

Salt Spring Island Industrial Land Needs Assessment

Prepared for:

Salt Spring Island Local Trust Committee

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Executive Summary

Salt Spring Island is a creative and industrious community and has been for decades. It now stands at a crossroads where its people and leadership must decide how to shape the long-term use of its scarce and ecologically sensitive lands. The Island's economy is highly entrepreneurial, with hundreds of home-based businesses providing all manners of goods and services. The challenge is finding the right balance between environmental sustainability, personal enjoyment and economic viability. While stewardship of the environment is paramount, the ability of residents to make a living on the Island also remains important. Urbanics Consultants was tasked by the Industrial Advisory Planning Commission to assess the supply of land used for all manners of industrial purpose and determine whether those lands can accommodate the Island's short-term and long-term industrial land needs.

Findings from the Economic Base Analysis

The roughly 10,000 year-round residents of Salt Spring Island are, generally speaking, an older population, being on average over 11 years older than their counterparts across the Province. As with most communities the average age is only increasing and Salt Spring Island will experience a shrinking population of residents aged 15-64 (the traditional working age). Not surprisingly, over 40% of the income on the Island comes from non-employment sources such as investments and pensions. The roughly 5,000 people who work on Salt Spring Island have been highly creative and entrepreneurial, with over 1,200 working from their own homes, many operating their own businesses. These home-based businesses play an important role, not just in the Island's economy, but in its community as well – home businesses are part of the very fabric of Salt Spring Island life.

By 2036 we project the population of the Island to have grown to over 12,000 and have added over 1,100 new jobs with the largest gains and highest rate of growth in the healthcare services sector. Major industries on the Island include agriculture, tourism, knowledge-based industries and the arts.

Findings from the Industrial Land Supply Analysis

For the purposes of this study we define the supply of industrial land as those lands permitted by Land Use Bylaw 355 to support industrial uses, which includes all land zoned IN1-IN4 and Commercial Zone C6 as well as lands being used for waste management functions. We should note that according to BC Assessment, Salt Spring Island has no parcels falling under what it would categorize as "Major Industry," and that any parcels of an industrial nature are categorized as "Light Industrial." Interestingly, only 30% of the acreage presently zoned as Industrial was considered by

BC Assessment are being used for what it considers to be “Light Industrial” activity. These facts remind us that when we speak of “industrial” land use on Salt Spring Island, we are really referring to the uses presently permitted under industrial zoning in Land Use Bylaw 355 and not the uses typically associated with so-called “smokestack” industries.

As of August 2013 Salt Spring Island had 99.4 acres of land zoned with the Industrial or Commercial 6 designations, of which 86.2 acres were developable (the remaining acreage being too steep or otherwise inhospitable for development). In addition to these zones we recognize that another 55.8 acres are presently being used for waste management and transfer purposes. It is noteworthy that none of the properties hosting waste management operations are zoned for industrial use.

Using BC Assessment data we estimate that just under 19 acres of land zoned Industrial or Commercial 6 are potentially underutilized, which equates to about 16.27 acres of developable land. Likewise the data suggests that 3.24 acres of developable industrially-zoned land is vacant. For a number of reasons we believe no practical amount of land can be put to additional industrial use among these “underutilized” parcels, leaving only 3.24 vacant acres out of 99.

Moreover, the industrial properties available for purchase in recent months have been quite small and with limited permitted use; it would be difficult to put them into service today for any but the most specific of industrial uses. Insofar as potential supply is concerned, we see no other lands that can be reliably counted upon to be approved for use for industrial purposes. While there may be several areas that seem suitable or even ideal for such uses, there are no guarantees that industrial rezoning would be sought, let alone approved in these areas.

Findings from the Industrial Land Demand Analysis

In order to accommodate its forecasted employment growth through 2036 we estimate that Salt Spring Island will need to add, on average, 0.67 acres of industrially-zoned land per year. Put differently, we estimate that between 2011 and 2016 the Island will need to add 2.67 acres of industrially-zoned land. The 3.24 acres of vacant land in the current industrially-zoned inventory could conceivably meet this demand assuming that the 2.67 acres demanded is spread among several industrial uses small enough to operate on parcels ranging from 0.25-1.69 acres. This also assumes that these disparate industrial uses conform to the existing zoning or that the properties can be feasibly rezoned.

Assuming that the owner of an “underutilized” industrial property is amenable to leasing to another industrial user, the lessee would still need to conform to zoning, which may well be too restrictive. Given that a home-based business can legally operate in up to 753 sqft (on a parcel smaller than 2.96 acres) of a residence, it is likely that demand for larger parcels of industrial land will be more common than for smaller parcels; business owners are faced with the choice of paying for a small light industrial space or simply continuing to work from home.

Our analysis showed that the current inventory of industrially-zoned land, both on and off the market were insufficient to accommodate current demand for industrially-zoned land as well as forecasted employment-driven demand. The parcels in the current industrial supply are either too small, have highly restricted permitted uses or are otherwise unavailable to satisfy the current demand. New businesses and growing businesses requiring industrially-zoned land have very limited options.

While present land use bylaws allow a great breadth of activity for home-based businesses, a challenge seems to face fledgling “industrial” businesses seeking to grow outside the home. The main problem is the shortage of spaces available to serve as those business’ “next steps;” home-based businesses have few feasible options for growth if they require industrially-zoned land. Further complicating matters is that while the land use bylaw is quite flexible for home-based business, it can be quite inflexible on industrially-zoned land. Often a use does not precisely fit the highly specific zoning designations, necessitating an amendment to the bylaw itself, sometimes resulting in a new zone type being created for the applicant. This process can take years and success is hardly guaranteed, resulting in uncertainty that many businesses cannot afford and few lenders are willing to finance.

If the community interest is aligned with accommodating the employment growth which requires industrial land, then we make the following recommendations:

Recommendation 1: Create a simpler, more flexible regulatory environment.

To facilitate making lands available for industrial uses, we recommend the following:

- A. Fold existing industrial zones into fewer, broader zones.
- B. Allow greater flexibility of permitted uses in industrial/employment zones.
- C. Simplify the rezoning process.
- D. Consider rezoning all waste management parcels.

Recommendation 2: Support increased availability of industrially-zoned land.

To address the immediate concern of not having enough available or potentially available industrially-zoned land, we recommend the following:

- A. Continue to monitor the supply and demand of industrially-zoned land.
- B. Consider rezoning applications in a broader range of locations.
- C. Provide incentives for owners of industrially-zoned land.

Recommendation 3: Embark upon a long-term land use planning process

To provide the foundation for the long-term environmental and economic sustainability of Salt Spring Island, we recommend the following:

- A. Initiate a public dialog on how land should be used on Salt Spring Island.
- B. Explore introducing significant changes to the land use by-law.
- C. Consider updating the Official Community Plan with these recommendations.
- D. Fund a waste management and public infrastructure planning study.
- E. Gather and maintain data on home-based business.
- F. Expand the simplification of zoning to all other land uses.

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1 Introduction

Urbanics Consultants Ltd was retained by the Islands Trust to complete the Salt Spring Island Industrial Land Needs Assessment study with the following objectives in mind:

- Review and inventory all existing industrially-zoned land and facilities on Salt Spring Island;
- Provide options to address the preferred location of industrial zoned land;
- Identify the form and type of industrial use that may require industrial zoned land; and
- Quantify the demand for industrially-zoned land over the next 5 to 25 years.

The study examines the current capacity of industrial lands and estimates the expected future demand (short, medium and long term land demand) for industrial lands on the Salt Spring Island. The goal is to ensure that the supply of industrial lands (including lands zoned for heavy industry and light industry) is adequate to meet the community needs over the next 5 years to 25 years. We use a comprehensive analytical and public consultation framework for identifying and developing key strategies for Salt Spring Island. The study includes the following sections:

Section 2: Economic Base Review - Examines historical trends and projects employment and population growth. It examines employment trends with a focus on employment sectors that typically seek industrial land, for example the construction/building sector. The section also explores the growth of small-business and home-based business on the island.

Section 3: Supply Analysis - Reviews inventory of existing and proposed supply of industrial zoned land on the Salt Spring Island. It also examines industrial land utilization on the Island, with special emphasis on the identification of vacant industrial land, underutilized and adequately utilized industrial lands.

Section 4: Demand Analysis – Presents three scenarios for projected industrial demand over the short, medium and long term (20-25 years). Also, it evaluates the adequacy of the current capacity of the industrial land supply to accommodate the future industrial demand.

Section 5: Public Consultation – Presents a brief synopsis of surveys, meetings and telephone conversations with members of the business, agricultural and real estate communities.

Section 6: Recommendations – This section makes several recommendations related to resolving the issues revealed through analysis, provided that they are aligned with the direction the people of Salt Spring wish to take.

The Reader also should note that we will use the following phrases and conventions:

Conventions

Whenever the word “Industrial” is used in a Salt Spring zoning context, we intend to include all the Industrial zoning designations as well as Commercial 6, which includes light industrial uses.

Whenever the word “industrial” is used in a land use context, we intend to include activities performed on light industrial or heavy industrial land especially as they pertain to activities permitted by the Salt Spring land use bylaw. When the word “industry” is used in an economic context, we are referring to an area of employment (e.g. “the tourism industry”).

Whenever the words “Island” or “the Island” are used without specifically stating Salt Spring Island, we intend those terms to specifically refer to Salt Spring Island. In any case where another island is mentioned we shall name them unambiguously (e.g. Vancouver Island).

Abbreviations

ALR – Agricultural Land Reserve

ALC – Agricultural Land Commission

EPA – Employees per Acre

HBB – Home-Based Business

IAPC – Industrial Advisory Planning Commission

ITF – Industrial Task Force

LTC – Local Trust Committee

OCP – Official Community Plan (Salt Spring Island Bylaw 434, 2008)

SCR – Surface Coverage Ratio

2 Economic base analysis

This chapter forecasts population and employment on Salt Spring Island in an effort to give foundation to the land use forecasts found later in this study.

2.1 Population and Historic Growth

At the core of all economic activity is the local population. Since 2001 the population of Salt Spring Island has grown from 9,300 year-round residents in 2001 to about 10,200 in 2011. This represents an average annual growth rate of 0.8% over the ten-year period, with the period from 2006-2011 showing an annual growth rate of 1.2%. Since 2006 the population of Salt Spring Island has been growing at a faster rate than that of the Capital Regional District, which saw an average annual growth rate of 0.85%.

As of the 2011 Census the median age of Salt Spring Island residents was 53.2 years, significantly higher than that of the Capital Regional District, the Province of British Columbia and the rest of the nation which were 44.8, 41.9 and 40.6 years respectively. The median age of Salt Spring Island residents has been steadily increasing as the share of persons over the age of 45 (as well as those over the age of 65) has been growing. The breakdown of residents by age group may be seen in the chart below.

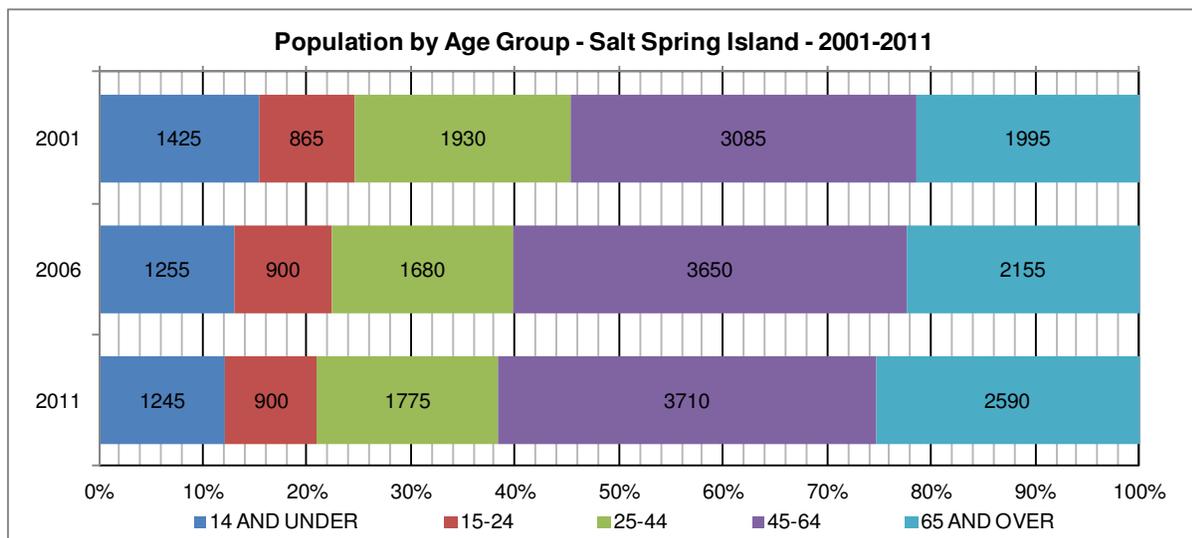


Figure 1: Salt Spring Island - Population by Age Group - 2001-2011
Source: Statistic Canada, Urbanics Consultants

The chart below shows the significant increases in the rates of growth (or decline) of these age groups since 2001. We can see that in the time between the 2001 and 2011 censuses the group aged 65 or older showed considerable gains while those aged between 45 and 64 also substantially increased their numbers. The younger age groups, however, showed only modest increases, if not significant declines, since 2001.

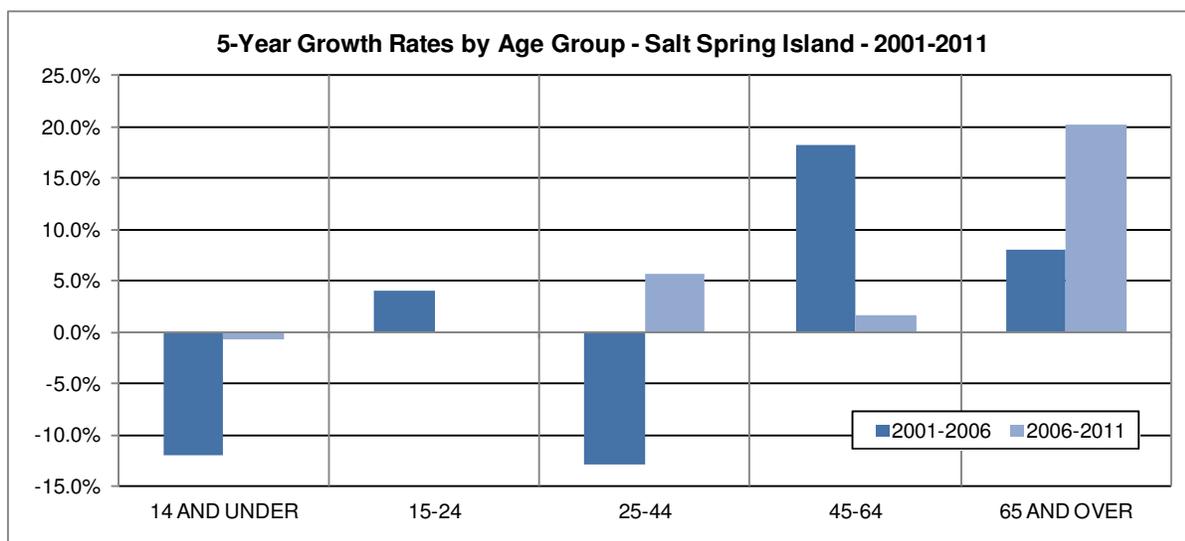


Figure 2: Salt Spring Island - 5-Year Growth Rates by Age Group - 2001-2011
Source: Statistic Canada, Urbanics Consultants

Also, according to the 2011 census, Salt Spring Island has a lower population density than does the Capital Regional District. On average the island has about 56 residents per square kilometre compared with nearly 154 residents per square kilometre in the CRD.

