



Community Impact Analysis of Trilogy at Cumberland Lots 4 and 8b

JANUARY 15, 2007

Prepared for:
Trilogy Properties VI Corporation

VANNSTRUTH



CONSULTING GROUP

2395 LAKEWOOD DRIVE
VANCOUVER BC, V5N 4T8
P: 604.762.6901
E: jamie@vannstruth.com

TABLE OF CONTENTS

EXECUTIVE SUMMARY	ii
Summary of Lot 4 Economic Impacts	ii
Summary of Lot 8b Economic Impacts.....	ii
Summary of Other Impacts	iii
<i>Impacts of residential development</i>	<i>iii</i>
<i>Impacts of commercial development</i>	<i>iii</i>
<i>Other Impacts</i>	<i>iii</i>
1. INTRODUCTION	1
<i>Study Process and Methodology</i>	1
2. DESCRIPTION OF DEVELOPMENT	2
2.1. Lot 4	2
2.2. Lot 8b	3
2.3. Context for Development.....	4
3. CALCULATED ECONOMIC IMPACTS	7
3.1. Lot 4	7
<i>Construction impacts</i>	7
<i>Direct employment on Lot 4</i>	9
<i>Tourism/shopping impacts</i>	9
<i>Village fiscal impacts</i>	11
3.2. Lot 8b	12
<i>Construction impacts</i>	12
<i>Village fiscal impacts</i>	12
4. OTHER IMPACTS	14
4.1. Residential Development Impacts.....	14
4.2. Commercial Development Impacts.....	15
4.3. Other Impacts	16

EXECUTIVE SUMMARY

This report presents an analysis of two potential development scenarios for Lots 4 and 8b of the “Trilogy at Cumberland” project. Both scenarios are based on what Trilogy and its development team believe are reasonable outcomes in the current market.

Scenario 1 is the “high” estimate that includes a casino and full-service hotel, while Scenario 2 is the “low” estimate that includes a cinema as its primary entertainment option and a motor lodge as its accommodation property. The actual development program is likely to be somewhere between these two estimates.

Please note that neither of these scenarios is identical to the scenario used to generate preliminary impact estimates for the public information meeting on January 6, 2007.

Summary of Lot 4 Economic Impacts

The Lot 4 development will include up to 400,000 square feet of built space, the majority of which will be commercial. The impact also include an investment by Trilogy of about \$23 million to upgrade and extend sewer and water infrastructure, as well as \$48 million for site preparation (\$16 million of which is estimated to be spent locally).

Table 1. Summary of estimated impacts for Lot 4 and Infrastructure/Site Preparation

	Scenario 1	Scenario 2
Total Local Construction Expenditure	\$75 million	\$70.2 million
Potential construction-related employment (actual amount depends on crew availability)	595 person-years	558 person-years
Direct employment on Lot 4	935 jobs	687 jobs
New local jobs supported by increased tourism	319 jobs	71 jobs
Total Development Cost Charges and other development-related fees paid to Village	\$1,360,000	\$1,795,000
Additional property tax revenue (per year)	\$660,000	\$550,000

Summary of Lot 8b Economic Impacts

The Lot 8b development consists of 25 large, single-family lots with the potential for secondary dwelling units either within or separate from the main dwelling.

Table 2. Summary of estimated impacts for Lot

	Scenario 1	Scenario 2
Total Local Construction Expenditure	\$9.7 million	\$8.1 million
Potential construction-related employment (actual amount depends on crew availability)	74 person-years	61 person-years
Total Development Cost Charges	\$195,000	\$195,000
Additional property tax revenue (per year)	\$50,000	\$40,000

Summary of Other Impacts

Other impacts fit into several categories, but in each case they cannot be precisely quantified in the same manner as the main economic impacts.

