

Convening for Action on Vancouver Island
Leadership in Water Sustainability



What Drives Settlement on the East Coast of Vancouver Island

Understand the dynamics of settlement changes:
"One market, from Cobble Hill to Campbell River"



2009 Vancouver Island Learning Lunch Seminar Series

Comox Valley is the Provincial Pilot for a Regional Team Approach

Water Bucket Web Story #3 posted August 2009

Preface

A series of stories published on the Convening for Action community-of-interest on the Water Bucket progressively foreshadow and/or elaborate on the curriculum for the 2009 Comox Valley Learning Lunch Seminar Series. Briefly:

- **On July 14, 2009:** Story #1 titled *Comox Valley Regional District will host 2009 Learning Lunch Seminar Series* introduced the purpose of a 'regional team approach' as a springboard beyond the Comox Valley.
- **On July 28, 2009:** Story #2 titled *CAVI releases program details for 2009 Vancouver Island Learning Lunch Seminar Series* provided context for a paradigm-shift that will result in regional alignment around the concept of settlement in balance with ecology.
- **On August 24, 2009:** This Story #3 titled *What Drives Settlement on the East Coast of Vancouver Island* initiates a conversation about "one market, from Cobble Hill to Campbell River".
- **On August 31, 2009:** Story #4 titled *A Regional Perspective on Water Supply in the Comox Valley* will provide a broad-brush picture of watershed protection, population source capacity, infrastructure expansion and financing issues.
- **On September 8, 2009:** Story #5 titled *An Integrated Watershed Approach to Settlement* will connect the dots between the Comox Valley Conservation Strategy and the regional team approach.
- **On September 15, 2009:** Story #6 titled *The Comox Valley Learning Lunch Seminar Series is for Implementers* will reflect the perspectives of municipal staffs who will be tasked with implementing regional outcomes.
- **On September 22, 2009:** Story #7 titled *Today's Expectations are Tomorrow's Standards* will elaborate on provincial expectations and programs that provide direction as to where the Province wants to go.

Additional stories will be published during the October through December 2009 period to summarize what was accomplished at each seminar.

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Implementing a Regional Team Approach

The Comox Valley is the designated provincial pilot for a 'regional team approach' to implementing green infrastructure practices that in turn will lead to water sustainability. The 2009 Learning Lunch Seminar Series is a pathway to that destination. The context statement for a regional team approach follows:

"How we will simultaneously work together as staff within a municipality and as a region AND externally with the stewardship sector, developers and other private sector players, to ensure we implement sustainable approaches to development"

This article is the third in a series that will initially set the scene and then subsequently serve as a resource for the 2009 Series. By sharing core concepts and key messages in advance, the objective of the organizing team is to stimulate the interest of Series participants...so that they will take the time to read and reflect... and formulate their thoughts in preparation for Town Hall sharing sessions during the Series.

Understand the Dynamics of Settlement Changes

This article addresses the following question: *What are key factors that drive large-scale real estate development projects on Vancouver Island?* Over the course of the 2009 Series, the implications for the Comox Valley will be explored from three perspectives, namely: community values, provincial policy, and regional strategies/plans.

Research by the Real Estate Foundation, undertaken by Tim Pringle, concludes that the real estate development in the mid-Island region is a common market. This one market concept suggests that communities, can choose from among development proposals, and can therefore control their destinies.

What Will Vancouver Island Look Like in 50 Years?

"In September 2006, when we launched CAVI in conjunction with the **Water in the Cities Conference**, we posed this challenge: *What will Vancouver Island look like in 50 years?*" states **Eric Bonham**, Chair of the Highlands Stewardship Foundation and a founding member of the CAVI Leadership Team; and formerly a Director in the Ministry of Municipal Affairs.



"Over the past three years, we have engaged in a conversational process to create a picture of what a shared vision for Vancouver Island could look like. We have also drawn attention to the need to balance settlement change and ecology. Although ecology can exist without habitation by man, habitation cannot exist without ecology."

One Market, from Cobble Hill to Campbell River:

"The mid-Island communities have the assets that developers need to be successful. Community values that are focused on the ultimate goal of **settlement in balance with ecology** ought to direct decisions on development proposals. And if communities align their efforts to achieve a shared vision, this will go a long way to determining what Vancouver Island as a whole will look like in 50 years," continues **Tim Pringle**. For 20 years, he was REFBC Executive Director. He is currently Director of Special Programs.



