed liquor licence application and requests the public to communicate any concerns to the City.

There are 25 property parcels within the consultation area. On June 6, 2012, letters were sent to 272 businesses, residents and property owners to gather their views on the application. As of July 6, 2012, there have been no responses from the community from the mail out, the posted signage and newspaper publications.

The following table is a summary of the application data and dates:

ITEM	DETAILS
City of Richmond Application Received	April 30, 2012
Type	Amendment – Hours of operation under Liquor Licence No. 304745
Location	Unit 2188 – 3779 Sexsmith Road
Proposed Hours of Liquor Sales	Monday to Sunday, 9 a.m. to 2 a.m.
Zoning	Auto-Oriented Commercial
Business Owners	Sean Qu and Xiang Qu
Date Sign Posted	June 1, 2012
Newspaper Publication Dates	May 30, June 1, 6, 2012
Letters to residents/businesses	June 6, 2012

The public consultation period for the application ended on July 6, 2012.

### **Non-Regulatory Criteria**

#### *Other Agency Comments*

As part of the review process, staff requested comments from Vancouver Coastal Health, Richmond RCMP, Richmond Fire-Rescue and the City's Building Permit and Business Licence

Departments. These agencies and departments generally provide comments on the compliance history of the Applicant's operations and premises.

No objections were received to the application from the departments contacted.

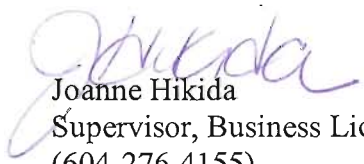
### **Financial Impact**

None

### **Conclusion**

Following the public consultation period, staff have reviewed the application and considered it in light of the legislated review criteria.

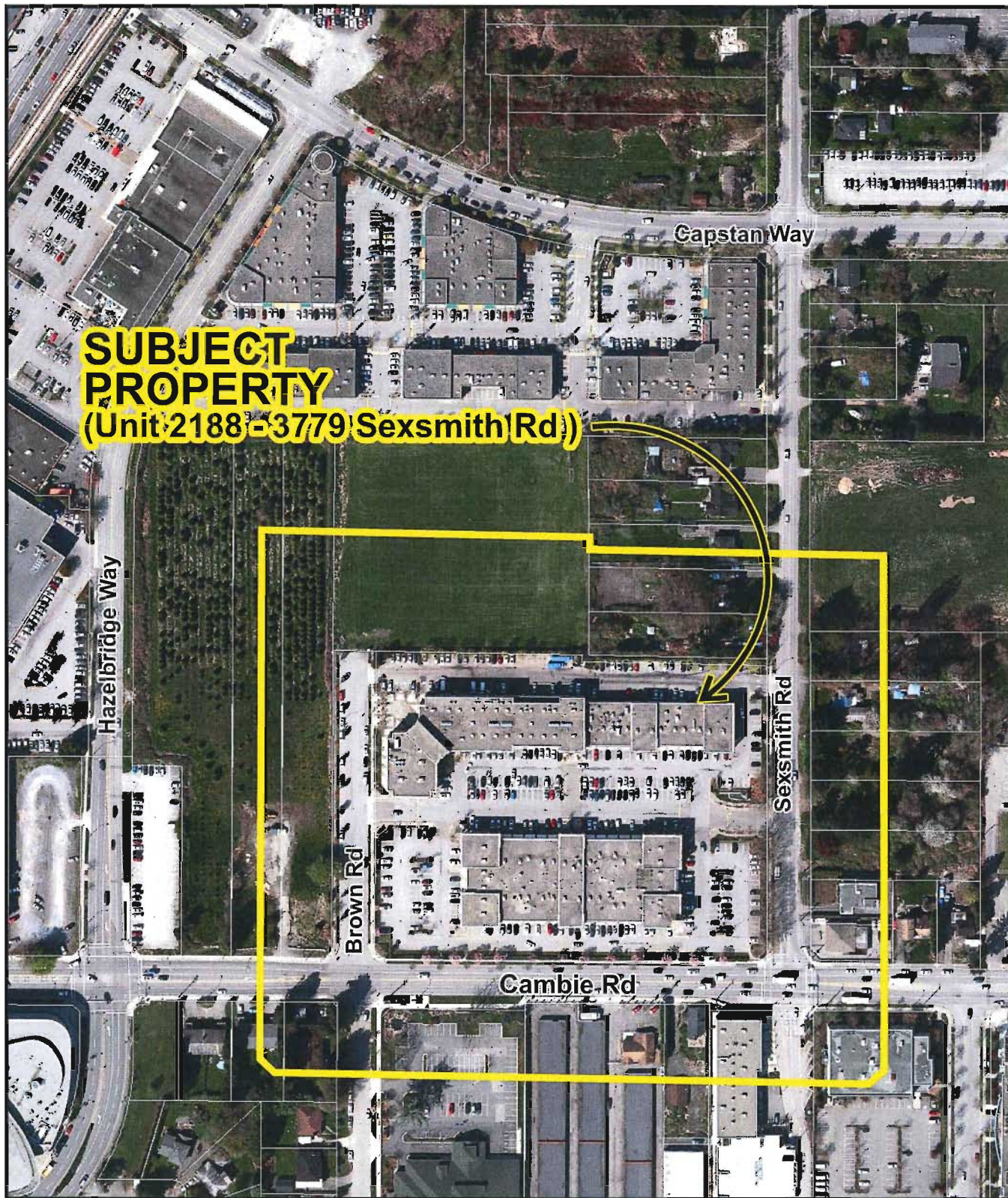
Given no objections to the proposal from the various agencies consulted and that no responses were received from the public consultations, staff recommend that Council provide a Resolution to LCLB supporting the application for 0755 Restaurant & Lounge Inc., to amend their hours of liquor service to Monday through Sunday from 9:00 a.m. to 2:00 a.m.