2.2 Population and Projected Growth

In order to forecast employment and ultimately land use, we needed to have an estimate of what Salt Spring's population might look like in 20 years time. Since Salt Spring Island is a relatively small demographic area, no publicly accessible population projections were available, and as a result we derived our own projections. We used two different methods to derive four population growth scenarios: the first was to appropriately scale the projections made by BC Stats for population growth across all the Gulf Islands; the second was to perform a more Salt Spring Island specific Cohort Component projection. This method accounts for the age and sex distribution of the population and uses statistical expectations on fertility, mortality and migration to project population growth. The two sets of projections are plotted below.

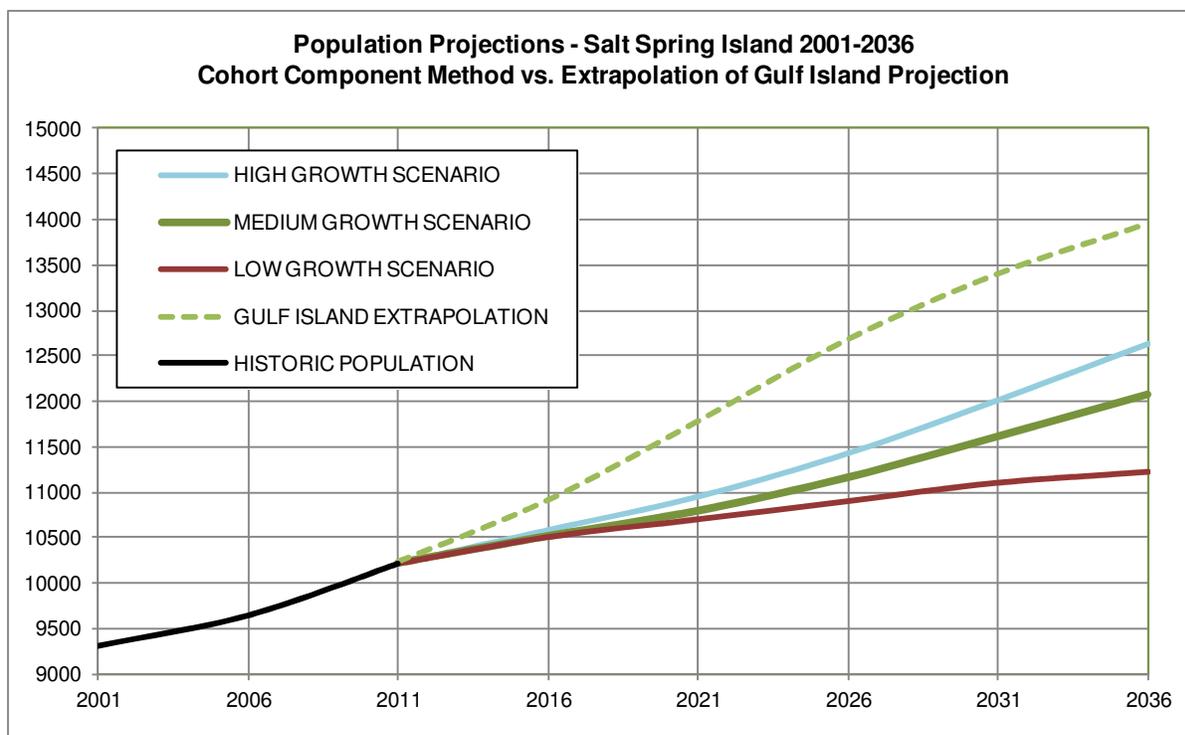


Figure 3: Population Projections - Salt Spring Island - 2011-2036
Sources: BC Stats PEOPLE36, Statistics Canada, Urbanics Consultants

As one can see, the projections based on the Gulf Islands projections (which also employ a cohort component methodology) show a greater increase in population and a higher rate of growth than our cohort component projection. This is likely because of subtle differences in the demographics between Salt Spring Island and the broader Gulf Islands population. Also BC Stats tends to be more optimistic in their forecasts especially with regards to migration, which is largely driven by economic growth. Since Salt Spring Island is not seeking to grow its economy (e.g. attracting businesses, growing existing businesses, etc.) it is unlikely that it will receive as many economic immigrants as forecasted by BC Stats. Given the Island's nature as a destination for retirees, it is possible that the BC Stats forecast reflects such an influx, but that remains unclear. For the sake of completeness we have shown the projection based on what BC Stats produced, but for the rest of our study we shall use the medium growth scenario of our own projection. (If the reader should wish to consider additional demand scenarios using the BC Stats estimates, adding 15% to our population-driven forecasts will yield a close approximation.)

By 2036 we expect the population of Salt Spring Island to exceed 12,000 with a gradual aging of the population. The chart below shows the relative size of certain age groups on the island where we see those aged 45 and above continuing to gain greater share of the population until

2021 when the trend begins to recede. The trends from 2021 onward coincide with the smaller “Generation X” aging into the 45-64 cohort and the larger “Millennial” generation then representing those aged 25-45.

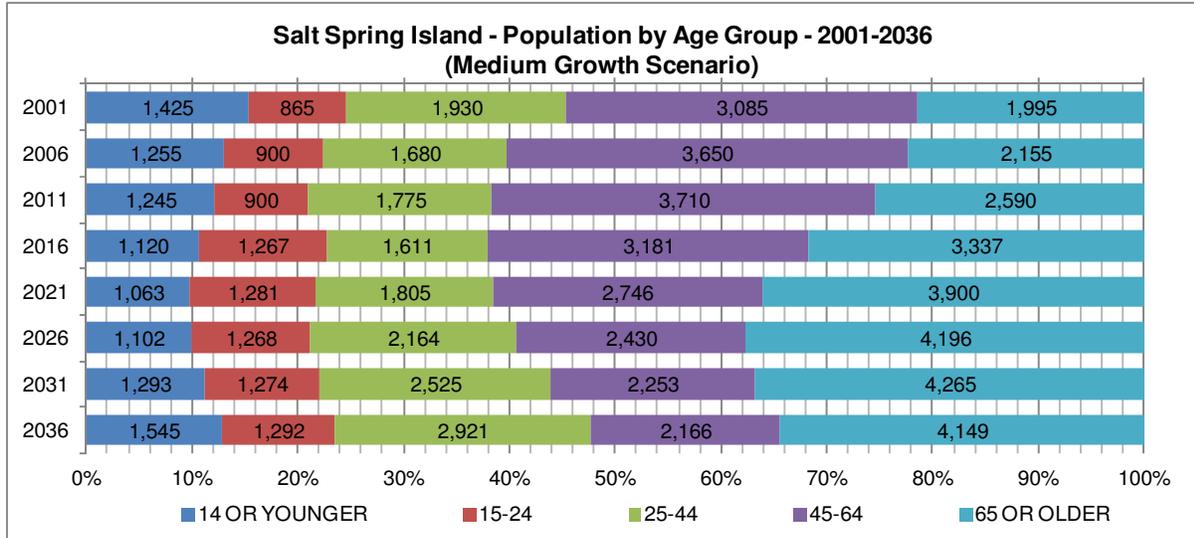


Figure 4: Population Annual Growth Rate Projections - Salt Spring Island - 2011-2036
Sources: Statistics Canada, Urbanics Consultants

These trends have implications for the traditional working age cohort of persons aged 15-64. We can see below the projection of the workforce ebbing in 2021 but rebounding in later years.

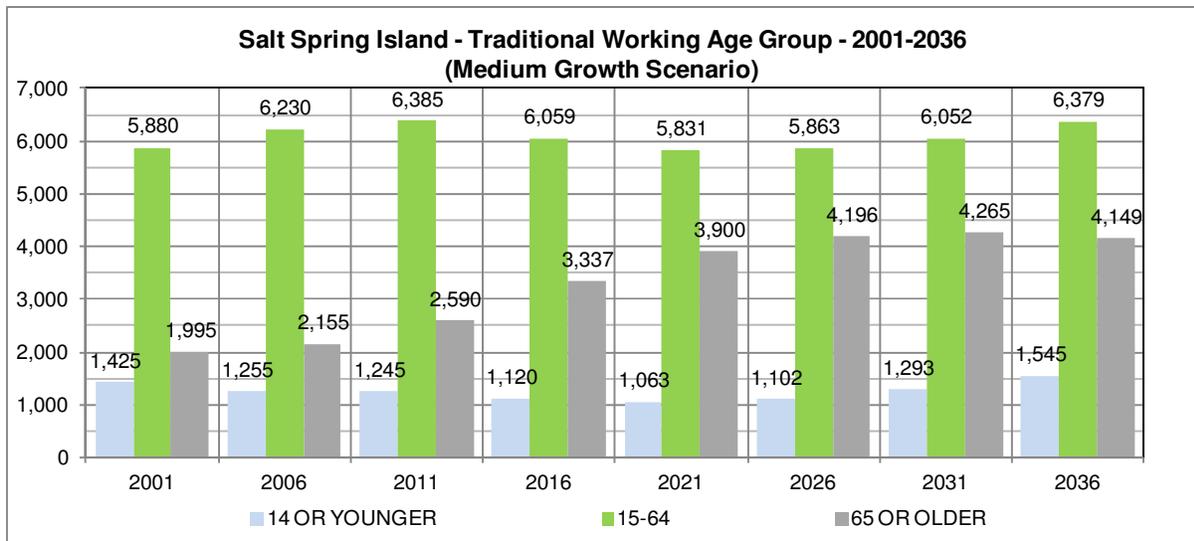


Figure 5: Salt Spring Island - Working Age Cohort - 2011-2036
Sources: Statistics Canada, Urbanics Consultants

2.3 Employment History

The major industries employing Salt Spring Island workers have been those related to the tourist trade such as accommodation and food services, as well as retail trade. Construction and technical services are also significant industries to the island. As expected a relatively large number of workers are employed in the healthcare and social assistance industries. Interestingly, but not unexpectedly, no jobs were counted in the hydrocarbon and mineral extraction industries or in company management. This is consistent with the island's themes.

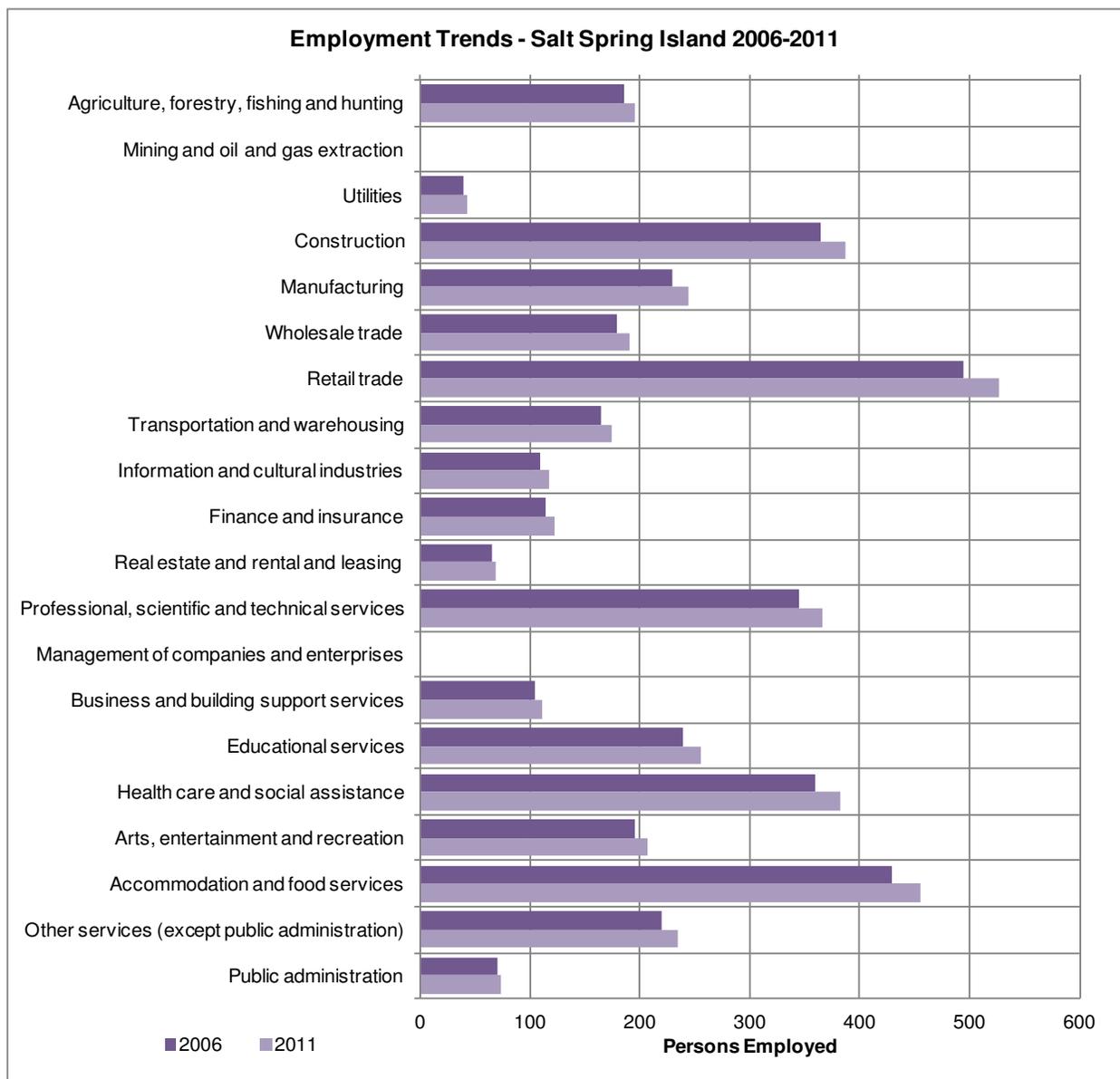


Figure 6: Employment Trends - Salt Spring Island - 2006-2011

Sources: Statistics Canada, Urbanics Consultants (2011 figures are estimates provided by Urbanics)

2.4 Economic Base Analysis

The premise of an Economic Base Analysis is that economic activities in an area can be divided into two categories – basic and non-basic. Basic industries are those exporting products of services from the community, thus bringing wealth from outside; non-basic (or service) industries, in turn, support basic industries. One way to estimate whether industries are basic or non-basic can be done by calculating Location Quotients (LQ). In short, Location Quotients compare the proportion of the workforce engaged in certain industries as compared to a larger surrounding economy. Location Quotients are used in research to quantify and compare concentrations of industries in a particular area and are useful in understanding an area's economic strengths and weaknesses.

In this study we calculated LQ values for Salt Spring industries versus their counterparts in the Capital Regional District (CRD). We felt that the CRD was a better choice than the Lower mainland for a baseline economy as the CRD at least shares some economic dynamics with Salt Spring Island. The Location Quotients can be seen in the table below.