Impacts of residential development

- Expansion of housing choice
- Expansion of local market for Cumberland businesses
- Expansion of local labour force
- Expansion of home-based employment

Impacts of commercial development

- Expansion of locally available goods and services
- Variety of leasable commercial space
- Business contributions to the community
- Benefits of competition
- Support for Cumberland's historic character

Other Impacts

- Help in preservation of local schools
- Amenity contribution
- Transportation enhancements
- Recreation enhancements

1. INTRODUCTION

This report presents an analysis of the impacts arising from the proposed development of Lots 4 and 8b of the “Trilogy at Cumberland” project. Vann Struth Consulting Group has been commissioned by Trilogy Properties VI Corporation to prepare this report as part of the application for a rezoning of the subject parcels of land.

The report presents both quantitative and qualitative economic and non-economic impacts. The focus of the report is the impacts that are specific to Cumberland, although many of the impacts are also felt in the broader Comox Valley region and in other areas of British Columbia.

Study Process and Methodology

The study has been undertaken using provisional development plans prepared by Trilogy Properties VI Corporation and its project team. ***It is important to note that because the project is currently in the rezoning phase, specific development plans have not yet been finalized.*** This is because agreements with potential commercial tenants and other developers and builders are typically not finalized until the appropriate zoning is in place.

In the absence of specific development plans, this report uses two development scenarios to generate economic impacts. These are explained in detail in Section 3.

Background information on the Cumberland and Comox Valley economies has been collected from a variety of local and provincial agencies, including the Comox Valley Economic Development Society, Village of Cumberland, Tourism BC and BC Stats. Economic multipliers used in the calculation of economic impacts are developed by Statistics Canada’s Input-Output Division and are modified by BC Stats for use in local areas throughout the province.

The economic impacts were calculated using standard economic impact methodology. Other impacts that cannot be quantified are identified based on previous research studies and generally acknowledged development principles and their impacts on local communities.

Preliminary results from this analysis were presented at a public information meeting for the rezoning of Lots 4 and 8b on January 6, 2006 at the Cumberland Cultural Centre. ***The final results presented in this report differ somewhat from the preliminary results presented at the public information meeting due to the acquisition of further information on the potential developments and refinements to the project assumptions.***

2. DESCRIPTION OF DEVELOPMENT

Final development plans for Lots 4 and 8b have not yet been produced, given that agreements with potential retailers, restaurants, housing developers, and other businesses can not be finalized without the appropriate zoning being in place.

The development scenarios described below are therefore potential outcomes only, based on what Trilogy and the development team believe are reasonable outcomes for the subject properties. According to the proposed commercial mixed use zoning in Lot 4, the maximum developable space is 400,000 square feet (sf), no more than 200,000 sf of which can be residential.

Please note that neither of these scenarios is identical to the scenario used to generate preliminary impact estimates for the public information meeting on January 6, 2007. The results represent a similar order of magnitude, however, and are not substantially different from those presented in that meeting.

2.1. Lot 4

Under **Scenario 1**, the amount and type of development assumed for **Lot 4** is consistent with the current illustrative drawings presented by Trilogy at the January 6 public information meeting. Even though the development of a casino and full-service hotel is considered less likely than a cinema (or other entertainment use) and a motor lodge, the casino/hotel option is included in Scenario 1 because its local economic impact is likely to be larger than any alternative development plan (due to its strong potential for drawing additional tourist traffic to the Comox Valley). Scenario 1 is therefore the “high” scenario and should be considered the maximum potential economic benefit that could be achieved in the community.

Scenario 2 assumes that the market for commercial development is less robust than currently anticipated and Lot 4 therefore has less commercial development and more residential development than currently envisaged. The entertainment component of the site is assumed to be a cinema (not a casino) and the accommodation component is assumed to be a smaller motor lodge (not a full-service hotel). Scenario 2 is therefore considered to be the “low” scenario for the benefits that the community can be expected to achieve.

