

December 17, 2014

Council supports boundary extension proposal requested by Quinsam Coal

The City will initiate a formal boundary extension request after Council supported Quinsam Coal Corporation's request to include an additional 140 hectares within Campbell River's boundaries.

Quinsam Coal has achieved all the necessary mining and environmental permits for expanded mining operations for this property adjacent to the Quinsam Coal site currently within the municipality, and if provincial approval is granted for a boundary extension, the property will be taxed at the City's industrial tax rate. New property tax revenue generated for the City would be approximately \$6,600 per year at current assessment and industrial property tax rates.

"Since the original Quinsam Coal property was brought into the municipality, the City of Campbell River has reduced its major industrial tax rates significantly. Still, the proposed boundary extension would result in a modest increase in tax revenue for Campbell River," says Mayor Andy Adams. *"While the City does not currently provide direct services such as water or sewer to the subject property, Quinsam Coal uses City roads to access its site and to move goods to port, and it makes sense for the company to contribute to City services through municipal taxation."*

Quinsam Coal petitioned to have the subject property included within City boundaries to streamline its operations by working with only one local government. The property is currently under the jurisdiction of the Strathcona Regional District.

The application conforms to the Provincial government's municipal boundary extension criteria. The City is required to refer a boundary extension proposal to the regional district to determine the effect on existing services should the municipal boundary extension be approved. The application will also be referred to First Nations whose traditional territory includes the proposed municipal boundary extension area. If the Ministry of Community, Sport and Cultural Development approves the proposal, Campbell River residents will be invited to voice their opinion on this boundary extension through an alternative approval process.

In 2004, the provincial government approved the boundary extension to incorporate the original Quinsam Coal property into the City of Campbell River. As part of that boundary extension, a tax rate limit was set for the property, and the capped industrial rate set out in the letters patent for the original property will continue if another boundary extension is granted.

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