	SSI LQ		SSI Workforce		CRD Workforce	
	2001	2006	2001	2006	2001	2006
Goods-Producing Industries	2.08	2.24	24.68%	20.95%	11.89%	9.36%
Agriculture, forestry, fishing and hunting	4.30	4.23	6.33%	4.73%	1.47%	1.12%
Utilities	0.54	3.64	0.21%	1.02%	0.39%	0.28%
Construction	2.21	2.66	12.24%	9.32%	5.53%	3.51%
Manufacturing	1.29	1.35	5.70%	5.87%	4.40%	4.35%
Mining and oil and gas extraction	2.25	0.00	0.21%	0.00%	0.09%	0.10%
Services-Producing Industries	0.85	0.87	75.32%	79.05%	88.11%	90.64%
Wholesale trade	1.05	1.81	2.43%	4.60%	2.31%	2.54%
Arts, entertainment and recreation	1.90	1.75	4.64%	4.98%	2.45%	2.85%
Transportation and warehousing	1.73	1.31	7.17%	4.21%	4.14%	3.21%
Information and cultural industries	1.01	1.22	2.43%	2.81%	2.40%	2.30%
Accommodation and food services	1.00	1.19	8.54%	10.98%	8.55%	9.23%
Other services (except public administration)	0.88	1.18	3.90%	5.62%	4.45%	4.76%
Professional, scientific and technical services	0.97	1.02	7.17%	8.81%	7.36%	8.63%
Retail trade	0.81	1.02	9.60%	12.64%	11.88%	12.43%
Business and building support services	1.27	0.80	5.38%	2.68%	4.22%	3.33%
Educational services	0.88	0.79	6.75%	6.13%	7.71%	7.81%
Finance and insurance	0.54	0.75	1.79%	2.94%	3.30%	3.91%
Health care and social assistance	0.93	0.72	11.92%	9.20%	12.77%	12.81%
Real estate and rental and leasing	0.86	0.70	2.00%	1.66%	2.32%	2.38%
Public administration	0.11	0.12	1.58%	1.79%	14.19%	14.36%
Management of companies and enterprises	0.00	0.00	0.00%	0.00%	0.05%	0.10%

Table 1: Location Quotient – Salt Spring Island versus the Capital Regional District

Sources: Statistics Canada; Urbanics Consultants

Note – Industries highlighted in green represent industries especially important to the Salt Spring Island economy.

Here we can see the major goods-producing industries on the island (where $LQ > 1$) in both 2001 and 2006 were agriculture, construction and manufacturing. Each industry displayed a higher concentration on Salt Spring Island than in the CRD. Utilities showed an increase between 2001 and 2006 to make it appear that it is an important industry, but the increase was only 40 jobs. Thus, while Salt Spring may have a larger share of utilities workers than the CRD, it still should not be considered a basic (exportable) industry.

Among the services-producing industries, several of the prominent industries (those with an LQ greater than 1) were related to tourism: arts, entertainment and recreation; cultural industries; and accommodation and food services. This would imply that people from off-island are contributing toward paying for employment in these industries. Additionally, wholesale trade and transportation and warehousing engage a larger share of the workforce in Salt Springs than in the CRD.

The Location Quotient for healthcare workers was less than 1 for Salt Spring Island, despite the number of workers employed by that industry. While it might be tempting to assume that with its higher than average median age, Salt Spring Island might have a larger fraction of its workforce devoted to healthcare than the CRD, but it also makes sense that many residents would need to supplement their healthcare with services off-island, which in turn would lower the Island's Location Quotient for that industry.

Perhaps less surprisingly, Salt Spring has less presence than the CRD in government and in other professional work. Given that the CRD is the center of government for the province it makes sense that the comparative share of labour would be much smaller for Salt Spring Island.

It should be noted that Statistics Canada did not collect industry-level employment data for smaller areas (such as Salt Spring Island) in 2011, which is why we could only go as far as 2006. Since Salt Spring Island's economy has not changed drastically in recent years, we felt that LQ values for 2001 and 2006 were adequate for highlighting the island's key industries. Also, we should note that LQ is a simple and effective way to identify important industries, but a comprehensive economic dependency study is required to focus on the magnitude of a community's basic industries. Fortunately such a study was conducted for the Island in 2011 and its results are summarized in section 2.7 below.

2.5 Employment Projections

It is common to forecast the demand for commercial and industrial real estate through forecasting employment and we used two methods to forecast employment on Salt Spring Island through 2036. The first method was via extrapolation, which relies on historical population to employment ratios to estimate future employment. The other was the constant-share method, which uses the historical employment share of the local economy versus a larger surrounding economy (as larger economies usually have better employment forecasts than smaller ones).

2.5.1 Employment Projections – Results from the Extrapolation Technique

The extrapolation method uses historical ratios of employment to population to forecast employment levels over the study period. This method assumes that the future employment can be determined by extrapolating historical levels of employment in a particular sector for the region. The employment data was sourced from the 2006 Canadian census and the population projection used was our medium growth scenario described earlier. Results can be seen below.

INDUSTRY (2-Digit NAICS Code)	2001	2006	2011	2016	2021	2026	2031	2036
11 Agriculture, forestry, fishing and hunting	300	265	281	289	296	306	318	331
21 Mining and oil and gas extraction	10	-	-	-	-	-	-	-
22 Utilities	10	45	48	49	50	52	54	56
23 Construction	580	660	700	721	740	765	795	828
31-33 Manufacturing	270	260	276	284	291	301	313	326
TOTAL GOODS-PRODUCING EMPLOYMENT	1,170	1,230	1,305	1,343	1,377	1,424	1,480	1,541
41 Wholesale trade	115	200	212	218	224	232	241	251
44-45 Retail trade	455	530	562	578	593	613	637	663
48-49 Transportation and warehousing	340	235	249	256	263	272	283	295
51 Information and cultural industries	115	125	133	137	141	146	152	158
52 Finance and insurance	85	110	117	120	123	127	132	137
53 Real estate and rental and leasing	95	80	85	87	89	92	96	100
54 Professional, scientific and technical services	340	425	451	464	476	492	511	532
55 Management of companies and enterprises	-	-	-	-	-	-	-	-
56 Administrative and support, waste management and remediation services	255	240	254	261	268	277	288	300
61 Educational services	320	355	376	387	397	411	427	445
62 Health care and social assistance	565	460	488	502	515	533	554	577
71 Arts, entertainment and recreation	220	215	228	235	241	249	259	270
72 Accommodation and food services	405	480	509	524	537	555	577	601
81 Other services (except public administration)	185	275	292	301	309	320	333	347
91 Public administration	75	105	111	114	117	121	126	131
TOTAL SERVICE-PRODUCING EMPLOYMENT	3,570	3,835	4,067	4,184	4,293	4,440	4,616	4,807
TOTAL EMPLOYMENT	4,740	5,065	5,372	5,527	5,670	5,864	6,096	6,348

Table 2: Salt Spring Island Employment Forecast - Extrapolation Method – 2001-2036

Sources: Statistics Canada, Urbanics Consultants

2.5.2 Employment Projections – Results from the Constant Share Technique

This method is based on the assumption that the local share of the reference region's economic activity remains constant and that the local economy is closely related to the larger region. The benefit of this method is that employment projections for larger regions are more frequent, detailed and reliable in comparison to smaller areas. In this case, industry growth rates supplied by WorkBC for Vancouver Island were used as the reference region. The table below summarizes the results derived from the constant-share technique.

INDUSTRY (2-Digit NAICS Code)	2001	2006	2011	2016	2021	2026	2031	2036
11 Agriculture, forestry, fishing and hunting	300	265	203	201	199	197	195	193
21 Mining and oil and gas extraction	10	0	-	-	-	-	-	-
22 Utilities	10	45	45	53	62	73	85	100
23 Construction	580	660	650	634	618	603	588	573
31-33 Manufacturing	270	260	219	218	217	216	215	214
TOTAL GOODS-PRODUCING EMPLOYMENT	1,170	1,230	1,117	1,106	1,096	1,089	1,083	1,080
41 Wholesale trade	115	200	190	195	200	205	210	215
44-45 Retail trade	455	530	486	498	511	524	537	551
48-49 Transportation and warehousing	340	235	212	228	246	265	285	307
51 Information and cultural industries	115	125	133	147	162	179	198	219
52 Finance and insurance	85	110	113	112	111	110	109	108
53 Real estate and rental and leasing	95	80	76	75	74	73	72	71
54 Professional, scientific and technical services	340	425	518	539	561	584	608	633
55 Management of companies and enterprises	0	0	-	-	-	-	-	-
56 Administrative and support, waste management and remediation services	255	240	245	255	265	276	287	299
61 Educational services	320	355	359	368	377	387	397	407
62 Health care and social assistance	565	460	496	550	610	677	751	833
71 Arts, entertainment and recreation	220	215	201	222	245	270	298	329
72 Accommodation and food services	405	480	464	490	518	547	578	610
81 Other services (except public administration)	185	275	333	368	406	448	495	547
91 Public administration	75	105	119	122	125	128	131	134
TOTAL SERVICE-PRODUCING EMPLOYMENT	3,570	3,835	3,945	4,169	4,411	4,673	4,956	5,263
TOTAL EMPLOYMENT	4,740	5,065	5,062	5,275	5,507	5,762	6,039	6,343

Table 3: Salt Spring Island Employment Forecast - Constant Share Method – 2001-2036
Sources: Statistics Canada, Urbanics Consultants

2.5.3 Employment Projections – Averaging the Two Methods

Using two projection methods will invariably produce different results. One way to reconcile the differences between the two methods is to simply average the results, as shown below. Consistent with the demographics and nature of business on Salt Spring Island we expect growth in healthcare and tourism industries, which include arts and recreation, accommodation and food service and other cultural industries.

INDUSTRY (2-Digit NAICS Code)	2001	2006	2011	2016	2021	2026	2031	2036
11 Agriculture, forestry, fishing and hunting	300	265	242	245	248	252	257	262
21 Mining and oil and gas extraction	10	-	-	-	-	-	-	-
22 Utilities	10	45	47	51	56	63	70	78
23 Construction	580	660	675	678	679	684	692	701
31-33 Manufacturing	270	260	248	251	254	259	264	270
TOTAL GOODS-PRODUCING EMPLOYMENT	1,170	1,230	1,211	1,225	1,237	1,257	1,282	1,311
41 Wholesale trade	115	200	201	207	212	219	226	233
44-45 Retail trade	455	530	524	538	552	569	587	607
48-49 Transportation and warehousing	340	235	231	242	255	269	284	301
51 Information and cultural industries	115	125	133	142	152	163	175	189
52 Finance and insurance	85	110	115	116	117	119	121	123
53 Real estate and rental and leasing	95	80	81	81	82	83	84	86
54 Professional, scientific and technical services	340	425	485	502	519	538	560	583
55 Management of companies and enterprises	-	-	-	-	-	-	-	-
56 Administrative and support, waste management and remediation	255	240	250	258	267	277	288	300
61 Educational services	320	355	368	378	387	399	412	426
62 Health care and social assistance	565	460	492	526	563	605	653	705
71 Arts, entertainment and recreation	220	215	215	229	243	260	279	300
72 Accommodation and food services	405	480	487	507	528	551	578	606
81 Other services (except public administration)	185	275	313	335	358	384	414	447
91 Public administration	75	105	115	118	121	125	129	133
TOTAL SERVICE-PRODUCING EMPLOYMENT	3,570	3,835	4,006	4,177	4,352	4,557	4,786	5,035
TOTAL EMPLOYMENT	4,740	5,065	5,217	5,401	5,589	5,813	6,068	6,346

Table 4: Salt Spring Island Employment Forecast – Average of the Projection Methods – 2001-2036

Sources: Statistics Canada; Urbanics Consultants

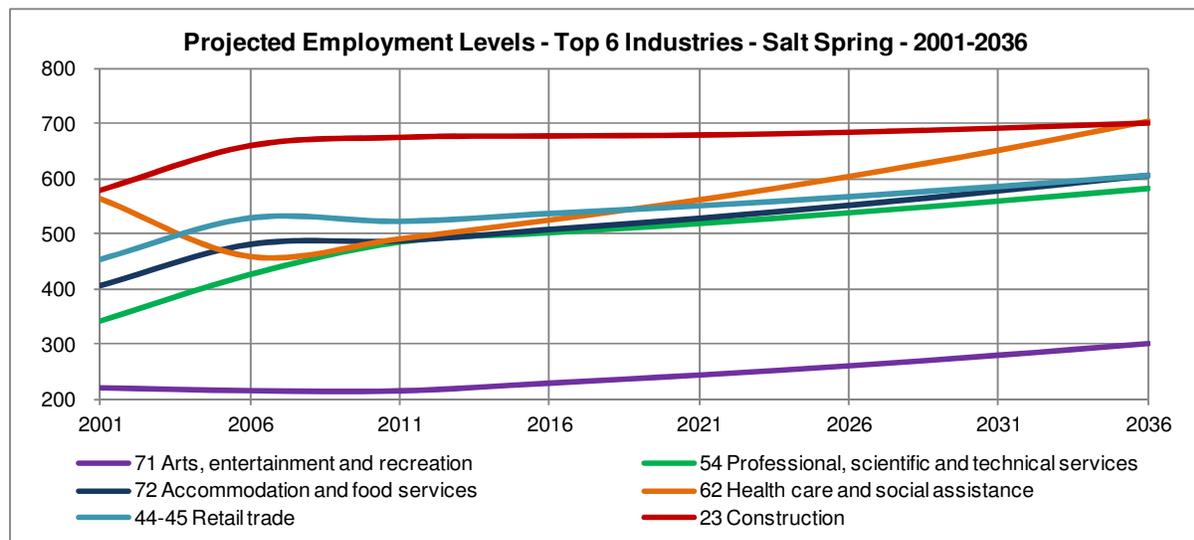


Figure 7: Projected Employment - Top 6 Industries on Salt Spring Island - 2001-2036

Sources: Statistics Canada; Urbanics Consultants

From these projections we can ascertain the approximate number of new jobs in each respective industry (compared to 2011 figures), as shown in the table below.

INDUSTRY (2-Digit NAICS Code)	BY 2021	BY 2036
11 Agriculture, forestry, fishing and hunting	6	20
21 Mining and oil and gas extraction		
22 Utilities	10	32
23 Construction	4	26
31-33 Manufacturing	7	23
TOTAL GOODS-PRODUCING NEW JOBS	26	100
41 Wholesale trade	11	32
44-45 Retail trade	28	83
48-49 Transportation and warehousing	24	71
51 Information and cultural industries	19	56
52 Finance and insurance	2	8
53 Real estate and rental and leasing	1	5
54 Professional, scientific and technical services	34	98
55 Management of companies and enterprises		
56 Administrative and support, waste management and remediation services	17	50
61 Educational services	20	59
62 Health care and social assistance	71	213
71 Arts, entertainment and recreation	29	85
72 Accommodation and food services	41	119
81 Other services (except public administration)	45	135
91 Public administration	6	18
TOTAL SERVICE-PRODUCING NEW JOBS	346	1,029
TOTAL NEW JOBS	372	1,129

Table 5: Projected Job Growth by Industry - Salt Spring Island - 2011-2036
Sources: Urbanics Consultants

What stands out is the growth in the health care and social assistance category, with about 70 new jobs added by 2021 and over 200 by 2036. This growth should be expected given the increasing median age of the resident population. Accommodation and food services shows an increase of nearly 120 new jobs by 2036. None of the industries are expected to lose jobs by 2021 though those industries with no jobs presently on Salt Spring Island are not expected to return. For example, we feel that it makes sense that mining and other extraction industries will never return to the island due to environmental concerns. Likewise, as Salt Spring Island is not seeking to attract larger enterprises it makes sense that enterprise management will not be generating any jobs in the foreseeable future. It is also important to note that forecasting for smaller economies can be problematic since the numbers produced are not as statistically significant as those from a larger economy. Regardless, having a forecast for the jobs gained or lost in each industry are central toward developing a forecast for the “employment lands” required by the local economy. Later, we will see how our forecasts drive the demand for industrial land.