Table 3. Potential development scenarios, Lot 4

Type of Development	Scenario 1 – Assumed Developed Space (square feet)	Scenario 2 - Assumed Developed Space (square feet)
Residential	100,000 sf	150,000 sf
Retail (e.g. grocery store, specialty retailers)	165,000 sf	125,000 sf
Hotel	50,000 sf	-
Motor lodge	-	40,000 sf
Restaurants/cafes	40,000 sf	30,000 sf
Casino	25,000 sf	0
Cinema	-	35,000 sf
Offices	20,000 sf	20,000 sf
Total Commercial	300,000 sf	250,000 sf
Total built area	400,000 sf	400,000 sf
Average unit size	900 sf	900 sf
Number of units	111	167
Average people per unit	2.1	2.1
Estimated population	233	350

With an assumed average multi-family unit size of 900 sf, Scenario 1 includes 111 housing units and Scenario 2 includes 167 units. Some of these units are likely to include the possibility for a “flex unit” that can be locked away and rented as a secondary unit.

2.2. Lot 8b

On **Lot 8b**, both scenarios assume the development of 25 large, single-family lots. The only differences in the two scenarios are that Scenario 1 (the “high” scenario) assumes that: (a) slightly more secondary dwelling units will be constructed, either as part of the main dwelling or as secondary buildings, and (b) larger homes will be constructed. Having more secondary dwelling units will create a large residential population, while a larger average home creates more construction value and more long-term property tax value.

Table 4. Potential development scenarios, Lot 8b

Type of Development	Scenario 1	Scenario 2
Residential Lots	25	25
Secondary dwellings	15	10
Average built area per lot	3,000 sf	2,500 sf
Total Built Area	75,000 sf	62,500 sf
Average people per unit (including secondary units)	2.4	2.4
Estimated population	96	84

2.3. Context for Development

The development plans for the Trilogy properties cannot be considered in isolation of other projects in the Comox Valley and the overall development climate in Cumberland and throughout the Valley.

In most respects, the Comox Valley¹ functions as a single market. This is demonstrated by the degree to which many residents live in one community but work, shop, recreate and engage in many other activities in other communities.

According to estimates from BC Stats, the 2006 population of the Comox Valley was 62,934. The population has grown at an average annual rate of 1.7% over the last five years, which is considerably above the provincial growth rate of 1.1% over the same period. The only school district on Vancouver Island that has grown faster in the last five years is Sooke, in Victoria’s rapidly growing western suburbs.

The population of the Comox Valley retail trading area, which is the area from which the Valley draws retail customers, was estimated to be 140,000 people in a report by Cushman & Wakefield LePage on the commercial development potential of the Trilogy at Cumberland lands. This includes the Comox Valley as well as the Campbell River area, the North Island, and northern parts of the Regional District of Nanaimo (RDN). Growth is expected to continue in the trading area over the next 10 years, reaching a population of about 155,000 in 2016. This increase of 15,000 people, which could generously be assumed to support 30 square feet of retail development per capita, would support an additional 450,000 square feet of development. Assuming the retail component in Lot 4 is fully built within 10 years, it would therefore represent about one-third of the entire market growth potential in the Comox Valley trading area (including Campbell River and northern RDN).

¹ The “Comox Valley” is considered in this report to be the area encompassed by the Comox Valley School District, which includes the municipalities of Cumberland, Comox and Courtenay and the unincorporated Areas A, B, C and K of the Regional District of Comox-Strathcona

The competitive commercial development environment in the Comox Valley is further demonstrated by several significant retail developments in the last few years, primarily in Courtenay. These include the opening of Canadian Tire and Home Depot outlets, the expansion of Ansfield Centre with large retailers including Wal-Mart, Future Shop, Winners, Sports Mart and Staples. There has also been a downtown revitalization in Comox that has included the opening of new ground-floor retail space within mixed-use buildings.

Other large integrated developments either planned or underway include the Kensington Coastal Pointe Development in Union Bay (including 1,700 housing units, about 150,000 square feet of commercial space, several hundred hotel or tourist villa units, a golf course and marina), the Raven Ridge golf course and residential/commercial development just north of Comox, and the Sage Hills private university development, including residential and commercial development on a roughly 2,000 acre south just south of Cumberland.

What these developments indicate is (a) the market potential of the Comox Valley has clearly been recognized by a number of leading developers and retailers, and (b) the Trilogy development at Cumberland will be operating in a highly competitive environment and must therefore achieve a high level of quality, affordability and key location to appeal to targeted segments of the commercial and residential market.