Joanne Hikida  
Supervisor, Business Licence  
(604-276-4155)

JMH:jmh





Unit 2188  
3779 Sexsmith Rd

Original Date: 08/016/12

Amended Date:

Note: Dimensions are in METRES





# City of Richmond

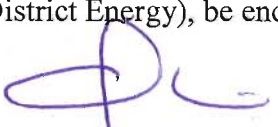
## Report to Committee

**To:** General Purposes Committee  
**From:** Cecilia Achiam, MCIP, BCSLA  
Interim Director, Sustainability and District  
Energy  
**Re:** Gateway Theatre Sewer Heat Recovery System




**Date:** August 15, 2012  
**File:** 10-6600-10-01/2012-  
Vol 01

### Staff Recommendation

That the incorporation of the Sewage SHARC wastewater heat recovery system into the existing building heating system at Gateway Theatre (as described in the report *Gateway Theatre Sewer Heat Recovery System* dated August 15, 2012 from the Interim Director, Sustainability and District Energy), be endorsed.

  
Cecilia Achiam, MCIP, BCSLA  
Interim Director, Sustainability and District Energy  
(604-276-4122)

Att. 1

REPORT CONCURRENCE			
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>	
Arts, Culture & Heritage	<input checked="" type="checkbox"/>		
Budgets	<input checked="" type="checkbox"/>		
Engineering	<input checked="" type="checkbox"/>		
Law	<input checked="" type="checkbox"/>		
Project Development	<input checked="" type="checkbox"/>		
<b>REVIEWED BY SMT SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>REVIEWED BY CAO</b>	<b>INITIALS:</b> 



## Staff Report

### Origin

On April 26, 2010, Council adopted the provincial greenhouse gas (GHG) reduction targets and approved an amendment to the Richmond Official Community Plan Bylaw 7100, which sets Richmond's community-wide GHG reduction targets at 33% below 2007 levels by 2020, and 80% below 2007 levels by 2050.

On July 14, 2010, Council adopted the Energy Sustainability Strategic Program with the target to reduce energy consumption in the Richmond community by at least 10% by 2020, from 2007 levels.

Goal # 8.1 in the Council Term Goals for the Term 2011-2014 states:

***“Sustainability – Continued implementation and significant progress towards achieving the City’s Sustainability Framework, and associated targets.”***

The proposed initiative in this report meets the intent of these Council directives.

### Background

In 2007, the Richmond community consumed close to 22 million GJ of energy. Buildings consumed 61% of this energy (See Figure 1).

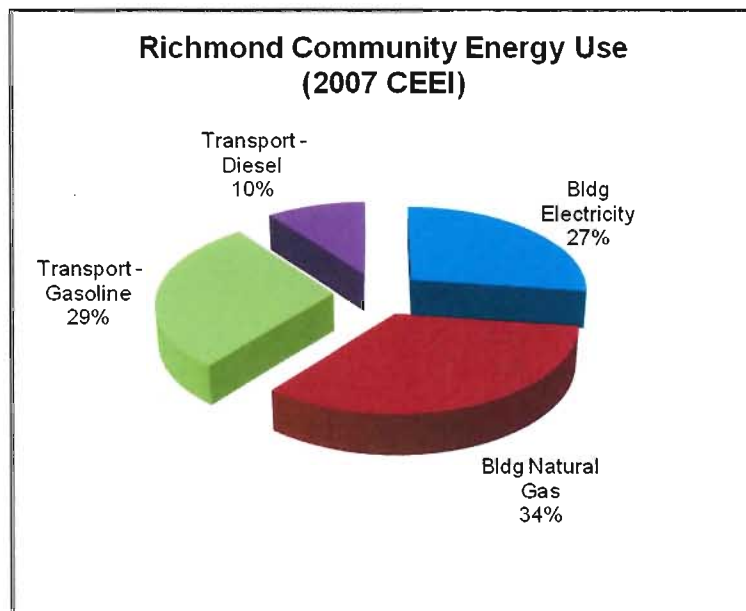


Figure 1

In 2010, the City, as a corporation, consumed approximately 270,000 GJ of energy to power buildings, fleet, lighting, and water/waste water services. Buildings consumed 66% of this energy (See Figure 2).