"At the first seminar in the Comox Valley Series, CAVI will introduce the tag-line **"one market, from Cobble Hill to Campbell River"**."

"This concept is our synthesis of what we have been exposed to over the past three years, the many conversations that we have had and heard, and what our research tells us. This process has yielded a fuller and strategic understanding of current, persistent context of settlement change."

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The Development Context

"Vancouver Island offers large tracts of privately owned land, communities with urban/rural character, and unique natural amenities, in particular access to waterscapes, which attract large-scale development. We have observed that development proposals for complete communities, resort-based and mixed-use developments rely on these assets," states Tim Pringle.

He notes that the Vancouver Island situation is unique due to the combination of three factors:

1. Most of the land base is privately owned. Forest companies are vending large parcels..
2. Provincial policy supports resort development.
3. In general, local governments have been willing to rezone land use.

"In effect, the message to the outside world is that here is a place to do business. This leads into a discussion of Vancouver Island as one market."

Scale of Development Proposals

"Over the last three years, we have been presenting the results of our ongoing research at CAVI events. In 2008, for example, we examined and categorized 40 land development projects that have an aggregate value of more than \$10 billion. It is all about scale. These are big projects; they take up lots of land, and therefore have an impact on the landscape. At Seminar #1 in September, we will provide a progress report on the findings from our latest research."

Proposed Residential and Mixed Use Development Projects With a Value ≥ \$15 million		
Number of Projects	Value of Projects (\$ billions)	Proportion of Total Value
40 in total	\$10.400	100%
3 are 'light green'	\$0.133	1%
8 are 'deep green'	\$5.908	57%
29 are conventional	\$4.369	42%

Reference Sources:
Stats BC major projects inventory
Conversations with developers
Interviews with local government planning departments

Supply and Demand

"When one looks at the numbers as a whole, it quickly becomes apparent that more development units are being proposed than Vancouver Island communities can absorb," concludes Tim Pringle.



"We reached the same conclusion when we looked at the initial findings from our Regional Growth Strategy," adds **Michael Zbarsky, Engineering Analyst** with the Comox Valley Regional District.

"The projected population growth for the Comox Valley is less than the projected number of development units. From an infrastructure servicing perspective, this tells us that we can pick and choose from what is being proposed."

Right Development in Right Place

"This is a key realization because it means that local governments can choose to support those developments that are aligned with community values and the goals of the Province's **Living Water Smart** and **Green Communities Project** initiatives," continues Michael Zbarsky.

"In turn, this leads into the question of **how** do we pick and choose from among competing proposals, and **how** do we overlay the various lenses that ultimately inform the decision as to what will get built. How we address the 'HOW question' is the key to the Learning Lunch Seminar Series."

Tim Pringle provides this frame-of-reference for the Comox Valley Series: "Stepping back to look at the really big picture, the question then is: how will communities from Cobble Hill to Campbell River align their efforts to ensure the right development in the right place in the right time?"

"Answering this question leads us to a regional team approach that is founded on broad and inclusive partnerships and collaboration."

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The Mid-Island is One Market

A strong argument can be made that the east coast of the mid-Vancouver Island region is one market for real estate development. According to research being done by the Real Estate Foundation, many factors indicate that it is. In this context, all communities, from Cobble Hill to Campbell River, will continue to see a number of real estate development proposals at their front counters.

Regional and local government has the option of more stringent assessment of the opportunity costs and benefits represented in these proposals. Over time, this approach to managing settlement change should **enable communities to realize more benefits than liabilities** from the development that takes place.

Population Growth on the Island

Some persuasive data describe demographic change and real estate development activity in the mid-Island region. Demographic change is pronounced:

- Among British Columbia's eight development regions, the *Vancouver Island Coast Region* ranked 3rd in population growth (in the period 1986-2006: that is, **36%, or 1.8% annually**).
- In comparison, the four regional districts comprising the mid-island or east coast region (namely Cowichan, Nanaimo, Comox and Strathcona) expanded their populations by **49% or 2.5% per year**.
- Of the ten regional districts in the development region, the Comox Valley Regional District ranked 3rd with a **56% (or 2.8% annually)** increase in population (*Regional Economic Analysis*, Vancouver Island Economic Alliance - 2008).
- Of all BC development regions, only the *Mainland Southwest* matched the growth rate of the mid-Island.