Within this environment, the competitive advantages of the Trilogy at Cumberland development include:

1. Location on the Inland Island Highway, which will enable the commercial component of the development to capture a greater share of spending by highway travelers, including residents of the Campbell River area and other parts of the North and Mid Island, as well as tourists, that would otherwise pass through the Comox Valley without contributing to the local economy.
2. The proposed “lifestyle centre” form of development on Lot 4, which features smaller stores (maximum 30,000 square feet), streetfront retail, and a higher level of amenities and landscaping. Unique and high-quality retailers will be targeted for the development but are also typically attracted to this type of development by the high level of amenities. This would be the first lifestyle centre to be developed on Vancouver Island and would therefore have the potential to attract shoppers from a large market area (beyond the Valley’s traditional primary and secondary markets) to shop at this location.
3. The development of a “destination” entertainment option, such as a casino or cinema complex, that will also attract tourists to the area that would not otherwise visit.
4. The mixed use nature of the Trilogy developments that will include substantial residential development serves to support the viability of the project’s commercial component and expands the range of potentially viable businesses to include those that cater primarily to a local resident market. In the absence of the residential component of the Trilogy project, the commercial potential of the project would be more limited.

The overall context for the Trilogy at Cumberland development is therefore characterized by a competitive, yet growing, local market. Part of the growth is due to the increasing population of

the Comox Valley, and part due to the three factors outlined above that are unique to the Trilogy development and will increase visitation to the Comox Valley beyond what would otherwise be the case.

3. CALCULATED ECONOMIC IMPACTS

The economic impacts presented here are those that can be quantified based on standard economic impact methodology. Further impacts that are discussed in Section 4 may also be economic in nature, but cannot be quantified due to an absence of required information or their inherent unpredictability.

The premise of economic impact analysis is a comparison between situations where (1) the development of Lots 4 and 8b proceeds as described in this report, and (2) the developments do not occur. The differences in the economic outcomes of these two situations are the economic impacts attributable to the development. It is therefore important to understand which of the changes that would occur under the Trilogy development scenario would also occur without the Trilogy development, and therefore cannot be properly credited as a unique impact of the Trilogy project.

3.1. Lot 4

Construction impacts

The estimated construction expenditures for the Scenario 1 and Scenario 2 development plans are shown below. Estimated construction costs on a per square foot basis are a blend of figures provided by the Comox Valley Economic Development Society and several private sector construction cost estimators.

In addition to the building construction costs, Trilogy will also be investing about \$23 million in extensions and upgrades to water and sewer infrastructure prior to any building activity on Site 4. About \$25 million will also be required to prepare the sites for development, including both hard construction costs (e.g. earth works, trails, landscaping) as well as soft costs (e.g. engineering, architectural, marketing and finance costs). Even though some of these costs will be spent in other parts of the Trilogy development, they are included in the Lot 4 impacts because they are required expenditures prior to the start of any residential or commercial development.

Not all of the infrastructure and site preparation costs will be spent locally, as some of the major capital materials (e.g. pumping systems, pipes) and some of the professional, marketing and financial expenditures will be paid to non-local firms. The estimated local expenditures are therefore also shown in the table.

Table 5. Estimated construction costs, Lot 4 and Infrastructure/Site Preparation

	Scenario 1	Scenario 2
Residential/Commercial Construction	\$58.8 million	\$54.0 million
Infrastructure & Site Preparation	\$48.8 million	\$48.8 million
Infrastructure & Site Preparation (local)	\$16.2 million	\$16.2 million

Due to the rapid pace of construction activity, many of the recent developments in the Comox Valley have relied at least in part on construction crews from outside the local area. The number of local construction jobs arising from the Trilogy development is therefore affected by the amount of locally available labour. This will also be affected by the timing of the construction period – the faster construction occurs, the more likely additional workers will be brought in from outside the local area.

The table below shows that between 287 and 313 person-years of construction employment will be generated by the residential and commercial construction in Lot 4 (depending on the scenario). Please note that these estimates are for person-years of employment, so for 300 person-years could be 100 jobs per year over a 3-year period or 50 jobs per year over a 6-year period.