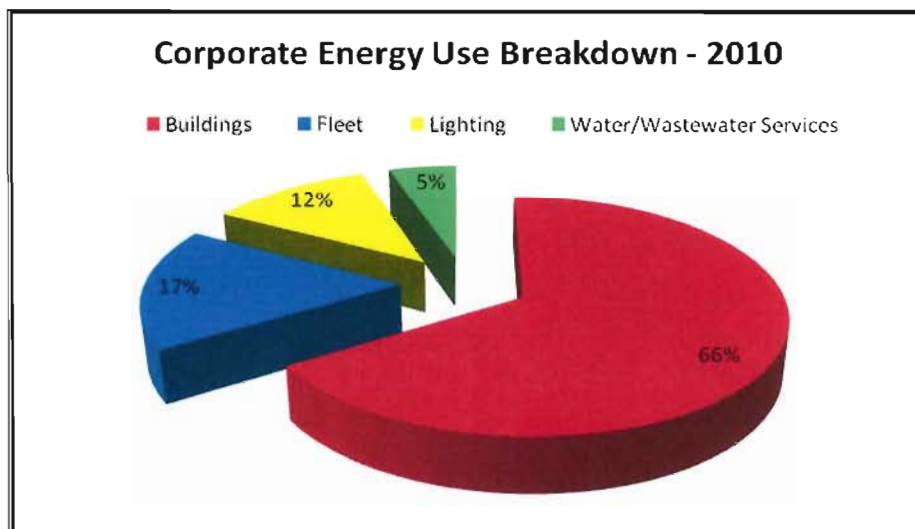


Figure 2

Even with a very successful corporate energy management program in place and active promotion of energy conservation and energy efficiency in new buildings, this level of consumption is anticipated to increase over time as the City develops more facilities and expands its services, and the community continues to expand.

Corporately, the City has already undertaken a wide range of projects to reduce the energy consumption and energy-related GHG emissions in the existing and future civic and community buildings. Highlight projects include:

- High Performance Building policy for civic buildings;
- LEED Silver Equivalent policy for new community buildings;
- Installation of solar thermal hot water systems at Steveston Outdoor Pool, South Arm Outdoor Pool, and Minoru Pool;
- Ballast and lighting retrofit, and lighting control retrofit at the Richmond Olympic Oval;
- Roof top heating and ventilation units replacement with high efficiency units at West Richmond Community Centre;
- Replacement of existing boilers with high efficiency boilers at both the Minoru Arenas and the Works Yard Administration building;
- Development of the district energy utility in West Cambie (Alexandra District Energy Utility).

As a result of Council's commitment to increased energy efficiency and the success of previous electricity efficiency initiatives, the City has been recognized by BC Hydro as a Power Smart Leader.

The continued reduction of electricity use is warranted and desired; however, it is important to recognize that for the City to achieve its ambitious GHG and energy reduction targets, it is necessary to continue exploring and implementing other energy saving measures beyond those encouraged by the BC Hydro Power Smart program. These measures include reducing consumption of natural gas, which is a much more significant GHG contributor than hydro electricity, and shifting towards alternative modes of energy production including solar, geothermal and other low GHG emitting alternatives.

## **Analysis**

Wastewater is a source of energy which can be used for heating and cooling buildings with heat pumps. The technology is simple and proven. The first installations were built more than 20 years ago. Over 500 wastewater heat pumps are in operation world-wide. Thermal ratings range from 10 kW to 20 MW. On account of the ideal source temperatures available (between 10°C and 25°C all year round), wastewater heat pumps achieve high coefficient of performance figures. In addition, such installations have an outstanding environmental performance.<sup>1</sup>

The City of Richmond's performing arts facility, Gateway Theatre (Gateway), is a two storey building, built around 1984, with a large theatre, a studio theatre room, offices, dressing rooms and a workshop. Space heating and makeup air heating for the building is provided by perimeter radiant heaters, heat pumps and an air handling unit supplying the stage area. All of these heating units are supplied with hot water from a natural gas fired boiler. It is estimated that Gateway uses on average a total of 2,614 GJ of natural gas annually for heating purposes.

An interdepartmental staff team that included members of Engineering & Public Works, as well as Project Development and Facility Services, have been working with International Wastewater Heat Exchange Systems Inc (IWHES) exploring the opportunity to integrate a wastewater heat recovery system into Gateway's heating system. Gateway was chosen due to the proximity of the wastewater pump station, the large estimated flows to support the wastewater heat recovery system, and the ease of incorporation into the heating system. In addition, some of the mechanical systems at Gateway are at the end of their life which enables the City to coordinate systems improvement at the same time. Any work performed will be closely coordinated with the Gateway Theatre staff to make sure it does not affect the theatre operation in any way.

IWHES is the distributor of the unique pre-engineered packaged wastewater heat recovery system called the Sewage SHARC system (SHARC). It features a self-contained clog proof filtering system, which eliminates potential odour issues and fouling of the heat exchanger due to the formation of a biofilm.

The SHARC is a version of a technology developed in China for heating and cooling buildings using raw wastewater. There are a number of installations throughout China, a few in North America, and one in a private development in North Vancouver. The Gateway installation will be the first application in Canada of this tried and tested system that will use raw wastewater from the municipal sewer pump station.