2.6 Home-based Businesses

Home-based businesses (HBBs) play a significant role not only in Salt Spring Island's economy but in its community as well. While it is widely believed that a significant fraction of employment income on the island originates from HBBs, the absence of documentation or regulation of such businesses makes it impossible to determine their true number, let alone their breadth and impact. Based on data from the 2006 Census about 1,300 Salt Spring Island residents work from home, though the total number of people employed by home-based businesses (i.e. those who work for a home-based business without necessarily being a resident of said home) remains unknown.

We can however, make an educated guess as to their number. In 2011 the Capital Regional District was home to 23,274 businesses with 4 or fewer employees (including sole proprietorships). Unfortunately, the Census does not give us this information for a community as small as Salt Spring Island, but if we scale this figure in proportion with Salt Spring's population we arrive at 608 businesses with 4 or fewer employees. Now this figure represents the number of businesses of that size, though not necessarily all will be home-based businesses. Given that Salt Spring Island fosters a culture which promotes home-based business, we felt it was justified to assume that the Island would have a higher population to HBB ratio than would the CRD. This brings our estimate back to around 600, which gives us an average of just over 2 persons working from their own home per HBB. We feel this makes sense as most home-based businesses are probably operated by couples, while others are operated by individuals or by families. Again these estimates are limited by the quality of the assumptions made.

The Industrial Task Force noted in 2009 that a significant amount of land island-wide was being used for light industrial purposes in the form of home-based businesses. These businesses, however, appeared to the Task Force as operating within the parameters of the land use bylaw for HBBs. Furthermore, the enactment of Bylaw 448 subsequent to the recommendations of the Task Force allowed for increasing in the amount of space an HBB could occupy within a dwelling up to 70m² (753sqft) as well as increasing the number of non-resident employees to three on lots up to 1.2 hectares (or about 2.96 acres). For sites larger than 1.2 hectares, up to 150m² (or 1,614sqft) could be used for a home-based business with up to four non-resident employees.

2.7 Economic Dependency

While similar to the Location Quotient analysis described earlier in this chapter Economic Dependency goes a step further to compare the relative importance of each “basic” source of income for Salt Spring Island. Moreover, an analysis of Economic Dependency also includes income obtained through sources outside of employment. The percentage of total income from each basic industry is shown in the table below.

INCOME \$M	FOR	MIN	F&T	AGF	TOU	HITECH	PUB	CON	FILM	OTH	TRAN	ONEI	NONB	TOTAL
2001	1.6	0.0	2.6	4.4	12.4	3.2	31.4	18.3	2.7	10.4	31.1	58.3	26.6	203
2006	6.3	0.4	1.5	3.8	10.9	5.0	41.8	23.5	2.6	11.4	32.6	78.5	43.9	262.2
INCOME %	FOR	MIN	F&T	AGF	TOU	HITECH	PUB	CON	FILM	OTH	TRAN	ONEI	NONB	TOTAL
2001	1%	0%	1%	2%	6%	2%	15%	9%	1%	5%	15%	29%	13%	100%
2006	2%	0%	1%	1%	4%	2%	16%	9%	1%	4%	12%	30%	17%	100%

Table 6: Sources of Income on Salt Spring Island - 2001-2006

Sources: Gary Holman, Islands Trust Indicator Program

- TRAN - Transfer Payments from senior governments, such as Income Assistance payments, Old Age Security, Guaranteed Income Supplements, Canada Pension Plan, Employment Insurance benefits, Federal Child Tax benefits and other income from government sources.
- ONEI - Other Non-Employment Income that includes investment income, such as dividends and interest; retirement pensions, superannuation, annuities, alimony, etc.

A full list of detailing these basic industries can be found in the Appendix, but the category headings are found below.

AGF - Agriculture and Food

CON - Construction

F&T - Fishing and Trapping

FILM - Film Production

FOR - Forestry

HITEC - High Technology

MIN - Mining and Resource Extraction

PUB - Public Sector

TOU - Tourism

It is worth noting that over 40% of the total income of the residents of Salt Spring comes from non-employment sources including government transfer payments (shown as TRAN), and pensions and investment income (shown as ONEI). Such income is considered “basic” as it originates off-island. It is also worth noting that non-employment income accounts for just over half of the Island’s basic income, a rate among the highest in British Columbia. This fact suggests the possibility that some residents, who themselves are removed from the economic health of the Island, may not be entirely concerned with what the people of the Island need to do to ensure its long-term environmental and economic viability.

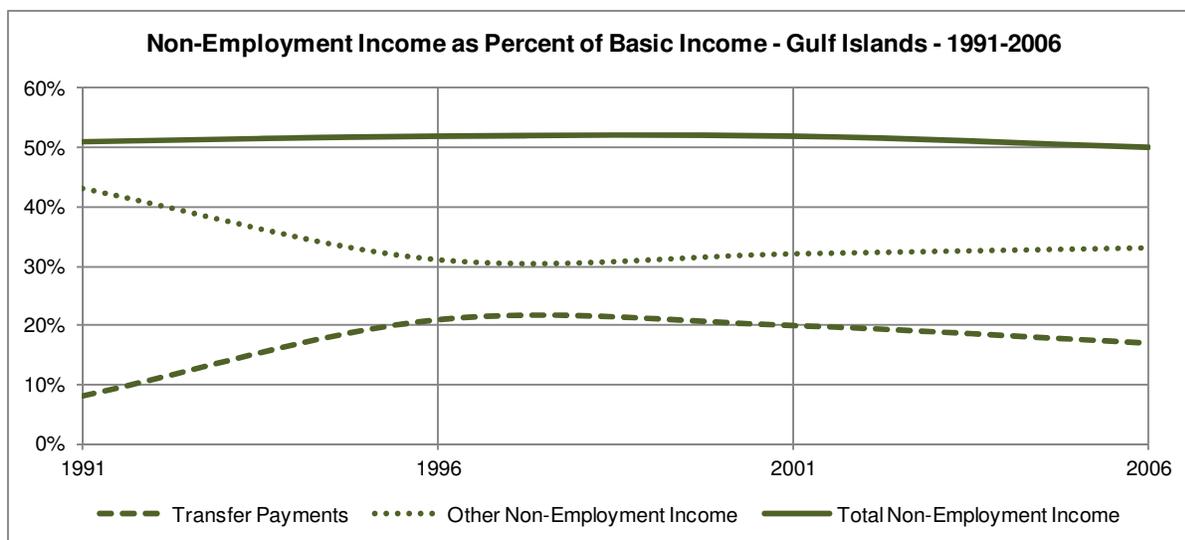


Table 7: Non-Employment Income as Percentage of Basic Income - Gulf Islands - 1991-2006
Sources: BC Stats – British Columbia Local Area Economic Dependencies 2006

Typically income from TRAN is “counter-cyclical” with income from ONEI; transfer payments from government tend to increase when the economy is weak while ONEI income tends to increase during stronger economic times. Combined, these two sources of income accounted for 51% of the Island’s basic income in both 2001 and 2006. The chart above shows that this trend has been stable in the Gulf Islands since at least 1991. We cannot fully determine the pattern beyond 2006 as the 2011 census did not capture this information, but based upon the stability of the pattern in previous years we shall assume it similarly holds today.

Another noteworthy trend includes the increase in income from “non-basic” sources which increased from 13% to 17% of the Island’s total income. Non-basic income is employment income generated from jobs in the community that provide goods and services to individuals who live in the community. These jobs are often referred to as non-basic jobs or induced employment. Examples of these include much of retail trade, local transportation services, local financial services, and personal services – e.g., local dry cleaners, hairdressers, etc. During this period the amount of basic income rose faster than did the population, suggesting that there was more “wealth to spread around” thus the increase in income through induced employment.

Unfortunately, more recent information on economic dependency is not available, as it would not only yield more up-to-date results, but it would also be interesting to see if and how these numbers changed in response to the Global Financial Crisis of 2008-2009.

3 Supply of Industrial Land

This section quantifies the supply of industrially-zoned land on Salt Spring Island as well as those lands used for waste management and recycling.

3.1 Defining Industrial Land

For the purposes of our analysis, we define industrial activity as any business operation which creates value by transforming physical inputs into a physical output, whether it is the rebuilding of an engine or the canning of vegetables. These activities require industrial space. Nearly every kind of occupational activity has at least some members of its workforce utilizing industrial space. Since agriculture is a key activity on Salt Spring Island, the value-added processing of farm products is considered an agricultural-industrial activity. Recycling appliances and other machinery could be another form of Industrial Activity, whereas a restaurant would not be. Industrial activity can be categorized as light or heavy depending on size, scale, intensity of land use, nature of equipment used, and the externalities produced (such as noise, debris, smoke, effluent, etc.). Industrial land (or property) is where industrial activities take place. These definitions are a bit more generalized than those used by the OCP and Land Use Bylaw 355; their definitions may be found in Appendix B.

This study quantifies the total supply of industrial land in two distinct subsets. The first includes those lands presently or previously used for what are traditionally considered light industrial purposes and permitted by Land Use Bylaw 355 to support such use. Land in this subset includes all parcels zoned IN1-IN4 and Commercial Zone C6 and their permitted uses are listed in the Appendix. The second subset includes lands presently used for waste management and recycling purposes. While such uses may not be considered heavy industry in the traditional sense, they produce externalities akin to those produced by heavy industry and so we shall use these lands as a proxy for heavy industry.

Typically one associates Heavy Industry with large manufacturing plants, refineries, shipyards or other large-scale factories. For example, BC Assessment categorizes Industrial land this way:

Class 4, Major Industry — land and improvements (buildings and structures) of prescribed types of industrial plants, including lumber and pulp mills, mines, smelters,

large manufacturers of specified products, ship building and loading terminals for sea-going ships.

Class 5, Light Industry — property used or held for extracting, processing, manufacturing or transporting products, including ancillary storage. Scrap metal yards, wineries and boat-building operations fall within this category. Exceptions include properties used for the production or storage of food and non-alcoholic beverages and retail sales outlets, which fall into Class 6.

A review of BC Assessment data for Salt Spring Island's 6,094 parcels revealed none categorized as "Major Industry." That is, none were found by those whose mandate is to identify such uses for taxation purposes. From this we can conclude that Salt Spring Island no longer hosts activities that would traditionally be referred to as "Heavy Industry."

3.2 Supply of Industrially-Zoned Land

This subsection investigates and quantifies Salt Spring Island land which is already zoned for Industrial or Light Industrial (Commercial 6) use.

3.2.1 Zoned Supply and Utilization

As of June 2013 Salt Spring Island had 99.4 acres of land zoned with the Industrial or Commercial 6 designations, of which 86.2 acres were developable (the remaining acreage being too steep or otherwise inhospitable for development). Industrially-zoned lands account for 0.23% of the Island's total land area of 42,500 acres. It is worth noting that the total acreage zoned for industrial purposes appears unchanged since the Industrial Task Force study in 2009. The distribution of this acreage among the 10 zoning designations is shown in the table below.

ZONE	PARCELS	TOTAL ACRES	DEV ACRES
COMMERCIAL 6	33	9.35	7.88
INDUSTRIAL 1	7	6.92	5.73
INDUSTRIAL 1(a)	1	1.08	1.08
INDUSTRIAL 1(b)	1	1.49	1.49
INDUSTRIAL 1(c)	1	10.98	9.87
INDUSTRIAL 2	9	11.16	10.81
INDUSTRIAL 2(a)	6	31.05	23.58
INDUSTRIAL 3	2	21.60	21.25
INDUSTRIAL 4	1	4.46	3.79
INDUSTRIAL 4(a)	5	1.33	0.73
TOTAL	66	99.42	86.19

Table 8: Industrially Zoned Property - Salt Spring Island - 2013
Source: Islands Trust

Of these lands only those parcels which are vacant or otherwise underutilized should be considered as part of a potentially available supply of industrial land. The distribution of utilized, vacant and underutilized land across the zoning designations is shown in the table below:

LAND UTILIZATION	ZONE	PARCELS	TOTAL ACRES	DEV ACRES
UTILIZED*	COMMERCIAL 6	31	7.66	6.83
	INDUSTRIAL 1	6	6.36	5.19
	INDUSTRIAL 1(a)	1	1.08	1.08
	INDUSTRIAL 1(c)	1	10.98	9.87
	INDUSTRIAL 2	7	8.03	7.68
	INDUSTRIAL 2(a)	5	20.68	14.76
	INDUSTRIAL 3	2	21.60	21.25
	INDUSTRIAL 4(a)	1	0.01	0.01
UTILIZED TOTAL		54	76.40	66.68
UNDERUTILIZED**	INDUSTRIAL 1	1	0.56	0.54
	INDUSTRIAL 1(b)	1	1.49	1.49
	INDUSTRIAL 2	1	1.44	1.44
	INDUSTRIAL 2(a)	1	10.37	8.82
	INDUSTRIAL 4	1	4.46	3.79
	INDUSTRIAL 4(a)	1	0.60	0.20
UNDERUTILIZED TOTAL		6	18.92	16.27
VACANT	COMMERCIAL 6	2	1.69	1.04
	INDUSTRIAL 2	1	1.69	1.69
	INDUSTRIAL 4(a)	3	0.72	0.51
VACANT TOTAL		6	4.10	3.24
TOTAL		66	99.42	86.19

* Parcel is considered "utilized" if its improvement value exceeds 20% of the land value

** Parcel is considered to be "underutilized" if its improvement value is between zero and 20% of the land value

Table 9: Industrial Land Utilization - Salt Spring Island - 2013

Sources: Islands Trust; BC Assessment; Urbanics Consultants

3.2.2 Vacant Lands with Industrial or Commercial 6 Zoning

Vacant lands are among the first places one would look to quantify the amount of available industrial land. The easiest way to determine whether a parcel is vacant (aside from a site inspection) is to observe what values BC Assessment has assessed for any improvements. If the total improvement value is at or near zero, we conclude that the parcel is, for all intents and purposes, vacant. According to BC Assessment data for 2012 about 4.10 acres of land zoned either as Industrial or Commercial 6 are vacant, yielding about 3.24 acres of developable property. This amounts to about 4% of the total developable acreage. These lands are distributed across 6 parcels, two of which are zoned Commercial 6, one is zoned Industrial 2 and the remaining three are zoned Industrial 4a, which is marine-dependent industrial. Thus, among these parcels we observe 3.24 acres of available industrially-zoned land, but with limited utility (without rezoning). The vacant parcels, their zoning and their addresses are shown in the table below.