Table 6. Potential direct employment from construction, Lot 4 and Infrastructure/Site Preparation

	Scenario 1	Scenario 2
Residential/Commercial Construction	313 person-years	287 person-years
Infrastructure & Site Preparation (local)	107 person-years	107 person-years
Total direct employment	420 person-years	394 person-years

In addition to the direct employment impact, construction activity will have indirect and induced impacts. **Indirect impacts** are created through increased sales for the suppliers of construction activity, such as lumber yards, hardware stores, gas stations, machinery repair shops, etc. **Induced impacts** are created by the increased income of the employees of construction companies and their suppliers, as well as the increased profits for those companies. These individuals spend their income on food, housing, transportation, entertainment and all of the other expenses that make up a typical household budget.

The table below shows that in addition to the direct construction employment shown above, an estimated 164 to 175 additional person-years of employment will be generated locally due to the indirect and induced effects. ***It should also be noted that further employment is generated outside of the Comox Valley, both as a result of direct spending on goods and services that are not available locally as well as the spin-off benefits from suppliers and manufacturers of goods and services that support the local construction activity.***

Table 7. Indirect/induced employment from construction, Lot 4 and Infrastructure/Site Preparation

	Scenario 1	Scenario 2
Residential/Commercial Construction	133 person-years	122 person-years
Infrastructure & Site Preparation (local)	42 person-years	42 person-years
Total indirect/induced employment	175 person-years	164 person-years

For the purposes of calculating the overall economic impact from the Trilogy developments in Lots 4 and 8b, it is assumed that 50% of the construction activity is undertaken by local firms. The full

indirect and induced impacts are included, however, because even without local construction firms, many of the supplies will still be sourced locally and there will be a compensating increase in accommodations and food services costs that are incurred by construction workers staying in the Comox Valley for extended periods.

Direct employment on Lot 4

The commercial development on Lot 4 will support a significant number of workers, as shown below.

Table 8. Estimated direct employment on Lot 4

Type of Development	Scenario 1	Scenario 2
Retail (e.g. grocery store, specialty retailers)	471	357
Hotel	83	-
Motor lodge	-	50
Restaurants/cafes	200	150
Casino	100	-
Cinema	-	50
Offices	80	80
Total	935	687

As discussed in Section 2.3, the context for the commercial development in Lot 4 is an expanding Comox Valley population, combined with the positive impacts of enhanced tourism, including shopping visits from outside the local area. From a pure economic impact point of view, the Trilogy development cannot be said to “create” the jobs that arise from an expanding population as people will continue to move to the Comox Valley in any event. It is significant for Cumberland, however, to have so many jobs located in the village, thereby providing closer employment opportunities for Cumberland residents and a wider variety of locally-available goods and services.

It is therefore not appropriate to calculate indirect and induced impacts for the entire direct employment in Lot 4. Only those jobs that are supported by increased tourism can be assumed to generate spinoff employment in the community. It is also the case that some of the direct jobs supported by enhanced tourism will be outside Lot 4 as some of the additional spending will go to other businesses in Cumberland and elsewhere in the Comox Valley. This effect is expected to be especially pronounced for the village of Cumberland itself as the Lot 4 developments will serve as a new entryway into the community and will prompt some visitors to further explore the historic village.

Tourism/shopping impacts

There are two types of tourism impact considered in this study. The first is a general increase in visitation from tourists that are attracted to the entertainment and unique shopping experience that will be developed on Lot 4. Scenario 1, which includes a casino and full-service hotel, is naturally assumed to attract far more tourists than Scenario 2, which includes a cinema and motor lodge. This reflects the experience of communities like Prince George that attract visitors from a

large trading area who visit the Treasure Cove Casino and spend money in local shops and restaurants while in the community.