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<sup>1</sup> "Sewage Water: Interesting Heat Source for Heat Pumps and Chillers", by Felix Schmid, Energy Engineer FH, SwissEnergy Agency for Infrastructure Plants



Thermal energy will be captured from the raw wastewater using the SHARC system. The heat exchanger will transfer the energy from the wastewater into Gateway's heat pump water loop. This heat pump water loop will be completely separate from the wastewater. The building's boiler will remain to assist in heating or to serve as a backup if required. **Attachment 1** shows how the wastewater heat recovery system will be connected to the existing heat pump loop.

The installation of the SHARC system will:

- Result in annual natural gas savings of between 930 GJ and 1,150 GJ, which represents an annual reduction of 36% to 44%;
- Significantly improve the energy performance at Gateway; and,
- Reduce corporate GHG emissions.

Staff have successfully negotiated a reduction in the capital cost for the supply and installation of the system, which includes a five year parts, maintenance and warranty program. This reduction in cost was achieved by allowing the supplier the opportunity to gather operational data and use this project for promotional purposes.

Once installed, the SHARC system will be used to showcase this type of technology for the community as an example of a viable, sustainable, and low GHG emissions energy source.

### Financial Impact

Council approved the funding for this project under Energy Management Retrofit Projects funding of \$740,000 in the 2011 Capital Budget. The supply and installation of the SHARC system will cost \$54,370. The payback period for the sewer heat recovery system is between 6-7 years. The City will continue to benefit from the lower energy cost after the Enterprise Fund has been paid back in full.

### Conclusion

The Sewage SHARC wastewater heat recovery system is a renewable energy technology that will reduce GHG emissions at Gateway Theatre between 36% and 44%.

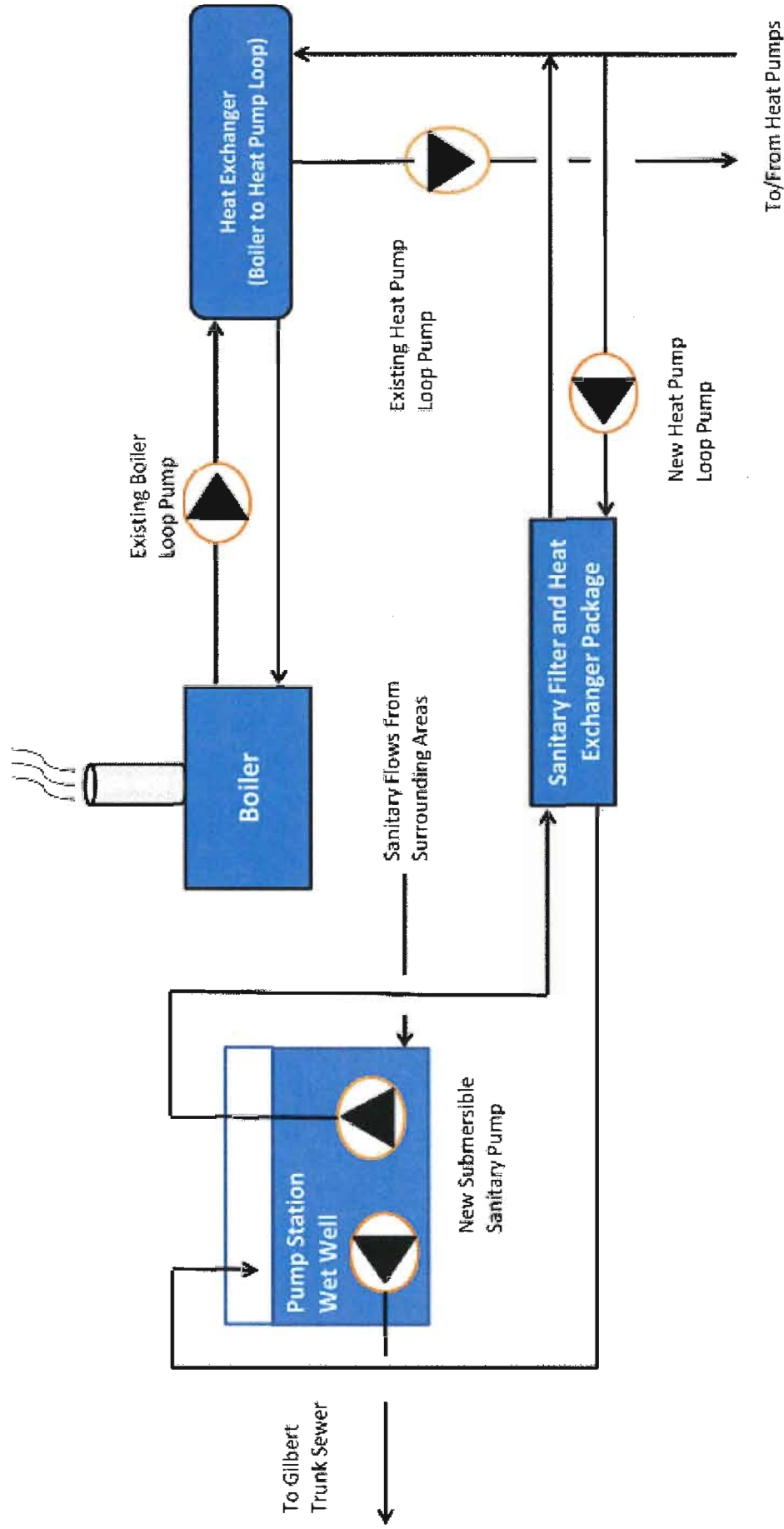
This project will represent a significant step forward towards the implementation of Council adopted Energy Strategic Program strategies: *Reduce* energy consumption; *Use renewable* and clean energy sources; and *Increase self-reliance* to reduce costs and dependency on external systems. It will also demonstrate leadership by example in the community for transitioning towards a more sustainable and low GHG emissions energy use.