ZONE	ADDRESS	DEV. ACRES	PARCELS
COMMERCIAL 6	131 KNOTT PL	0.56	1
	317 RAINBOW RD	0.48	1
INDUSTRIAL 2	80 GARNER RD	1.69	1
INDUSTRIAL 4(a)	101 FULFORD-GANGES RD	0.26	1
	111 MORNINGSIDE RD	0.25	2
TOTAL		3.24	6

Table 10: Vacant Industrial Properties - Salt Spring Island - 2013
Sources: BC Assessment; Islands Trust

3.2.3 Underutilized Lands with Industrial or Commercial 6 Zoning

While it is relatively straight-forward to determine whether a parcel of land is vacant, it is less clear whether a parcel is underutilized. The best way is to take an accurate ground survey of each parcel, assess the value of all improvements and carefully observe all business activities. This, however, was beyond the scope of our study. Another method is to compare the percentage of land covered by buildings or other improvements against the surface coverage ratio allowed by zoning. While easy to do, such a comparison does not account for industrial activities primarily carried out outdoors, such as log sorting. The methodology we used compared the assessed improvement value to the assessed land value; those lands where the improvements were worth at least 20% of the land costs were categorized to be utilized, leaving the remaining non-vacant lands categorized as underutilized. For uses that operate indoors, the 20% ratio roughly corresponds to the threshold of the space permitted by home-based businesses. In other words, if the ratio is below 20% the business may be better-off working out of the home. Though obviously not a failsafe method, it does draw attention to parcels which *may* be underutilized and helps to create a “short list” of parcels for further investigation.

Using this methodology we estimate that just under 19 acres of land zoned Industrial or Commercial 6 are underutilized, which equates to about 16.27 acres of developable land. That is not to say that all of this land is available for development, far from it; rather, this is the total acreage of the lands with low improvement values relative to the value of the land. As with estimating utilization by considering the size of the building on the parcel, this methodology fails to fully consider uses largely occurring outdoors, as in the case of the 1.49 acres used by the Salt Spring Abattoir or the 3.79 acres used by Gulf Coast Materials.

Of the 16.27 acres of developable yet underutilized land, nearly 11 acres are not even used for industrial purposes but rather for agricultural or residential uses, at least according to what BC Assessment considers to be the “actual use” of the land. It is worth noting, though, that BC

Assessment uses a narrower definition of “industrial” than we do, as they are probably overlooking the agricultural-industrial activities taking place on those properties.

Similarly, of all the Island’s Industrial and Commercial 6 zoned land, only 30% is presently used for what BC Assessment considers to be industrial purpose. Moreover, several holders of industrially-zoned parcels would rather have their property rezoned to more accurately reflect their actual or intended (non-industrial) uses.

BCAA USE COMPARISON	PARCELS	TOTAL ACRES	DEV ACRES
BCAA USE MATCHES ZONING	71%	30%	30%
COMMERCIAL ZONE, RESIDENTIAL BCAA USE	5%	1%	1%
INDUSTRIAL ZONE, AGRICULTURAL BCAA USE	2%	20%	23%
INDUSTRIAL ZONE, COMMERCIAL BCAA USE	9%	3%	3%
INDUSTRIAL ZONE, RESIDENTIAL BCAA USE	14%	46%	44%

Table 11: BCAA "Actual Use" versus Zoning - Salt Spring Island - 2013

Sources: BC Assessment; Urbanics Consultants

The table below breaks down the developable acreage by zone and the actual use as determined by BC Assessment. Note that we are not in any way seeking to imply that any specific landowners are not compliant with zoning bylaws, but rather BC Assessment’s observations help us to gain a better understanding of how these parcels are being used.

ZONE	BCAA "ACTUAL USE"	DEVELOPABLE ACREAGE			
		TOTAL	VACANT	UNDERUTILIZED	UTILIZED
COMMERCIAL 6	USED AS RESIDENTIAL	0.95	0.48		0.47
	USED AS ZONED	6.93	0.56		6.37
INDUSTRIAL 1	USED AS COMMERCIAL	1.81		0.54	1.27
	USED AS ZONED	3.92			3.92
INDUSTRIAL 1(a)	USED AS ZONED	1.08			1.08
INDUSTRIAL 1(b)	USED AS ZONED	1.49		1.49	
INDUSTRIAL 1(c)	USED AS RESIDENTIAL	9.87			9.87
INDUSTRIAL 2	USED AS RESIDENTIAL	5.15		1.44	3.70
	USED AS ZONED	5.66	1.69		3.97
INDUSTRIAL 2(a)	USED AS COMMERCIAL	0.40			0.40
	USED AS RESIDENTIAL	22.49		8.82	13.67
	USED AS ZONED	0.69			0.69
INDUSTRIAL 3	USED AS AGRICULTURAL	19.97			19.97
	USED AS ZONED	1.29			1.29
INDUSTRIAL 4	USED AS ZONED	3.79		3.79	
INDUSTRIAL 4(a)	USED AS COMMERCIAL	0.01			0.01
	USED AS ZONED	0.71	0.51	0.20	
TOTAL		86.19	3.24	16.27	66.68

Table 12: Developable Land by Zone and BCAA "Actual Use" - Salt Spring Island – 2013

Sources: BC Assessment; Islands Trust; Urbanics Consultants

ZONE	ADDRESS	VACANT	UNDERUTILIZED	UTILIZED	TOTAL
COMMERCIAL 6	125 KNOTT PL			0.26	0.26
	131 KNOTT PL	0.56			0.56
	315 UPPER GANGES RD			0.36	0.36
	317 RAINBOW RD	0.48			0.48
	319 RAINBOW RD			0.34	0.34
	321 RAINBOW RD			0.45	0.45
	325 RAINBOW RD			0.37	0.37
	327 RAINBOW RD			0.43	0.43
	331 UPPER GANGES RD			1.39	1.39
	334 UPPER GANGES RD			1.36	1.36
	347 UPPER GANGES RD			1.88	1.88
	INDUSTRIAL 1	151 LOWER GANGES RD			0.07
156 ALDERS RD				0.20	0.20
166 RAINBOW RD				2.40	2.40
251 FULFORD-GANGES RD			0.54		0.54
320A UPPER GANGES RD				0.36	0.36
330 LOWER GANGES RD				0.84	0.84
804 FULFORD-GANGES RD				1.32	1.32
INDUSTRIAL 1(a)	203 RAINBOW RD			1.08	1.08
INDUSTRIAL 1(b)	189 BEDDIS RD		1.49		1.49
INDUSTRIAL 1(c)	225 BEDDIS RD			9.87	9.87
INDUSTRIAL 2	111 ROBINSON RD			0.40	0.40
	1415 FULFORD-GANGES RD			2.37	2.37
	1429 FULFORD-GANGES RD			0.70	0.70
	1449 FULFORD-GANGES RD			2.65	2.65
	181 BEDDIS RD			0.69	0.69
	191 RAINBOW RD			0.21	0.21
	330 UPPER GANGES RD			0.64	0.64
	367A ROBINSON RD		1.44		1.44
INDUSTRIAL 2(a)	80 GARNER RD	1.69			1.69
INDUSTRIAL 2(a)	115 DESMOND CRES			0.69	0.69
	174 STEWART RD			10.05	10.05
	190 STEWART RD		8.82		8.82
	194 STEWART RD			0.76	0.76
	210 STEWART RD			0.40	0.40
	260 STEWART RD			2.86	2.86
INDUSTRIAL 3	190 REYNOLDS RD			19.97	19.97
	427 FULFORD-GANGES RD			1.29	1.29
INDUSTRIAL 4	345 RAINBOW RD		3.79		3.79
INDUSTRIAL 4(a)	101 FULFORD-GANGES RD	0.26			0.26
	111 MORNINGSIDE RD	0.25		0.01	0.26
	111 SCOTT POINT DR		0.20		0.20
TOTAL		3.24	16.27	66.68	86.19

Table 13: Developable Commercial 6 and Industrially Zoned Land - Salt Spring Island – 2013
Sources: BC Assessment; Islands Trust; Urbanics Consultants

The Industrial Task Force noted the underutilization of some lands (based on site coverage percentages) in their 2009 report and suggested that strata use could serve to further intensify the land use (as described in OCP section B.3.3.2.11). However, based on site assessments we feel that few if any of these parcels could be intensified without either severely disrupting the operation of the existing land use or going against the express wishes of the landowner. This led us to conclude that subdivision or strata development on existing “underutilized” industrial parcels would not be reliably feasible for a systematic approach to satisfy the community’s need

for industrial land. Thus, among these parcels we feel there is negligible acreage available for additional industrial uses.

Furthermore, even if land is considered “underutilized” from some criteria that we devise, the fact remains that the land is privately owned and cannot be repurposed without the consent of the owner. To that end, we can infer from the fact that the owners of these “underutilized” parcels have not pursued an intensification of uses that such intensification is either not financially viable or not desired by the landowner. The conclusion here is that even if land appears to be underutilized it would be misleading to include it in the supply of available industrial land.

3.2.4 Industrial and C6 Land Presently Available for Sale

Given that all of the land presently zoned for industrial purposes is privately held, the most practical measure of availability is the inventory offered on the real estate market. We took two snapshots of the property zoned Industrial/Commercial 6 in June and July 2013 and found that there was very little available in these property classes. It is worth noting that most of the building spaces are less than the 753sqft allowed by bylaw for a home-based business.

Salt Spring Island Industrial/C6 Inventory in June 2013

ADDRESS	ZONE	ACRES	BUILDING	NOTE	PRICE
315 UPPER GANGES ROAD #12	C6	0.20	704 SQFT	STRATA COMMERCIAL	\$129,000
315 UPPER GANGES ROAD #13	C6	0.20	707 SQFT	STRATA COMMERCIAL	\$129,000
111 MORNINGSIDE ROAD	IN4(A)	0.15	VACANT (UP TO 2156 SQFT)	MARINE-DEPENDENT	~\$100,000
111 MORNINGSIDE ROAD	IN4(A)	0.15	VACANT (UP TO 2156 SQFT)	MARINE-DEPENDENT	~\$100,000
111 SCOTT POINT DRIVE	IN4(A)	0.60	VACANT (UP TO 8265 SQFT)	MARINE-DEPENDENT	\$399,000

Salt Spring Island Industrial/C6 Inventory in July 2013

ADDRESS	ZONE	ACRES	BUILDING	NOTE	PRICE
315 UPPER GANGES ROAD #12	C6	0.20	704 SQFT	STRATA COMMERCIAL	\$129,000
315 UPPER GANGES ROAD #13	C6	0.20	707 SQFT	STRATA COMMERCIAL	\$129,000
316 UPPER GANGES ROAD #16	C6	0.20	700 SQFT	STRATA COMMERCIAL	\$149,000
151 LOWER GANGES	IN1	0.11	1000 SQFT	"THE FISHERY"	\$198,000

Table 14: Available Industrial and Commercial 6 Property - Salt Spring Island - June/July 2013

Sources: Salt Spring Realtor Websites; Industrial Task Force; Islands Trust; BC Assessment

Though the inventory of industrial land on the market will ebb and flow the average parcel available measures only about 0.3 acres (or about 13,000 sqft of land) and is limited to the uses permitted in C6 or IN1 zones. Given that the current by-law allows a home-based business to utilize up to 753sqft for light industrial uses (on parcels up to 2.96 acres) it seems unlikely that the properties currently on the market would actually be used for industrial purpose. Put

differently, we see little reason for a fledgling local business to invest in a property no larger than the space already allowable in the home, provided that such a business fits the activities permitted under the HBB sections of the land use bylaw (which can be seen in the Appendix). There is a distinct lack of availability of flexible light industrial space for lease in the 1,000-3,000sqft range.

3.2.5 Industrial and C6 Land Potentially Available for Sale

Less apparent than active real estate listings is the unadvertised availability of industrially-zoned property held by owners who may or may not have committed to the land's ultimate use. According to BC Assessment, over 58 (of 86) acres of developable industrially-zoned land are presently used for residential or agricultural purposes. Let us assume for the moment that the present owners either change their plans or otherwise decide sell the properties to an individual or organization wishing to use the parcel, in whole or in part, for industrial purposes. The potential buyer would either need to be very well capitalized to pay for the land or have a business plan robust enough to warrant such a purchase. Both of these scenarios seem out of character with the Island's economy and not likely to occur. Therefore, we cannot justify considering this acreage as being part of an available inventory.

3.3 Supply of Waste Transfer and Recycling Land

While summing up the acreage of industrially-zoned land is relatively easy, quantifying the land currently being used for waste transfer and/or recycling activities is more of a challenge. This is largely because the parcels have a variety of zoning designations, none of which are Industrial. At present, 55.78 acres across eleven parcels appear to be in use, at least in part, for waste transfer and/or recycling purposes. Approximately seven acres are included for properties that, while not operating in an official or full-time waste management capacity appear to serve as staging areas for various materials and objects (e.g. building materials, vehicles, etc.).

PARCEL ADDRESS	CURRENT ZONING	ACRES
000 VALHALLA RD	Commercial 1 (f)	0.48
000 VALHALLA RD	Commercial 1 (f) / Commercial 1	0.54
104 SEAVIEW AVE	Community Facility 2	1.01
124 LEE RD	Rural	8.24
133 BURGOYNE BAY RD	Agriculture 1 / Agriculture 1(c)	17.62
151 LEE RD	Rural	5.00
188 KINGS LANE	Residential 8 (a)	1.61
191 RAINBOW RD	Agriculture 1	5.14
349 RAINBOW RD	Agriculture 1(a) / Parks Reserves 2	2.07
360 BLACKBURN RD	Rural Watershed 1	11.14
440 RAINBOW RD	Rural	2.93
TOTAL ACREAGE OF PARCELS USED AT LEAST PARTLY FOR WASTE MANAGEMENT		55.78

Table 15: Parcels Apparently Used for Waste Management
Sources: BC Assessment; Islands Trust

Readers may question the inclusion of the site at 440 Rainbow Road, which has been the subject of debate and controversy on the Island. Though the application to rezone the site from Rural to Community Facility 2 (CF2) was denied by the LTC we cannot deny that the site currently operates as an active metal recycling and transfer station. Thus, because the site is in continuous use, we include it among the waste management acreage, regardless of its legal status, and its inclusion does not necessarily represent an endorsement of its operation. In all, we estimate 55.78 acres of land are used for waste management or transfer station activities.

As far as we can tell, there are no additional lands slated to be used for these types of activities. So while we can assume that the sites listed above are not operating at 100% capacity, there do not appear to be any more sites prepared to “come online” to take up demand should the need arise.

3.4 Proposed Supply via the Conversion of Non-Industrially Zoned Lands

Though we do not consider lands which might hypothetically someday be zoned industrial as being part of the present supply of industrial land, it is worth noting that several areas have been suggested by the OCP and the Industrial Task Force as potential locations for rezoning. The sites suggested are:

1. The area around the junction of Rainbow and Atkins Roads. (OCP Section B.3.3.2.10)
2. The area around the junctions of Robinson Road/Leisure Lane, Robinson Road/Long Harbour Road and Robinson Road/Upper Ganges Road.
3. The area next to the BC Crown Gravel Pit on Musgrave Road.