Population Growth in the Comox Valley:

Obviously these rates of growth far exceed the net of births and deaths, which actually is negative. In the Comox Valley:

- 30% of individuals reported in the 2006 Census lived at a BC address outside of the Valley (Courtenay CMA), or in a different province or country in 2001.
- Only 375 immigrants came to the Valley in the 2001 to 2006 period. Thus, nearly all mobile individuals came from another place in BC (including Vancouver Island) or Canada.
- During the census interval, roughly half of the migrants and immigrants replaced individuals leaving the Valley; the other half provided net growth.

This churn in population reflects a wide range of social motivations and property investment decisions by households, businesses and developers.

Community Values Establish Expectations:

Interviews with developers have provided insight into the influence of community values in establishing expectations. Because these have changed over the past 20 years, it is important that communities declare their values.

The statements listed below provide a frame-of-reference for defining and understanding what **declaring community values** means:

- Values are inter-related → means a holistic perspective is necessary.
- Values should be goals.
- Values should be supported by policy.
- Policy should be enabled and not hindered by regulation.
- Understand tools and avoid simplistic 'solutions'.
- Who decides?

Examination of the BC Stats *Major Project Inventory* shows that land owners and developers have now embraced a range of strategies that recognize and protect ecological values at a watershed, sub-region and/or site scale.

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Large-Scale Development is Common

Since the late-1980s, large scale real estate developments have become increasingly common in the mid-Island region.

According to the BC Stats *Major Projects Inventory* (values of \$15 million or more), there now are 35 projects - including a residential component - which are proposed (19), under way (12), or on hold (4) in the mid-Island region.

These include infill, brown-field and green-field sites. One or two are complete communities - this means they include all types of land use and ecological conservation provisions. Several are mixed use developments where residential uses occur with commercial, retail and institutional. Several are residential only, and may include a recreation focus such as a spa or golf course or marina. The proposed project sites include locations throughout the mid-Island region.

Fairwinds and Arbutus Ridge Communities:

Among the earliest large-scale developments are Fairwinds in the Regional District of Nanaimo and Arbutus Ridge in the Cowichan Valley Regional District. Fairwinds began its first stage of development in 1988 and has reached mid-life with 700 residences constructed. It targets the active retiree market.

Site and development design is evolving to put more emphasis on protecting natural areas and meeting residents' desire for walking and cycling trails and nature watching. The development footprint now emphasizes higher density through multiple unit buildings.

Arbutus Ridge also was launched in 1988; and reached build-out at 647 detached dwellings for active seniors after 20 years. It is a gated community, exclusively residential land use, and includes a golf course recreational feature.

Both Arbutus Ridge and Fairwinds have been developed by BC-based corporate interests. Both have certification under the *Audubon Society Cooperative Sanctuary Program*.

Emphasis on Natural Amenities:

Most of these proposals emphasize and capitalize on the natural amenities of the mid-Island region. The familiar real estate promotions citing access to beaches, waterfront, wildlife, nature, etc expect price premiums based on proximity to waterscapes and other natural features. Developers also prize the mid-Island region for a variety of quality urban services, appealing urban/rural settings and expanding resort and recreation assets. In addition to these amenities, the mid-Island region offers large tracts of privately owned land that investors hope to have rezoned.

Green Value Development:

The Real Estate Foundation uses the term **Green Value** as a generic reference to use and conservation of land and real estate that achieves social and economic goals while minimizing harmful effects on ecological assets.

In conjunction with the 2008 Gaining Ground Summit, the Real Estate Foundation organized a **Green Developers Roundtable** as a consultation opportunity to support the CAVI program. Representatives of projects in the Comox Valley, mid-Island and south-Island regions participated.

Tim Pringle presented his research findings that quantified the extent of Green Value development underway and in the permit process on Vancouver Island in mid-2008. The analysis tracked dollar value as well as type of development. (Note: The results of the analysis were introduced in the table presented on page 2.)

"The key finding is that overnight Green Value development has moved from market-niche to market-share on Vancouver Island – that is, from 10% of the value of residential building permits in five regional districts in 2006 and 2007, to 60% in 2008 and going forward," stated Tim Pringle.

"Whether or not all of these projects actually get constructed, this finding indicates that the development market sees advantages to incorporating green strategies in the design of large projects."