Alen Postolka, P.Eng., CEM, CP  
District Energy Manager  
(604-276-4283)

Att. 1	Schematic of Wastewater Heat Recovery System Integration	REDMS #3551997
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# Schematic of Wastewater Heat Recovery System Integration





# City of Richmond

## Report to Committee

**To:** General Purposes Committee **Date:** August 27, 2012  
**From:** Cecilia Achiam, MCIP, BCSLA **File:** 01-0370-01/2012-  
Interim Director, Sustainability and District Energy Vol 01  
**Re:** **Provincial Carbon Tax Review – Recommended Input from the City of Richmond**

### Staff Recommendation

That as input to the Provincial carbon tax review, a letter be sent to the Minister of Finance, with copies to the Premier, Minister of Environment, UBCM and Metro Vancouver Board of Directors, conveying that:

1. The City of Richmond supports the continuation of the carbon tax as a means to reduce greenhouse gas emissions with the understanding that:
  - a. the tax is applied in a manner that offsets disproportionate impacts to low-income or other vulnerable populations;
  - b. the tax is applied in a manner that does not result in a loss in competitiveness for local businesses; and
  - c. the Province continues the Climate Action Revenue Incentive Program (CARIP) for local governments.
2. The City of Richmond requests that the Province conduct detailed studies and incorporate further public consultation and engagement with local governments and other stakeholders, to evaluate appropriate tax rates, scope and structure; and
3. The City of Richmond requests that the Province direct a portion of the carbon tax revenue, and/or establish alternative funding sources, to support local government actions and other investments that will reduce community emissions.

Cecilia Achiam, MCIP, BCSLA  
Interim Director, Sustainability and District Energy  
(604-276-4122)  
Att. 1

REPORT CONCURRENCE			
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>	
Finance Division	<input checked="" type="checkbox"/>		
Community Social Development	<input checked="" type="checkbox"/>		
Transportation	<input checked="" type="checkbox"/>		
<b>REVIEWED BY SMT SUBCOMMITTEE</b>	<b>INITIALS:</b>	<b>REVIEWED BY CAO</b>	<b>INITIALS:</b>

## Staff Report

### Origin

The Province is seeking written submissions to contribute to its review of the carbon tax. This report responds to the Province's request and supports the following Council Term goal pertaining to sustainability:

Council Term Goal #8.1: *"Continued implementation and significant progress towards achieving the City's Sustainability Framework, and associated targets."*

### Background

#### About the BC Carbon Tax

The BC carbon tax was implemented on July 1, 2008 as part of BC's efforts to reduce greenhouse gas (GHG) emission. The carbon tax places a 'price' on GHG emissions such that, in the long run, the market will respond in a way that emissions will be inherently reduced and the climate better protected. The tax applies to a portion of BC's greenhouse gas emissions, namely those arising from the burning of fossil fuels. This accounts for approximately 70% of GHG emissions. The carbon tax does not apply to GHG emissions resulting from industrial processes.

The carbon tax was designed to be revenue neutral, with tax revenues returned to taxpayers through reductions in other taxes. A portion of the carbon tax revenue is used for personal income tax cuts. In this regard, the BC carbon tax reduces tax on income while placing a cost on pollution. The tax revenue also funds corporate tax cuts to reduce impacts to business. Revenue is also directed at providing tax credits to populations who are impacted to a greater degree (e.g., low-income populations, northern and rural homeowners).

The tax was introduced at an initial rate of \$10/tonne of CO<sub>2</sub>e<sup>1</sup> and has increased, as planned, by \$5/tonne per year until July 1, 2012. The current rate is \$30/tonne. This works out to be 7.2 cents per litre of gasoline, 8.3 cents per litre of diesel, and \$1.50 per gigajoule of natural gas.

The 2010/2011 carbon tax revenue was \$741 million and the cost of tax reduction was \$865 million. The 2012/2013 forecasted carbon tax revenue is \$1.1 billion and the cost of tax reductions is \$1.2 billion. Further background on the BC carbon tax, including information on carbon tax rates in other jurisdictions, is provided in **Attachment 1**.