Though the first site is presently being reviewed by the Agricultural Land Commission (ALC) to be possibly excluded from the Agricultural Land Reserve (ALR), we cannot say for certain whether the request will be granted. Indeed, the ALC has been conspicuously resistant to such requests of late, denying even those that meet the proper criteria as to not set a “bad precedent.” As such, we cannot reliably consider the area around Rainbow and Atkins (which includes 240 Atkins Road, a property briefly discussed in Section 4) as potentially being part of the supply of industrially-zoned land. Similarly, the two areas suggested by the ITF are not presently zoned for industrial purposes and it remains unclear whether they will be. Furthermore, even if these areas were considered favourably for rezoning for industrial use (or waste transfer operations) the private owners of those parcels are within their right to never exercise that option, thus contributing no new land to the industrial supply.

Other ideas suggested over the years include the repurposing of exhausted gravel pits for industrial or waste transfer use. This is an intriguing idea, given that some gravel pits on the Island measure in the dozens of acres, however we have seen little to suggest that any of these lands are slated for future industrial purpose. So while such properties may ultimately prove to be good locations for certain industrial uses, we cannot reliably add them to the current supply of industrial land. Some facts about some of the larger gravel pits are below.

ADDRESS	ACRES	NOTES	ADDRESS	ACRES	NOTES
1257 Beddis	69.7	NO POWER, HAS WATER	180 Musgrave	10.0	NO WATER, HAS POWER
1730 Fulford Ganges	68.5	NO WATER, HAS POWER	189 Jones	28.0	NO WATER, NO POWER

Table 16: Selected Salt Spring Gravel Pits
Source: Industrial Task Force

3.5 Conclusions on the Available Supply of Industrial Land

At present it would appear that the total supply of land zoned Industrial and Commercial 6 measures about 99.4 acres zoned of which only about 3.24 acres are vacant. Moreover, these vacant lands are spread across six separate parcels, have limited permitted uses and may not even be available for purchase. It should be again noted that only about 29 acres of the 99 acres industrially-zoned are being used for what BC Assessment would consider industrial purposes, though BC Assessment likely does not count agricultural industrial activity in its “industrial” land class.

It would also appear that, at present, some 55.78 acres are in use for waste management purposes, transfer stations or recycling facilities. We are assuming that due to the nature of the land use that subdividing or otherwise repurposing some of that land for another industrial use is impractical. Furthermore, we assume that each of these sites likely needs a certain amount of excess capacity as “room to grow” to accommodate the needs of a growing population.

Lastly, among the industrially-zoned lands that appear to be underutilized we feel that it is unlikely that any appreciable amount of industrial land can be reclaimed. We also believe that the process of reclaiming any amount of land from these sites would be severely disruptive to the current land users. Furthermore, much of the property presently zoned for industrial uses is being used for non-industrial purposes and their owners have little intention of changing that. Furthermore, we feel that we cannot reliably count upon land which *might be* rezoned for industrial use as part of the present supply.

In short, of the 99 acres of land presently zoned for industrial use, only 3.24 acres are vacant. Of the properties available for purchase in recent months, they have been quite small and with limited permitted use. Thus, we feel that it is fair to say that while the Island has considerable acreage (though still a tiny fraction of the Island’s total area) engaged in some sort of industrial activity, there remains very little supply of properly zoned land reliably available for the future.

4 Demand for Industrial Land on Salt Spring Island

This section quantifies the demand for industrial land on Salt Spring Island.

4.1 Defining Industrial Demand

Before progressing any further, we must define what we mean by industrial Demand and describe the factors that drive it. We define Industrial Land Demand as the amount of land sought for prospective Industrial Activity. We see industrial land demand as being primarily driven by the land's users (or prospective users), who are often companies or persons providing goods or services. If a person wishes to use land for an industrial purpose, we consider the acreage of the land in question to be in demand. Over time the community (or market) will dictate whether there is demand for that land user's goods and services, nevertheless, demand for the land itself is ultimately determined by its user.

Demand for industrial land is often estimated through employment forecasting. As every industry has at least a small percentage of its workforce utilizing industrial land, forecasts of employment can build a composite of workers requiring industrial space which can then be extrapolated into a forecast for industrial acreage. This technique is appropriate for forecasting the demand of "traditional" industrial space, like the Island parcels zoned (or desired to be zoned) as Industrial or Commercial 6. We shall refer to demand for these lands as "Employment-Driven Industrial Demand."

In the case of Salt Spring Island where there is really no longer any "heavy industry" per se, several activities generate many of the negative externalities typically associated with heavy industry, namely noise, dust, odour, and truck traffic. Many of these activities pertain to waste management, specifically waste transfer stations and the recycling of derelict vehicles and appliances. We see these activities as responding to population growth, rather than employment growth (though residents will be employed by these activities), and so we shall refer to demand for these lands as "Population-Driven Industrial Demand."

The sections that follow will forecast demand for industrial land based on these different drivers.

4.2 Perceived Demand from Rezoning Applications

While employment and population projections are useful for determining future industrial land needs, we can look to recent rezoning applications to gauge the current unmet demand. In some cases the industrial land use would only occur if and when rezoning permitting such use was granted. In other cases, the land is already being used for industrial purpose regardless of its zoning. The past few years have revealed several interesting land use cases on Salt Spring Island.

Five cases in particular and their impact on quantifying demand are discussed below.

- 1) 1449 Fulford Ganges Road – Application SS-TUP-2011.1 was a temporary use permit application to allow a mobile abattoir to operate on a 2.68 acre parcel zoned Industrial 2. We are considering this to be an active Agricultural-Industrial use on industrially-zoned land, thus its acreage is already counted with the other industrial lands. As there is no zoning designation in the current bylaw to support this use, the abattoir will ultimately need the bylaw amended if it wishes to operate long-term.
- 2) 440 Rainbow Road – Application SS-RZ-2011.3 was a rezoning application to allow the bylaw-compliant operation of a home-based metal recycling and waste transfer facility on land presently zoned Rural. Though the rezoning was denied, we should note that whether an operation is compliant with its zoning does not impact whether demand exists for that operation's goods or services. We consider this operation to be an active waste management operation and as such we are counting its 2.93 acres as land demanded for population-driven heavy industry.
- 3) 240 Atkins Road – Application SS-ALR-2011.1 was an application to exclude land from the Agricultural Land Reserve (ALR) to be ultimately used for light industrial purposes including equipment rental and repair, furniture making and marine repair in addition to the existing home-based auto repair operation. The application was initially denied by the Agricultural Land Commission (ALC) but it is to be reconsidered pending the inclusion of additional information. We consider this operation to already be an active industrial use operating under the jurisdiction of the bylaws governing home-based businesses, though the land may yet be rezoned industrial in the future. Since the 4.47 acre site is presently not zoned industrial, this application indicates a specific demand for industrially-zoned land. It is worth

noting that this property was effectively named in the Official Community Plan section B.3.3.2.10 to be considered for rezoning to Industrial, pending ALC approval.

- 4) 2100 Fulford Ganges Road – Application SS-TUP-2010.1 was a temporary use permit application to allow the establishment of a pilot yard waste composting operation on a section of an 83-acre Rural-zoned property. This use would have been compliant with the relatively new Industrial 1(b) zoning designation, but the application was withdrawn after neighbours voiced opposition. The administrators of this would-be composting facility are still seeking a more appropriate location for the operation, but have not yet been able to find a parcel meeting their social and environmental criteria. As such, we consider this an unmet Agricultural-Industrial land demand of 8-10 acres (2-3 acres for the facility plus 6-7 acres of “buffer” land).
- 5) 1501 Fulford Ganges Road – Application SS-RZ-2008.2 was a rezoning application to allow a 10,000 sqft coffee roasting operation on a 2.69 acre parcel of land zoned Residential. It is worth noting that the C6 zoning sought by the application would not have accommodated all the intended uses for the site which included an educational component. Controversially, the rezoning was denied and, while the operation did produce demand for Commercial 6 zoned acreage at the time, this demand has subsequently been satisfied off-island. As such, we do not consider any unmet land demand arising out of this application at this time.

In total, considering these specific land use cases, we estimate a present unmet demand for industrial land of 12.47-14.47 acres (4.47 acres from case #2 plus 8-10 acres from case #4) and an unmet demand for waste management land of 2.93 acres. We must remember, though, that these are cases with very specific requirements: two cases have land owners looking to rezone specific parcels while the other case has a prospective land user looking for a parcel with a rare blend of characteristics. Simply allowing additional industrial zoning generically may not satisfy these particular demands.

4.2.1 Current Ability to Meet Present Demand for Industrially-Zoned Land

As stated previously, the present unmet demand for industrial space is tied to either a specific parcel or to a parcel with specific characteristics. Regarding the parcel at 240 Atkins Road, there are no other parcels in the inventory, vacant, available or otherwise to satisfy this demand.

A similar story can be told about the parcel at 440 Rainbow Road despite many efforts made to locate a suitable alternate location.

Regarding the composting facility, none of the vacant or “underutilized” properties are large enough with the exception of 190 Stewart Road, which is used largely as a farm-residence-campground and does not have the required IN1(b) zoning. Furthermore, it is likely that the owners of any of the other parcels large enough for the composting facility would not allow that use, nor do they have the appropriate zoning. Thus we must conclude that no property in the inventory of industrially-zoned land can or is likely to satisfy the demonstrated demand.

4.3 Estimating Employment-Driven Industrial Land Demand

A commonplace method for forecasting the demand for industrial land use is to calculate a baseline “employment density” which, simply put, is the number of workers per acre of industrial land. Typically, this is just the estimated total number of workers engaged in industrial activity divided by the total number of acres zoned for industrial purpose.

Estimating the number of workers doing “industrial work” is relatively straightforward; the first step is to categorize each NAICS-coded industry into types as shown in the table below.

POPULATION-BASED EMPLOYMENT	PRIMARY INDUSTRY EMPLOYMENT
51 Information and cultural industries	11 Agriculture, forestry, fishing and hunting
52 Finance and insurance	21 Mining and oil and gas extraction
53 Real estate and rental and leasing	
54 Professional, scientific and technical services	TOURISM-BASED EMPLOYMENT
55 Management of companies and enterprises	71 Arts, entertainment and recreation
56 Administrative and support, waste management and remediation	72 Accommodation and food services
61 Educational services	44-45 Retail trade (half)
62 Health care and social assistance	
81 Other services (except public administration)	INDUSTRIAL-BASED EMPLOYMENT
91 Public administration	22 Utilities
44-45 Retail trade (half)	23 Construction
	31-33 Manufacturing
	41 Wholesale trade
	48-49 Transportation and warehousing

Table 17: Industry Type and 2-Digit NAICS Codes
Source: Urbanics Consultants

Next we allocate an estimate of the fraction of those workers who utilize industrial land, as shown below. By our estimate roughly 2,040 people, or just over 39% of the workforce, work in a capacity that utilizes industrial land.

EMPLOYMENT BY INDUSTRY TYPE	TOTAL WORKERS	IND. LAND USERS	IND. LAND %
Employment in primary industries	242	24	10%
Population based employment	2,612	522	20%
Tourism based employment	963	96	10%
Industrial based employment	1,401	1,401	100%
TOTAL EMPLOYMENT	5,217	2,043	39%

Table 18: Employment by Industry Type - Salt Spring Island - 2011 (estimate)
Source: Urbanics Consultants

Dividing this estimate by the current acreage of land zoned as Industrial of Commercial 6 enables us to establish a baseline industrial employment density, as measured in employees per acre (EPA). Using our employment forecast for each industry we can then forecast the

number of new industrial jobs created. This, in turn, allows us to forecast the additional industrial lands required to accommodate the new employment over the forecast period. The table below shows the average of our employment estimates (between the extrapolation and constant-share methods) as well as our forecast for additional required industrial land.

INDUSTRIAL EMPLOYMENT (AVERAGE OF TWO METHODS)	2011	2016	2021	2026	2031	2036
Employment in primary industries (1)	242	245	248	252	257	262
Population based employment (2)	2,612	2,724	2,839	2,975	3,127	3,293
Tourism based employment (3)	963	1,005	1,047	1,095	1,150	1,209
Industrial based employment (4)	1,401	1,428	1,456	1,492	1,535	1,583
Total Employment	5,217	5,401	5,589	5,813	6,068	6,346
Total employment on industrial land (5)	2,043	2,098	2,153	2,222	2,301	2,388
Average Annual Increase		0.52%	0.52%	0.63%	0.70%	0.75%
Employment density (jobs/acre, based on total)	20.56					
Number of Acres of Industrial/C6 Land in use: 99.4						
Extrapolation - Incremental growth in employment on industrial land		62	57	77	92	100
Extrapolation - Incremental growth in industrial land demand (acres)		3.00	2.79	3.77	4.48	4.88
Constant Share - Incremental growth in employment on industrial land		47	53	60	66	75
Constant Share - Incremental growth in industrial land demand (acres)		2.29	2.57	2.94	3.20	3.64
Incremental growth in employment on industrial land (workers)		54	55	69	79	88
Incremental growth in industrial land demand (acres)		2.64	2.68	3.35	3.84	4.26

Table 19: Demand Forecast for Employment-Driven Industrial Land - Salt Spring Island - 2011-2036

Source: Urbanics Consultants

1. Primary industries: include farms, forestry, fishing, hunting and mining oil and gas extraction.
2. Population-based employment includes jobs in FIRE, business service, institutional and 50% of retail trade.
3. Tourism-based employment includes jobs in accommodation, food and beverage and other service and 50% of retail trade.
4. Industrial-based employment includes jobs in manufacturing, wholesale trade, construction, transportation and storage and utilities.
5. Total employment on industrial land is based on 100% of industrial-based jobs, plus 20% of the population-based employment and 10% of the employment in tourism and primary industries.

Over the 5-year period from 2011-2016 we estimate that Salt Spring Island will require about 2.6 acres of industrially-zoned land to accommodate its industrial employment (while maintaining employment density). By 2036, the island will need a total of 16.7 acres of additional industrially-zoned land. Also shown on the table are the estimates derived from the individual forecasting methods used, which range about plus or minus 7% from the average. These values are in addition to the unknown amount of demand being absorbed by home-based businesses.

We must note that any increase in industrially-zoned land will likely be necessary in larger increments than those described above. For example, Salt Spring Island may require a single 9-acre industrial parcel to be put into service in 2018 which would accommodate the Island's needs through 2026, even though the average 5-year demand was 2.67 acres.

4.3.1 Assumptions and Implications the Employment Land Forecast

As with any model, this forecast relies upon several assumptions. The first is that the existing zoning regime remains unchanged for the forecast period, which has some important implications, not least is that land use intensity trends will also remain unchanged over the forecast period. We feel this is reasonable considering that such a change would necessitate a significant increase in the acreage devoted to industrial activity, a significant change in the amount of industrial activity on the island and/or a significant realignment of lands presently zoned for industrial activity, events we felt were unlikely.