The second type of tourism impact is created by residents in areas surrounding the Comox Valley that will increase their spending in Cumberland as a result of the quality of retailers, restaurants, etc. that will be developed. This will partly be due to the development's location on the Inland Island Highway, which will cause more travelers to stop who would otherwise pass through without spending money locally, as well as residents in the North and Mid-Island that will make additional shopping trips to Cumberland as a result of the Lot 4 development. The lifestyle centre development concept, which does not currently exist on Vancouver Island, is an important part of the attraction.

A series of assumptions have been developed to estimate these tourism impacts. The spending profile of visitors is based on surveys conducted by Tourism BC that distributes tourist spending among accommodations, food services, shopping, entertainment, transportation, and miscellaneous services like laundromats. The spending profile of shopping visitors has been simplified to the retail categories of food (grocery stores), clothing, and furnishings, based on approximate distributions of household spending in Statistics Canada's Household Spending Surveys.

The total number of overnight visitors in each category is estimated based on the percentage of room-nights that might be filled as a direct result of the entertainment/shopping attraction. It is assumed that average occupancy in the casino-hotel will be 80% (compared to an overall Vancouver Island occupancy rate of about 67% in the most recent year), and 75% of these rooms will be filled as a direct result of the casino/shopping attraction. With the cinema and motor lodge combination in Scenario 2, the occupancy rate is assumed to be the same as the overall Vancouver Island rate (67%), while only 10% of these rooms are assumed to be filled as a direct result of the entertainment/shopping attraction. The rationale for these differing rates is that the casino will be able to attract visitors from a wider area that will come to the Comox Valley with gambling as one of their primary motivations, while the cinema use is assumed to cater to a local and regional market that will be less likely to spend the night. The average room rate is also assumed to be higher in the full-service hotel (\$150 per night) than in the motor lodge (\$100 per night). Note that the average room rate on Vancouver Island is around \$120 and there are currently a variety of accommodation properties in the Comox Valley with rates both higher and lower than that point.

Working through the calculations reveals the estimated direct spending amount shown in Table 9. There is a substantial difference in the spending amounts shown under the two scenarios, reflecting the unique drawing power of a casino relative to other potential uses. It should be noted, however, that Scenario 2 is especially conservative and Scenario 1 assumes a best-case set of conditions. ***It must also be emphasized that the impacts shown below are the ADDITIONAL spending generated by increased tourism, not the total spending.*** Much of this additional spending will go to businesses operating on Lot 4, but additional spending will also go to other businesses in the community. The bottom of the table shows some examples of the types of additional local spending that will be generated and the types of new local jobs that will be generated.

Table 9. Estimated tourism impacts, Lot 4 (per year)

	Scenario 1	Scenario 2
Additional local spending by tourists	\$17.7 million	\$4.2 million
Indirect/induced spending generated (not all of this is local)	\$11 million	\$2.5 million
New local jobs (from direct tourist spending)	280	62
New local jobs (from indirect/induced)	39	9
Total new local jobs	319	71

Examples of additional tourist spending (and new local jobs generated)

Food stores	\$580,000 (5 jobs)	\$685,000 (6 jobs)
Clothing stores	\$385,000 (3 jobs)	\$255,000 (2 jobs)
Arts, entertainment and recreation	\$1,330,000 (18 jobs)	\$280,000 (4 jobs)
Food services and drinking places	\$4,105,000 (91 jobs)	\$365,000 (23 jobs)
Personal and laundry services	\$2,275,000 (50 jobs)	\$375,000 (8 jobs)

In addition to the examples of direct spending shown above, a variety of other local businesses that supply goods and services to these businesses will indirectly benefit. Examples include repair services, business services (e.g. accountants, lawyers), banks, insurance agents, and wholesale dealers.

Village fiscal impacts

Apart from the impacts on the overall economy of Cumberland and the surrounding area, the potential Lot 4 developments have several measurable fiscal impacts on the Village of Cumberland. These are shown in Table 10.

Development cost charges (DCCs) are currently levied only on residential units in Cumberland (there is no commercial DCC bylaw). The estimate for other development-related fees and charges is for rezoning and development permits, building permits, inspections fees, and other approvals and applications costs.