#### BC Carbon Tax Review

The Province announced a review of the carbon tax in the 2012 budget and will be assessing the impact of the policy as part of its 2013 budget preparations. The review is to cover all aspects of the carbon tax, including revenue neutrality and B.C. businesses competitiveness. No further information is being provided on the nature of the review (e.g., level of detail, ongoing consultation, etc.) or on studies that evaluate the current level of effectiveness and recommendations for future consideration.

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<sup>1</sup> CO<sub>2</sub>e, or carbon dioxide equivalent, is the standard unit used to measure greenhouse emission amounts.

The Province indicated that it was accepting written submission on the carbon tax from July 1, 2012 to August 31, 2012. A letter was sent by the Mayor to the Minister of Finance indicating that Richmond Council would be considering the matter in September. The Minister of Finance office has advised that City of Richmond comments will be provided to Ministry staff for consideration.

## **Analysis**

### **BC Carbon Tax – Local Considerations**

#### *1. Reducing Greenhouse Gas Emissions*

Carbon taxes are generally considered to be important measures for reducing GHG emissions and contributing towards safeguarding communities from potential adverse economic, social and environmental conditions that may arise from climate change. While it is too early to be certain, initial reviews suggest that the BC carbon tax is being effective in reducing greenhouse gas emissions (**Attachment 1**).

#### *2. Considerations for Vulnerable Communities*

Carbon taxes support reducing impacts to third parties and future generations. By embedding the cost of GHG emission production into today's transactions, carbon taxes help better ensure that those who receive a given benefit are responsible for paying the full costs. In this regard, carbon taxes help reduce costs for future communities.

However, carbon taxes can also result in disproportionate social impacts. Although they have overall lower carbon footprints, lower-income populations experience greater impacts from a carbon tax relative to higher income households. This is because they spend a greater proportion of their income on energy, have lower ability to absorb additional costs for basic living expenses and less ability to invest in newer energy efficient technologies and alternatives (e.g., hybrid cars, high performance furnaces, etc.). Populations living in northern and rural communities also tend to experience greater proportional impacts. To address these discrepancies, a portion of the BC carbon tax revenue is returned to low-income and other vulnerable populations through tax credits. However, it is not known whether these measures are sufficient and further information is needed to evaluate the effectiveness of remediation measures.

#### *3. Considerations for Business*

Limited information was found on the economic impact of the BC carbon tax. One study reported that it was unlikely that the BC carbon tax had adversely affected the province's economy given that British Columbia's GDP growth has outpaced the rest of Canada's (by a small amount) since the carbon tax came into effect. The study noted that the finding in BC fits with evidence from other countries where carbon tax shifts, in place for over a decade, resulted in neutral or slightly positive effects on GDP.

A portion of the revenue from the BC carbon tax is returned to businesses through annual tax cuts and credits. In Spring 2012, the Province provided a one-time tax rebate to BC greenhouse growers to help offset disproportionate impacts from the carbon tax. It is not known whether the measures currently in place are sufficient in addressing disproportionate impacts to specific businesses. The Province has advised that the carbon tax review will include a comprehensive assessment on the competitiveness of BC businesses and in particular, B.C.'s food producers.

#### *4. Implications for City of Richmond Policy – Community-Wide GHG Reduction Targets*

Under Provincial legislation, local governments are required to establish targets and incorporate them into their Official Community Plans. Richmond Council has met this legal requirement and has established a GHG emission reduction target of 33% reduction from 2007 levels by 2020. As an important GHG emission reduction measure, the BC carbon tax is helping to achieve targets established by the City of Richmond and other local governments.

#### *5. Implications for City of Richmond Policy – Corporate Carbon Neutrality Commitment*

The BC carbon tax has implications for operating budgets for local governments. The carbon tax provides an incentive for local governments to reduce costs from lower consumption of taxed fuel and helps increase the business case for investing in less-GHG intensive operations.

At the same time, the carbon tax can also increase immediate costs and/or provide revenue stream for supporting corporate GHG emission reduction. Through the CARIP, those local governments who have signed the BC Climate Action Charter<sup>2</sup> are reimbursed for the amount paid in carbon tax. The City of Richmond has signed the BC Climate Action Charter and has established a dedicated account, the City's Carbon Neutral Provisional Account, where the City's carbon tax reimbursements are directed. This account serves as an important funding source to support the City in meeting its carbon neutral commitments.

#### *6. Considerations Pertaining to Revenue Distribution*

Revenue from carbon taxes is distributed in various ways among the jurisdictions that have enacted them (**Attachment 1**). In some cases, revenue is used to support climate mitigation actions. Whereas the BC carbon tax is a mechanism for deterring consumption of high-GHG emitting energy sources (i.e., fossil fuels), it currently does not help fund community investments that provide alternatives (e.g., transit upgrades, transportation-demand side measures, large-scale renewable energy projects, enhanced recycling services, etc.).

Currently, local governments and other institutions such as TransLink, do not have the level of funding that is needed to realize low-GHG emission communities. As such, there is increasing interest to explore options for using a portion of the BC carbon tax revenue to support community climate mitigation actions. A change in this way would mean that the carbon tax would serve both as a deterrent (i.e., through added costs to high-GHG emission sources) and as an enabler (i.e., by providing funding to support community-based low-GHG alternatives).