Our model produced an employment density of about 20.6 employees per acre, which is (unrealistically) high for a community the size of Salt Spring Island. While the Urban Land Institute uses an average industrial employment density of about 12 employees per acres, this number tends to further shrink in smaller communities and rural areas. Thus, we can be fairly certain that a fair amount of employment that would be considered industrial is already taking place on other, non-industrial lands. In other words the numbers suggest that there are many more acres of land in use for industrial purposes beyond those zoned for it, which echoes the conclusions of the Industrial Task Force. This assumption is also consistent with the higher than per-capita number of home-based businesses on the island, which are likely providing a significant level of industrial employment on residential, agricultural and rural zoned property. Unfortunately, exploring and developing this hypothesis more completely would have required data on island-wide land use and home-based business: data that either does not exist or was otherwise unavailable to us.

In the absence of better (and largely unavailable) land use data we must continue to work with the quantity of industrial land that we are certain of, the 99.4 acres of industrially-zoned land, and the resulting EPA of 20.6. The result is an estimate of demand for industrially-zoned land and not necessarily the total demand for land that will be used for all (light) industrial purpose. Thus, we must also conclude that for every acre of industrially-zoned land there will also be an additional (unknown) amount of non-industrial land put to industrial use in the form of home-based or other businesses. Furthermore, the forecast model assumes that this pattern of land use will remain the same throughout the study period.

4.3.2 Current Ability to Meet Future Demand for Employment-Driven Industrial Land

In order to accommodate its employment growth through 2036 we estimate that Salt Spring Island will need to add, on average, 0.67 acres of industrially-zoned land per year. Put differently, we estimate that between 2011 and 2016 the Island will need to add 2.67 acres of industrially-zoned land. Again these numbers are driven by employment growth (which, in turn, is driven by population growth), and take into account the fact that some industrial land users will cease operations while others will commence.

The 3.24 acres of vacant land in the current industrially-zoned inventory could conceivably meet this demand assuming that the 2.67 acres demanded is spread among several industrial uses small enough to use parcels ranging from 0.25-1.69 acres. This also assumes that these disparate industrial uses conform to the existing zoning (which include marine-dependent activities) or that the properties can be feasibly rezoned.

Users of these new prospective industrial sites would face similar challenges trying to make use of “underutilized” lands from the inventory assuming that the owner of the underutilized property is amenable to leasing to another user. As suggested earlier, it is likely that demand for larger parcels of industrial land will be more common than for smaller parcels, especially given the ease with which a small business can operate from home.

In short, while there are plenty of acres of industrially-zoned land on Salt Spring Island, potential new users of industrial land are beset by these issues:

- Not enough industrially-zoned land available on market (vacant or otherwise) leaving few options for small light-industrial businesses to grow beyond a home-based context.
- Zoning on existing industrially-zoned lands probably will not match the intended use and rezoning has proven to be an expensive and lengthy process.
- Underutilized industrially-zoned property probably will not (or cannot) be intensified.
- Larger industrially-zoned properties probably will not be intensified or otherwise opened up for use by other businesses.

4.4 Evaluating Demand for Population-Driven Industrial Land

Similar to industrial activities, waste management and transfer are important topics that impact Salt Spring Island's long term environmental and economic sustainability. Our exercise here quantifies the acreage that appears to presently possess a waste management and/or transfer station function, regardless of ownership or zoning. We then take that acreage and use the present population to derive per-capita demand, which is then applied to our population forecast yielding a forecast for population-driven industrial land (e.g. waste management land). The table above shows our three population growth scenarios and estimates the additional acreage associated with each scenario. The bottom line shows the 5-year demand for the scenario that is the average of the three, providing a baseline demand within a range of demand.

POPULATION FORECAST	2011	2016	2021	2026	2031	2036
HIGH GROWTH SCENARIO	10,220	10,589	10,958	11,435	12,022	12,643
MEDIUM GROWTH SCENARIO	10,220	10,516	10,793	11,160	11,611	12,073
LOW GROWTH SCENARIO	10,220	10,508	10,700	10,900	11,098	11,216
Per-Capita Waste Management Acreage (acres per person) Number of Acres of Waste Management/Transfer in Use: 55.8	0.0055					
5-year Demand for Additional Waste Management Land						
HIGH GROWTH SCENARIO		2.01	2.01	2.61	3.20	3.39
MEDIUM GROWTH SCENARIO		1.61	1.52	2.00	2.46	2.52
LOW GROWTH SCENARIO		1.57	1.05	1.09	1.08	0.65
Average 5-year growth in population		318	279	348	412	400
Average 5-year Demand for Waste Management Land (acres)		1.73	1.52	1.90	2.25	2.19

Table 20: Demand Forecast for Population-Driven Industrial Land – Salt Spring Island – 2011-2036

Source: Urbanics Consultants

Dividing the current acreage by the Island's population give us a per-capita utilization of waste management land of 0.0055 acres per person. This in turn yields an average of 1.73 acres of additional waste management/transfer station land required between 2011 and 2016. In total we project a need for 9.59 additional acres for these purposes by 2036. As stated previously, no additional supply for this type of land appears to exist presently, thus nowhere to grow.

We are also assuming that the current level of capacity/utilization, whatever that may be, is being maintained. It is beyond the scope of this study to assess the capacities or efficiencies of waste transfer operations and thus we have no estimates of the actual level of utilization. To that end, we recommend the Islands Trust engage a specialist in these matters to provide a more comprehensive and rigorous analysis.

5 Public Consultation and Primary Research

To supplement our analysis we consulted with members of the business, agricultural and real estate communities, from whom we solicited thoughts, facts and perceptions. We developed an online survey which was available from mid-June through mid-July of 2013 where we received over 60 responses. We hosted a small workshop and were able to have candid conversations with several business owners and others with experience with the zoning process for industrial lands. Finally we engaged in many telephone conversations with realtors, business owners and owners of industrial land. It is worth noting that typically those who have had a negative experience with something tend to be more vocal about it than those with a positive experience.

General Perceptions on Zoning and Rezoning

By and large, the impression we received from conversations and from survey responses was the current zoning schema was unnecessarily complicated, overly specific and not entirely responsive to the changing needs of business. Many reported the sense that there was “too much bureaucracy” involved in the rezoning process and that the process was onerous, expensive and all too often fruitless.

Much disappointment lingers around the decisions made on the controversial rezoning applications by Salt Spring Metal Recycling and Salt Spring Coffee Company. So much so that a few people felt that the LTC actively seeks to thwart economic development, which, we are sure, is an exaggeration. Nonetheless, several people voiced the thought that the LTC and Islands Trust needed to be more sensitive to the needs of commerce and industry on the Island.

General Perceptions on Industrial Business Opportunity

Several people we spoke with indicated that home-based business regulations (especially after they were expanded under bylaw 448) were sufficient for their needs, but that there was really nowhere that they could afford to move to should their business need to expand. One business owner suggested that Salt Spring presented many opportunities for entrepreneurs, but with the caveat that they already have secured funding. Over 80% of survey respondents rated the availability of business property as poor or very poor. Also, over 68% of survey respondents reported business occupancy costs as being poor or very poor.

The full summary of survey results can be found in Appendix A.

6 Recommendations

Our analysis showed that the current inventory of industrial land, both on and off the market were insufficient to accommodate current demand as well as forecasted employment-driven and population-driven demand. The parcels in the current industrial supply are either too small, have highly restricted permitted uses or are otherwise unavailable to satisfy the current demand. New or growing businesses requiring industrial land have few options.

Among the many objectives of the Official Community Plan is a responsibility to local industry such that they may thrive on the Island while helping to maintain the community's rural character. The OCP states in section B.3.3.1.1 that one objective is "To provide an adequate amount of land zoned for industrial use that is affordable, appropriately serviced and well located to accommodate local industry." Ironically, the very regulations designed to achieve this objective may in fact be serving to impede it.

In short, if Salt Spring Island should wish to accommodate all of its employment-driven land demand it needs more industrial land. Ideally, there should be at least a five year supply of development-ready and serviced (water, electricity, gas and sewerage) industrially-zoned land. This supply of land should be located on or near the main transportation arteries near population centers and/or nearby existing industrially-zoned lands. The supply of industrial land should be zoned such that there are a wide variety of permitted uses.

If it is the desire of the Salt Spring Island community to address these issues, then we make the recommendations discussed below. Many of these recommendations will be controversial and will likely not receive unanimous support, but conflict will be inevitable if the Island considers its long-term economic viability as part of its overall sustainability.

6.1 Short-Term Recommendations

The following are actions the Islands Trust and the Local Trust Committee can begin working on immediately, as they can be addressed using current processes and without any outlay of funds. In all cases, the Local Trust Committee would be well-advised to solicit input from the public and the business community to shape and prioritize these recommendations.

Recommendation 1: Create a more flexible regulatory environment.

To facilitate making lands available for industrial zoning, we recommend the following:

- A) Fold existing industrial zones into fewer, broader zones– At present there are 10 zoning classifications and variants (including Commercial 6) which allow one form of light industrial or another, but it is often difficult for a potential land user to find an industrial parcel of the exact zoning which would allow the intended use. Often a new land use requires the creation of a new zone to accommodate it. Thus, echoing the recommendation of the Industrial Task Force, we suggest collapsing the Industrial and Commercial 6 (and eventually all other Commercial zones) zones into as few as three or four broad zone types including: Light Industrial, Medium Industrial, Heavy Industrial and perhaps Agricultural Industrial.

More dramatic simplification could include defining three zoning types as such:

- General Employment Zone 1 (GEZ1) – These areas generally have smaller lots and are located within the five villages of Salt Spring Island. Such areas are largely developed with sites having high building coverages (SCRs) and buildings usually close to the street. These can include marine-dependent uses on shoreline parcels within the villages.
- General Employment Zone 2 (GEZ2) – These areas have larger lots and are usually in rural locations or outside of Island villages. Such areas are less developed with sites having medium to low building coverages, with buildings typically set back from the street. These can include marine-dependent uses on shoreline parcels within the villages.
- Heavy Industrial – Parcels with this zoning serve industries which may be hazardous, or have objectionable impacts or appearances. These include industries operating outdoors where impacts must be tolerated or managed by the natural and social environment. Only those businesses which are vital to the sustainability of the Island should be considered, for instance Gulf Coast Materials and a recycler of hazardous materials.

The above zone types are based upon those used in the city of Portland, Oregon, a city known for its progressive and environmentally-friendly approach to land use. Details from Portland can be found at: <http://www.portlandoregon.gov/bps/article/53298>

Such nomenclature would be in keeping with the nature of what drives demand for these land uses: employment and population. Since the Island's (light) industrial demand is driven by employment (which also drives demand for some types of commercial space) it makes sense to acknowledge land use as a function of employment. This effectively redefines the very framing of the discussion industrial land use; indeed it makes the term "industrial" less relevant unless we are referring to heavy industry which itself is redefined largely by its negative externalities, rather than its specific business.

- B) Add flexibility to existing permitted uses – If the level of change suggested in the previous recommendation cannot be accomplished quickly, much can still be done in the short-term to add flexibility to the permitted uses in existing (or future) zones. For example, zone Commercial 6 allows offices for building construction professionals and trades, but apparently excludes all other offices. Other possible changes could include:
- a. Allowing office space on industrially-zoned property, promoting intensification.
 - b. Allowing all manners of office space on parcels zoned Commercial 6.
- C) Simplify the rezoning process – While it is possible to rezone a parcel, the process has proven to be a very lengthy one, in rare cases taking 9 months, but usually much longer. Waiting for the LTC to decide on a rezoning application can be a costly delay for a fledgling business, and many commercial lenders are unwilling to accept such ambiguity. This, in turn, hurts the ability of Salt Spring Island residents to build sustainable businesses. The Local Trust Committee should endeavour to adjudicate all sufficiently documented rezoning applications within 12 months. Simplifying the rezoning process may be an easier task once the zoning designations themselves are collapsed and/or made more flexible. Another related recommendation could include:
- D) Consider rezoning all waste management parcels – There is a great disconnect between waste management functions and current zoning. If the Island should choose to adopt Recommendation 1A sooner than later, we suggest that waste management parcels be rezoned to Heavy Industrial. Alternately, the Island may need to consider the creation of yet another zone designation (at least for the time being) for waste management and transfer purposes.

Recommendation 2: Support increased availability of industrially-zoned land.

To address the immediate concern of not having enough available or potentially available industrially-zoned land, we recommend the following:

- A) Continues to monitor supply and demand of industrially-zoned land – The Island should retain an awareness of how much land is available for new industrial purpose, and maintain contact with members of the business and real estate communities. Perhaps set up a standing “round table” discussion every 3-6 months if not already doing so.
- B) Consider rezoning applications in a broader range of locations – Assuming the intended uses are sound, the LTC should look favourably upon rezoning applications for any *non-ALR* parcels which meet the criteria specified by the Industrial Task Force, especially in times when there is low supply of industrial land. We agree with the ITF in its recommendation of industrial rezoning in the following areas:
- The area around the junctions of Robinson Road & Leisure Lane, Robinson Road & Long Harbour Road and Robinson Road & Upper Ganges Road.
 - The area next to the BC Crown Gravel Pit on Musgrave Road.

We commend the ITF for developing a set of sound selection criteria (seen in Appendix D) and for identifying areas which fit those criteria. We also recommend several additional areas which we feel meet most, if not all, of those criteria. They include:

- The vicinity of the intersection of Upper Ganges and Lower Ganges Roads.
- The vicinity of Pallot Way and Rainbow Road
- The vicinity of Lower Ganges Road near its intersections with Rainbow and Drake Roads
- The vicinity of Fulford Ganges Road between its intersections with Bittancourt and Cranberry Roads
- The vicinity of Robinson Road just north of its intersection with Mansell Road
- The vicinity of Fulford Ganges Road near the ferry terminal

We chose several sites to acknowledge that private landowners have free choice in how their lands are used. Having more areas conducive to industrial development allows more landowners more opportunity to help provide the industrial land the Island needs.

C) Provide incentives to landowners to help provide needed land – Some owners of industrially zoned property not used for industrial purposes rightly wish to retain the zoning simply because it has value. Such owners could benefit from being able to transfer industrial development zoning rights to other parcels, should those owners intend to never use their land for industrial purpose. One possible incentive could take the form of density bonusing which could be transferred or sold and used to promote infill development (housing, perhaps) within the villages. Similarly, incentives could be used to promote the rezoning of non-industrial lands in the areas mentioned in Recommendation 2B.

6.2 Long-Term Recommendations

The following are actions we feel the Islands Trust should at least consider undertaking in the future. The reason they are not considered short-term actions is because they either require funding additional study or they are activities far more complex than crafting new by-laws.

Recommendation 3: Embark upon a rigorous long-term land use planning process

To provide the foundation for the long-term environmental and economic sustainability of Salt Spring Island, we recommend the following:

- A) Initiate a public dialog on how land should be used on Salt Spring Island – When its first zoning bylaw came into effect in 1971, the Island had to balance existing land uses against the Island’s long-term needs. Moving forward, the people of Salt Spring Island must decide what kind of community they want it to be. They must decide whether it wishes to be a diverse and economically sustainable community, a bucolic home for the financially independent, or something entirely unique to Salt Spring Island. The results of such a dialog will guide how land is to be used on the Island.
- B) Explore introducing significant changes to the land use by-law – Presently the land use bylaw proscribes which land uses are explicitly permitted in each zone and is often very specific, sometimes to the point of precluding a land use that many would find logical for a zone. Moreover, as times change and business practices evolve, land uses can change with them; businesses may find themselves no longer compatible with their own zoning no matter how innocuous the land use. Even if the Island chooses to not enact Recommendation 1A, the LTC should consider changing the structure of the zoning section of Bylaw 355 such that zoning focuses on regulating the negative externalities which are the chief concern rather than naming specific permitted uses. These changes would be for all zone categories, not just industrial.
- C) Consider updating the Official Community Plan – It is crucial that a bylaw as central to land use as the OCP continues to reflect the goals and needs of the community. The OCP is due to be reviewed and this presents a powerful opportunity to begin enacting some of these recommendations sooner than later.