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Reconciling Development Challenges

Local and regional governments are acutely aware of the pressures arising from real estate development demand in their jurisdictions and throughout the mid-island region. The list of challenges is legendary, including:

- managing supply and usage of potable water,
- handling rainwater, grey/black water and the attendant ecological concerns,
- adopting 'design with nature' strategies and technologies,
- inclusion of attainable housing in the inventory of new residential development,
- location of developments (infill, brown-field, green-field), and
- evaluating land uses, conservation uses, transportation services, and design footprint, etc. to manage green house gas emissions.

"Fortunately for the Comox Valley, the regional district and municipalities are preparing well to manage the persistent, large-scale settlement change," concludes **Tim Pringle**. "The Regional Growth Strategy, Regional Conservation Strategy and other regional plans **will declare values and priorities**. Beyond the adoption of the plans lie the challenges of joint-perspective on settlement change and strategic joint-management."



Learning Lunch Program

The 2009 Comox Valley Learning Lunch Seminar Series comprises a set of three seminars. The learning process is cumulative: each seminar will build on the last and set the scene for the next.

The 2009 Series is open to any local government on Vancouver Island. This means the Series provides a timely forum for exploration of the "one market" concept with water and land practitioners from other municipalities and regional districts.

Looking Beyond the Comox Valley

The "one market" concept also provides context for exploration of a related concept, namely: **A Positive Settlement Strategy for Vancouver Island**. Simply put, this concept means benefits will exceed liabilities because all land development will be guided by a Green Value philosophy.

This planning concept was at the heart of the program design for the **2007 Green Infrastructure Leadership Forum**, organized by CAVI in partnership with the Association of Vancouver Island Coastal Communities.

The Comox Valley experience is an important step along a pathway to achieving settlement change in balance with ecology. It will provide Vancouver Islanders with an example of what *A Positive Settlement Strategy* can look like on the ground.



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Seminar #1

The theme for the first seminar is **Understand the Dynamics of Settlement Changes**. The session will elaborate on the concepts and way-of-thinking introduced in this article:

- What will Vancouver Island look like in 50 years?
- One market, from Cobble Hill to Campbell River.
- We have choices: local governments can control the destiny of their communities.
- The right development in the right place at the right time.

The market research by Tim Pringle is generating the hard numbers that will provide a focus, and both inform and stimulate the discussion.

Lesson Plan:

According to **Kim Stephens**, series moderator and Program Coordinator for the Water Sustainability Action Plan, there are four parts to the seminar:

- Hour #1 is the bridge from the 2008 Series.
- Hour #2 is for lunchtime networking.
- Hour #3 is the Tim Pringle segment.
- Hour #4 is a town hall sharing session.

“The way we see it, Hour #4 sets the stage for the last hour in Seminar #3,” states **Michael Zbarsky**. “First, we all have to understand what we are dealing with; and also, that what we will learn from the series will help us grapple with the growth issue. Looking ahead to the last hour in the series, that is when we will be seeking commitment to a Comox Valley regional team approach.”

The Tim Pringle Segment:

The Tim Pringle segment in Hour #3 will set the context for the discussion that follows in Hour #4.

In looking ahead to his part in Seminar #1, **Tim Pringle** foreshadows that: “We will open by stating what we have heard over the past three years, and explaining where the statistical pieces fit into the puzzle. In addition to comparing development units versus people, we will examine who will live there.”

He notes that having a sense of what is on the minds of those in local government leads to these questions:

- What drives development?
- What do the markets look like?
- Who are the proponents?
- What are their values?

“A desired outcome is that seminar participants will understand WHY the notion of ‘sustainable communities’ begins with a discussion of values that communities declare or reflect as changes occur in their landscapes.”

Town Hall Sharing Session:

The Tim Pringle segment will flow into a Town Hall Sharing Session. The following two-part question will frame that discussion:

- *How will we implement a regional team approach in the Comox Valley, and how can this inform **A Positive Settlement Strategy for Vancouver Island?***

“Because the 2009 Series will serve as a springboard beyond the Comox Valley, it is important to us that we stimulate a conversation about **one market, from Cobble Hill to Campbell River,**” states Eric Bonham. He points out that this raises questions about the future, including:

What will Vancouver Island look like in 50 years?

Will communities protect their wellbeing?

Will they choose to treat settlement change and ecological resources with equal understanding?

Will they find balance?”