#### *7. Considerations Pertaining to Tax Rate and Scope*

Details on the BC carbon tax rate and scope are provided in **Attachment 1**. As noted in the attachment, recommendations have been made to increase the carbon tax rate in order to increase its effectiveness and better meet Provincial and local GHG emission reduction targets. Increased rates would also provide greater options for providing revenue to support desired GHG emission reduction action. However, further assessment would be needed on potential associated socio-economic impacts and whether these could be adequately managed through tax credits or other mechanisms.

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<sup>2</sup> The BC Climate Action Charter is a voluntary agreement whereby local governments commit to being carbon neutral in their operations. The CARIP provides a mechanism to ensure that local governments do not pay twice for their emissions (e.g., through the carbon tax and through carbon neutral commitment requirements).

There may also be merit, given the value in supporting emission reductions across all sources and ensuring fairness, in assessing whether more emission sources should be included in the carbon tax. Greater scope may also mean greater opportunity for revenues to support GHG reduction action. However, further study is again necessary as the option to broaden the scope of the carbon tax should be evaluated against other alternatives, including proceeding with a cap-and-trade program as originally planned.

#### **Input provided by Metro Vancouver**

A letter has been sent by the Metro Vancouver Board to the Minister of Finance conveying that:

1. Metro Vancouver Board supports the carbon tax, and
2. Metro Vancouver requests that the Province:
  - a. Provide a 90 day extension to the comment period to allow local governments to conduct a more thorough review
  - b. Earmark a portion of the carbon tax revenue and other funding sources for local government actions that will reduce community emissions; and
  - c. Continue to increase the carbon tax provided that:
    - ~ Impacts to low income households are mitigated,
    - ~ A portion of the funding is dedicated to a regional climate action fund for GHG emission reduction projects in the region,
    - ~ Local governments continue to receive CARIP funds.

#### **Recommended Action – Proposed Input from the City of Richmond**

##### **1. Provide Support for the Carbon Tax**

Given that it is regarded as an effective GHG emission reduction measure, it is recommended that the City of Richmond express its support for the continuation of the carbon tax with the understanding that:

- a. the tax is applied in a manner that offsets disproportionate impacts to low-income or other vulnerable populations;
- b. the tax is applied in a manner that does not result in a loss in competitiveness for local businesses; and
- c. the Province continues the CARIP program for local governments.

##### **2. Request that Detailed Studies be Conducted with Public Consultation and Engagement with Local Governments and other Key Stakeholders**

Given the need for more assessment information, it is recommended that the City of Richmond request that the Province undertake detailed studies to better support decision-making pertaining to tax rate and scope. It is envisioned that the studies would evaluate the impacts (positive and negative) of the carbon tax since its inception and model potential benefits and costs in the future. The consultation process would be designed to enable the public, local governments and other key stakeholders to review the findings and provide further input.

### **3. Request that Carbon Tax Revenue be Used to Fund Local Government Action and other Community Projects that Provide Low-GHG Emission Alternatives**

Given the need for greater fiscal support to reduce greenhouse gas emissions, it is recommended that the City of Richmond request that the Province enable the carbon tax revenue, and/or establish alternative funding sources, to support local government action and other community-based projects that provide on-the-ground low-GHG emission alternatives.

### **Financial Impact**

There is no financial impact from the recommendations made by this report.

### **Conclusion**

In 2008, the Province introduced a tax on carbon as a means to embed costs of greenhouse gas emissions. The Province is currently conducting a review of the BC carbon tax and has requested input from interested parties. This report outlines important local implications of the tax, including it being a measure to support meeting the City of Richmond's GHG emission reduction targets. Other key considerations include the need to ensure that unintended socio-economic impacts are mitigated and that consideration be given to using carbon tax revenue to support needed transit improvements and local government GHG emission reduction action.

This report recommends that the City of Richmond express its support for the continuation of the carbon tax in a manner that protects businesses and addresses impacts to low-income and other vulnerable communities. It also recommends that the City of Richmond request that the Province undertake further studies to support decision-making pertaining to alternative tax rates and scope, and that further consultation and engagement be conducted. In addition, this report recommends that the Province be requested to review carbon tax revenue distribution with the objective of providing fiscal support for local community greenhouse gas emission reduction programs and initiatives.



Margot Daykin, M.R.M.  
Manager, Sustainability  
(604-276-4130)

MD:md



## Additional Detail Pertaining to the BC Carbon Tax

### Effectiveness in Reducing Greenhouse Gas Emissions

Climate change has been projected to result in significant levels of social, environmental and economic impacts<sup>3</sup>. While there are differing opinions, carbon taxes are generally considered to be one of the most effective tools for reducing greenhouse gas emissions. A key factor contributing to unsustainable conditions is the failure to include the complete costs in a given transaction. These unaccounted “costs” are transferred to third parties and future generations. Carbon taxes help to address unintentional market failures pertaining to greenhouse gas emissions by formally recognizing and embedding a cost reflective of this pollution.

Various jurisdictions have used carbon taxes as a means to embed costs and support GHG emission reduction (Table 1).