Additional property tax revenue is based on 2006 tax rates applied to the estimated construction costs (which is a conservative estimate of the assessed value of the properties as it ascribes no value to the land). In addition, the indirect and induced economic activity that is generated by the Trilogy development will increase the amount and/or value of commercial and residential space elsewhere in the community, so further spinoff increases in municipal tax revenues will result. The standard economic multipliers used for this report unfortunately do not allow that spinoff local tax revenue to be accurately estimated.

Table 10. Estimated fiscal impacts on Village of Cumberland, Lot 4

	Scenario 1	Scenario 2
Development Cost Charges (from residential development)	\$860,000	\$1,295,000
Other development-related fees and charges	\$500,000	\$500,000
Property tax revenue (per year)	\$660,000	\$550,000

3.2. Lot 8b

Construction impacts

Construction impacts in Lot 8b are residential buildings, including secondary suites and secondary dwellings, in the 25 large single-family lots. The average amount of building on each lot is assumed to be slightly larger in Scenario 1, so impacts are consequently slightly higher too.

Table 11. Estimated construction costs, Lot 8b

	Scenario 1	Scenario 2
Residential Construction	\$9.7 million	\$8.1 million

As discussed with respect to Lot 4, it is unclear if the entire construction employment that would be generated on Lot 8b can be accommodated by local construction crews. The potential employment is shown in Table 12, along with the potential indirect and induced employment. Similarly to Lot 4, it is assumed that the indirect and induced impacts are the same even with non-local crews because most supplies and services will be purchased locally and additional expenditures will be generated to accommodate visiting crews on their extended stays.

Table 12. Potential direct and indirect/induced employment from construction, Lot 8b

	Scenario 1	Scenario 2
Direct employment from construction	52 person-years	43 person-years
Indirect/induced employment	22 person-years	18 person-years
Total construction-generated employment	74 person-years	61 person-years

Village fiscal impacts

The fiscal impacts on the Village of Cumberland from Lot 8b development include Development Cost Charges and additional residential tax revenue. These are shown in Table 13.

Table 13. Estimated fiscal impacts on Village of Cumberland, Lot 4

	Scenario 1	Scenario 2
Development Cost Charges	\$195,000	\$195,000
Property tax revenue (per year)	\$50,000	\$40,000

4. OTHER IMPACTS

This section considers other impacts from the proposed development of Lots 4 and 8b, including additional economic impacts that cannot be quantified in the same manner as those in Section 3, as well as other non-economic impacts.

In many ways the expansion of residential and commercial development moves hand-in-hand, but some of their additional impacts are considered in the next two sections.

4.1. Residential Development Impacts

Many of the benefits of residential development are not easily quantified. They include:

- **Expansion of housing choice** – The single family home currently makes up nearly the entire housing stock in Cumberland (85% as of the 2001 Statistics Canada Census). Only 5% of the housing units in the community are in apartments.

The multi-family development proposed for Lot 4 is essentially a new product in Cumberland. The ability to create “flex units” within these apartments, which are essentially secondary bedrooms with small kitchens or kitchenettes that can be converted to rentable bachelor suites with a separate entrance, together with the ability to construct secondary dwelling units on the large single-family lots in Lot 8b, further expand the range of housing choice.

The benefits of this diversity is that Cumberland can now appeal to a wider variety of people with different housing needs and differing abilities to afford their own home in the current climate of rapidly increasing housing costs. This range of choices will allow more Cumberland residents, if they choose, to remain in the community through various stages of their life, from early adulthood, when a small apartment may be the preferred housing choice, to child-rearing years when a single-family home might be the best option, to retirement and old age when a smaller, lower-maintenance multi-family dwelling is the best choice. This increased diversity in the types of people that live in Cumberland will also add to the community’s vitality.

- **Expansion of local market for Cumberland businesses** – Although exact figures are not available, anecdotal evidence suggests that Cumberland suffers from severe leakage of retail spending to Courtenay, Comox and other surrounding communities. This limits the market for businesses locating in Cumberland, so an expansion of the local residential population will increase this local market, thereby allowing a greater variety of local businesses to be supported. A virtuous circle can then be created where the greater variety of local businesses causes more existing residents to spend money at home, which further enhances the number and variety of local businesses. Cumberland can then begin to attract more spending from neighbouring communities, at least partially reversing the existing flow of retail spending.