Table 1: Examples of Current and Pending Carbon Taxes

Jurisdiction	Carbon Tax Rate	Start Date
Finland	\$78 (transportation fuels); \$39 (heating fuels)	1990
Norway	\$16-\$86 (depending on the sector)	1991
Sweden	\$106 (individual use) \$23 (industry)	1991
Quebec	\$3	2007
British Columbia	\$30	2008
Switzerland	\$39 (rising to \$65 in 2013)	2008
Ireland	\$26	2010
Australia	\$23	2012
South Africa	\$15	2013

Emission reductions that are explicitly due to carbon taxes are difficult to measure. Some jurisdictions have quantified reductions in overall emissions, while other jurisdictions have examined impacts that are due to programs funded by carbon tax revenues.

With only four years since first implementation, it is particularly difficult to quantify the exact impact of the BC carbon tax. The Province’s own review of the carbon tax notes that:

*“There are positive signs that B.C. is experiencing a shift toward less fossil fuel use and lower emissions while continuing to grow its economy. Emissions in B.C. went down by 4.5 per cent from 2007-2010, while GDP growth through 2011 was above the Canadian average. At the same time B.C. is attracting green investment and green technologies with twice the Canadian average adoption of hybrid vehicles, 20 per cent of all Canadian LEED gold building registrations since 2007, and a 48 per cent increase in clean technology industry sales from 2008-10.”*

<sup>3</sup> Overall costs and risks from climate change have been estimated to be equivalent to a loss of at least 5% of global GDP each year (Stern Review, 2007).

Another study reports that the carbon tax is likely having a positive impact given that BC fuel sales (subject to the tax) have decreased by 15% while the rest of Canada's per capita sales have increased by 1%. This report notes that economic growth per capita in BC was consistent with growth in the rest of Canada. Another study reports that while major shifts to lower-carbon sources of energy have yet to be seen in BC (likely due to the short time frame since implementation of the carbon tax), there is strong evidence showing that carbon emissions have been reduced in jurisdictions that have had carbon taxes in place for longer periods and at higher rates. These findings are consistent with local modelling research. In 2010, Metro Vancouver commissioned a study that evaluated the effectiveness of various different policy measures for reducing greenhouse gas emissions. This study found that a carbon tax is an effective measure, third only to renewable fuel standards and building code changes.

### **Current Scope of the BC Carbon Tax**

Currently, the BC carbon tax captures about 70% of the Province's emissions. This means that a price for emissions is not being applied to approximately 30% of emissions. These are emissions from non-combustion sources which include:

- non-energy agricultural uses and wastes (@10%);
- fugitive sources which cannot currently be accurately measured (@10%);
- non-combustion industrial process emissions (@6%); and
- net deforestation (@5%).

Non-combustion industrial process emissions were going to be addressed through the implementation of a cap-and-trade system as part of the Western Climate Initiative. However, BC has yet to move forward to the implementation phase with the other partners in the Initiative (California and Quebec). The B.C. Climate Action Team has recommended that the Province either expand the carbon tax to cover all GHG emissions – including those from industrial processes – or include these additional emissions as part of a cap-and-trade system by 2012, and that this be done in light of progress made towards B.C.'s reduction targets, policies in other jurisdictions and key economic factors.

### **BC Carbon Tax Rate**

While BC's carbon tax is a pioneer in North America, carbon pricing in other parts of the world are as high as \$106/tonne of CO<sub>2</sub>e. Various estimates have been made on what reductions would result from differing carbon tax rates. Estimates of a rate in the range of \$50 to \$120/tonne of CO<sub>2</sub>e have been found to be needed to achieve a 20% emission reduction. The Provincial Climate Action Team has recommended that the carbon tax be increased after 2012 if deemed necessary to meet GHG reduction targets in BC. In addition to GHG emission reduction effectiveness, other important factors, such as business competitiveness and social impacts, should also be considered.

## **Revenue Distribution**

At present, BC's carbon tax is revenue neutral. This means that the tax revenue is returned to taxpayers and business through various tax cuts and credits. Some of the tax cuts and credits are directed at reducing disproportional impacts to specific business and segments of the population (e.g., low-income).

Revenue from carbon taxes can be distributed in several ways. Some jurisdictions, such as Finland, Norway and Sweden, use carbon tax revenues to fund general government budgets. Other jurisdictions, such as the Netherlands, are similar to British Columbia and return revenue in the form of tax cuts and credits. However, the Netherlands as well as other areas also use the revenue to fund GHG emission mitigation programs.

There has been growing interest in BC to use the carbon tax revenue for expanded purposes and in particular for GHG emission mitigation investments. In 2010, a UBCM resolution was put forth seeking that the Province:

“provide local governments with their per capita share of provincial tax revenues to support capital and operation costs associated with new greenhouse gas emissions reduction actions implemented by local governments and regional transportation authorities to support provincially legislated greenhouse gas emission targets.”

This resolution was put forth by Metro Vancouver and endorsed by UBCM. Further requests for carbon tax revenue have been made since 2010, including using a portion of the revenue to support TransLink.