Some studies² suggest that certain types of jobs cluster near places where people live. Roughly two jobs per 10 residents in industries like retail, finance and insurance, public services (e.g schools, libraries, community centres), and commercial services (e.g. restaurants, gas stations, hairdressers, laundromats) will typically locate in close proximity to residents. By this measure, the 233 to 350 potential residents of Lot 4 would support 45 to 70 local jobs, while the 84 to 96 residents in Lot 8 would support 15 to 20 local jobs.

- **Expansion of local labour force** – More residents living in Cumberland will deepen the pool of potential workers for both existing and new businesses in Cumberland. This enhances the overall economic development prospects for the community, as the size and quality of the local labour force is one of the most important factors affecting business location.
- **Expansion of home-based employment** – With more residents, Cumberland will also have more home-based employment and home-based businesses. Home-based businesses help to further diversify the local economy, and even though many do not provide local goods and services, their existence provides stabilizing income to the community if local conditions are negative.

4.2. Commercial Development Impacts

Some of the benefits of commercial development that cannot be quantified include:

- **Expansion of locally available goods and services** – Increasing the variety of commercial development in Cumberland will increase the goods and services that are easily accessible for Cumberland residents. This improves the quality of life of local residents and has the potential to provide environmental benefits by reducing the amount of travel for residents to access the goods and services they desire.

As mentioned in Section 2.3, the inclusion of residential development within the mixed-use framework creates a local market for commercial development in Lot 4 and allows more commercial development to be realized than if there were no local residents.

- **Variety of leasable commercial space** - The development of new commercial space for lease in Lot 4 will also diversify the local business base by attracting businesses that, for whatever reason, do not choose to locate in the existing village core. The different types of leasable space and different rent levels allows businesses at various stages of their development, from struggling start-up to thriving success, to find a place in Cumberland.
- **Contribution to the community** - Local businesses are often significant contributors to community groups and events. The Cumberland & District Chamber of Commerce, for example, could expect to see expanded membership. Businesses sponsor community events and celebrations, charitable endeavours, amateur sports teams, and a variety of other community-building activities.

² *Lower Mainland Employment Study*, completed in 1999 by Coriolis Consulting and Dr. Thomas Hutton.

- **Benefits of competition** – There is no denying that some of the new businesses that will be attracted to Cumberland will compete, at least to some degree, with existing businesses either in Cumberland or elsewhere in the Comox Valley. This is almost always a positive benefit for local residents, who are able to purchase a wider variety of goods and services at more competitive prices. Existing businesses may be forced to upgrade their operations, which often turns out to their benefit. Even competing companies can both benefit if they compete on quality and affordability and thereby generate a larger overall market to be shared.
- **Support for Cumberland’s historic character** – The proposed development controls for Lot 4 are designed to echo many of the historic characteristics of Cumberland. By attracting more visitor spending to the community, and providing a new entrance to the community, the Lot 4 development has the potential to draw an increasing number of visitors to the historic village to shop and patronize facilities like the Cumberland Museum.

4.3. Other Impacts

- **Schools** – According to reports prepared by Lynne Darby for Trilogy, enrollments in Comox Valley schools are expected to decline in the coming years. Although the multi-family development in Lot 4 may not house a significant amount of school-age children, any expansion in the local student population can help keep local schools open longer. Development on Lot 4 is expected to increase the number of school-age children by about 27, while Lot 8b development is expected to increase the school-age population by an estimated 14.
- **Amenity contribution** – Whatever the final Amenity Contribution Agreement (ACA) between Trilogy and the Village of Cumberland, it will provide a benefit to the community that the Village will not be responsible for funding.
- **Transportation** – The development of Lots 4 and 8b both include the construction of new internal roads to service their developments, while their location in close proximity to the Inland Island Highway is not expected to create significant congestion issues.
- **Recreation** – The development of trails throughout the Trilogy properties will enhance recreational amenities in the community.