- D) Fund a waste management and public infrastructure planning study – Central to the long-term environmental and economic sustainability is the management of waste and infrastructure. Salt Spring Island should dedicate (or outsource) specialized resources to fully analyze the current situation and develop a long-term management plan. Moreover, some current waste management uses may be situated in environmentally sensitive areas (e.g. the site at 360 Blackburn Road) and their full impact should be fully understood.
- E) Gather and maintain data on home-based businesses – Home-based industries will continue to be the bedrock of economic activity on the Island. However, there are significant gaps in information regarding the scale and needs of those businesses. The Islands Trust, in partnership with the Chamber of Commerce can be more proactive and help home-based businesses succeed. Regular collection of local data on home-based businesses can greatly help the Island formulate appropriate policies for desirable economic development as well as for minimizing land use conflicts in primarily residential areas. This need not be a formal business registration process but could be as small as ongoing surveys to a large enough sampling from the home-based business community.
- F) Expand the simplification of zoning to all other land uses – As briefly mentioned in Recommendation 1A, the LTC should move to simplify the other zoning types after simplifying “industrial” zoning. Indeed the remaining Commercial zones could also be blended into the zones of the General Employment Zone model. As suggested previously, an additional Agricultural/Industrial category could be added for rural employment focused on agricultural value-added services.

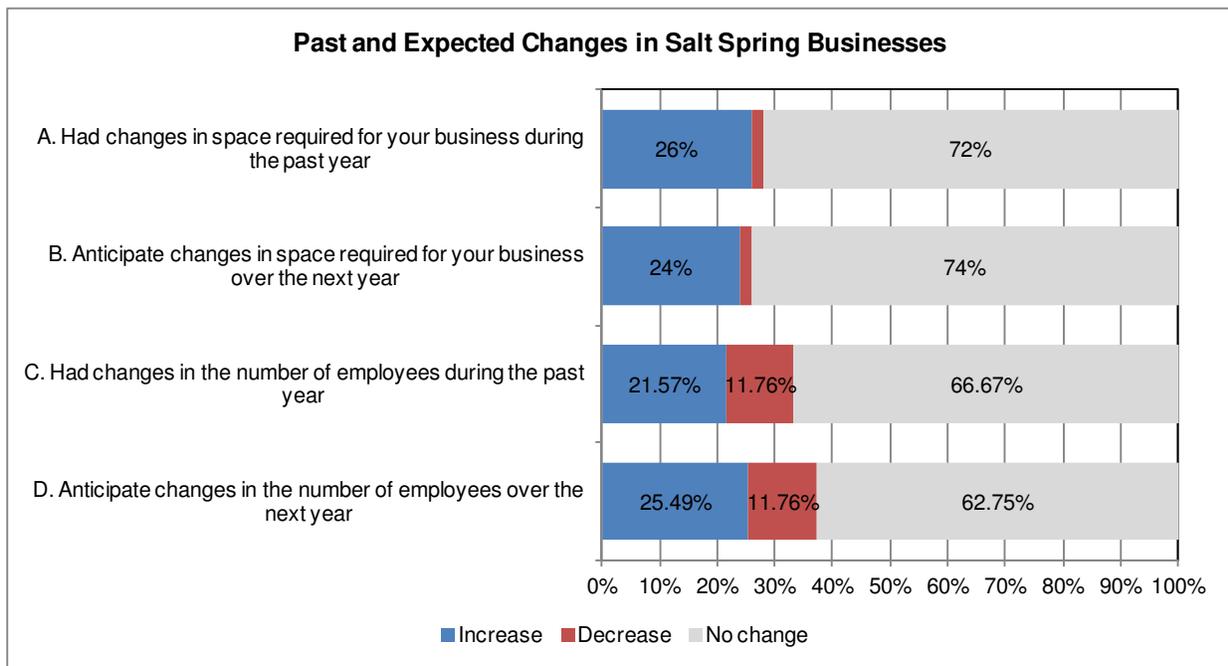
APPENDICIES

Appendix A – Results from Surveys to the Business Community

About Primary Research and Community Engagement

An extensive online survey was conducted in June and July 2013, generating a total of 63 completed responses. Using the Capital Regional District as a template, we estimate that there are about 768 businesses operating on the Island, assuming the two localities have similar numbers of businesses per capita. This means that our sample represents roughly 8% of the businesses operating on the Island, giving us a 90% confidence level that the survey represents the views of the businesses on the island, with a margin of error of no more than 10%. Though more responses would have been helpful (85 responses would have increased our confidence level to 95%), the results from the survey are still statistically significant and provide a good representation of the views of business community on the Salt Spring Island.

Has your business required any changes in floor space or the number of employees this past year? Do you expect any such changes next year?



What are some ways the Islands Trust can better help your business?

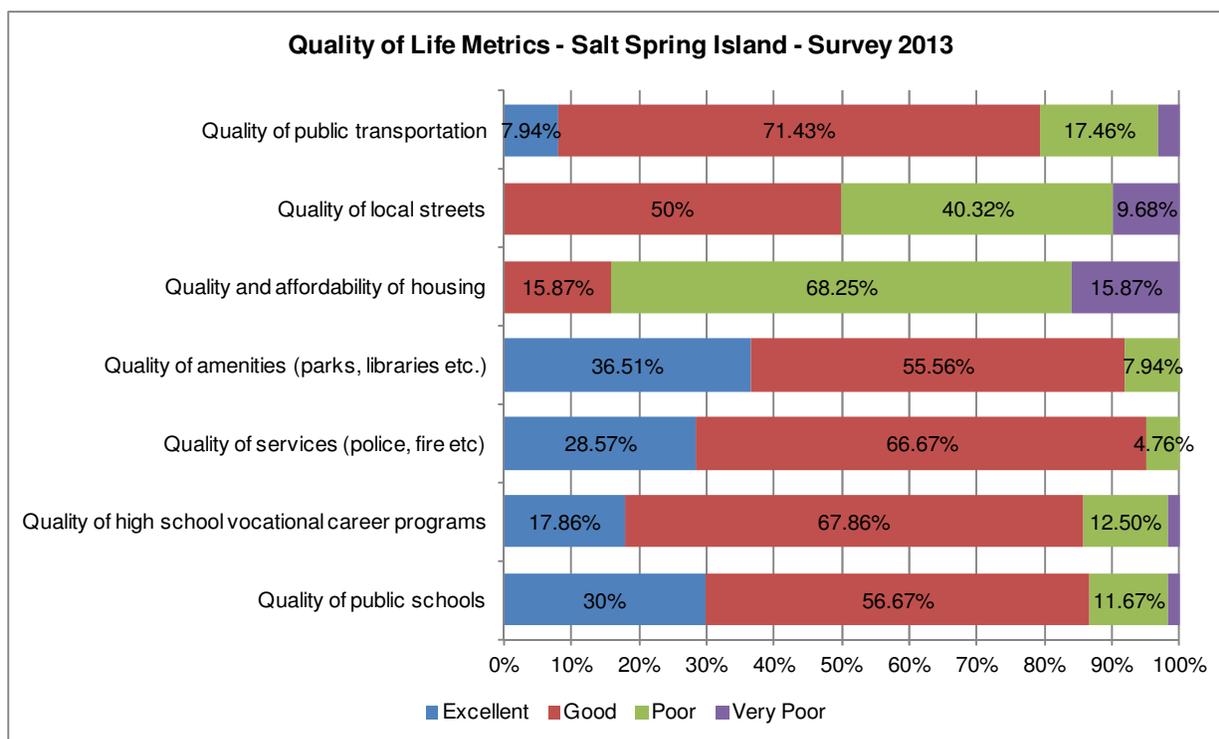
1. "Reduce bureaucracy. Reduce costs for DP or zoning. Last building owner said he would never, ever do this again thru the Trust. Outcomes should be less onerous."
2. "Simplification of land use rules."
3. "Less red tape and shorter time for approvals or disapprovals."
4. "Allow growth for business and industry."
5. "At present there is no available land with the zoning needed for our business. If we had to move from our present location we would be out of business."
6. "Simplify industrial commercial zoning, create comprehensive zoning."
7. "Retain the status quo for home-based business."
8. "Support light industrial uses through re-zoning or TUP."
9. "More flexible zoning for businesses."
10. "Be open to expansion of niche businesses that can call this island their headquarters. This will allow us to hire locally to support our local families. In building a business, a cooperative Islands Trust that is open to new ideas will help to create a unique economy where a controlling, keep the resident's happy, islands trust will just alienate good opportunities. So, less control, more cooperation to keep jobs and businesses thriving."
11. "Allow more centralized industrial production (and pollution control) through the availability of industrial lands taxed at an appropriate rate. Economically viable space encourages centralized production, exploration, and stronger interdependence of local manufacturing businesses and services."
12. "Get this place incorporated so we can tap into government grants and financing."
13. "Be more transparent and flexible."
14. "Stay out of the way. By limiting industrial growth and discouraging business, the Trust is stepping beyond its mandate and crippling the island."
15. "Remove "B&B" from the definition of tourist accommodation as an allowable home based business."
16. "Some of the wording in Bylaw 355 needs to come into the 21st century. What certain words meant 10 to 15 years ago have different meanings today. Also some common sense or flexibility needs to come into our bylaw to help people survive on this Island. Remember your Mandate is to preserve and protect! That goes for the people as well."

17. "The current governance model is very poor. The Trust should be encouraging incorporation. I personally see the Trust as a huge obstacle in the way of municipal status for SSI."
18. "If there are more businesses able to set up and stay in business, then we all prosper. More tourists, more amenities, more capabilities."
19. "Hire local consultants instead of off island!"
20. "To undo previously stupid decisions re SS Coffee & Salt Spring Metal Recycling ...plus encourage, not hinder growth on SS."
21. "Resign and incorporate."
22. "(Adopt an) improved attitude toward commerce and business."
23. "Make applications for everything easier to complete and faster to get results."
24. "Focus on rezoning for increased commercial activities. Help developers with subdivisions and try to speed up the process as much as possible."
25. "Allow industrial property to be subdivided into smaller sizes, to allow for more opportunities for smaller business to own their own property and expand their business."
26. "Participate in promoting sustainable tourism."
27. "Educate islanders on the need for accommodation that meets tourist needs. Currently the bylaw only sanctions traditional B&Bs clearly. Cottage owners are confused as to what they can and cannot have/provide (i.e. kitchens, stoves) due to by law confusion created by 50 letters that went to legal cottage owners providing accommodation a few years ago. We also had the demonization of vacation rentals and a law suit of a management company which has again reduced and interfered with accommodation providers' delivery of service to our tourism population. This does not directly relate to my business per se but to our service industry."
28. "COMPREHENSIVE ZONING IS A GREAT START, ALSO, THE ISLANDS ARE OVER REGULATED WITH ALC & TRUST COMPOUNDING REGULATIONS WHICH INHIBIT GROWTH, ESPECIALLY WITHIN TOWN AREA."
29. "Salt Spring Coffee. NEVER create an environment or lack of support that would cause a business of that quality to leave the island. Islands Trust's most shameful moment."
30. "Be an advocate for local, environmentally friendly business. Reduce high burden of commercial property taxes. Help get unusable ALR land out of ALR base."
31. "Allow more space for home based business."
32. "Loosening the restrictions on secondary suites will allow more workers to live on island, thereby creating more tourism/seasonal employees, and potentially more year-round

employment. By increasing the tourism sector, the building/construction sector can once again flourish, within the mandate of the preserve and protect structure which is essential for our area to remain unique, and therefore creating building opportunities once again. Excavating new building sites is essential for the construction food chain to operate and sustain all the trades from the ground up.”

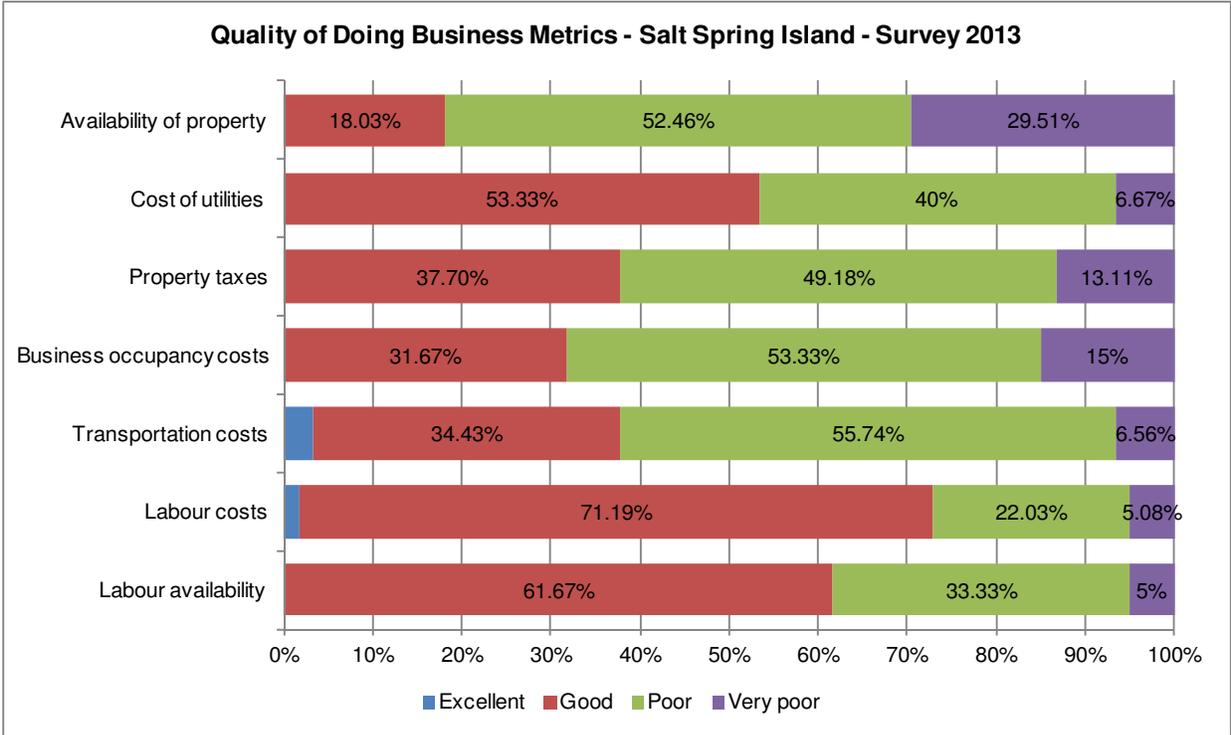
33. “Rezone certain areas of land that allow for businesses to flourish and create employment which will encourage young families to move to SSI. This will create a thriving and sustainable economy.”

Please rate our Island based on the following quality of life measures:



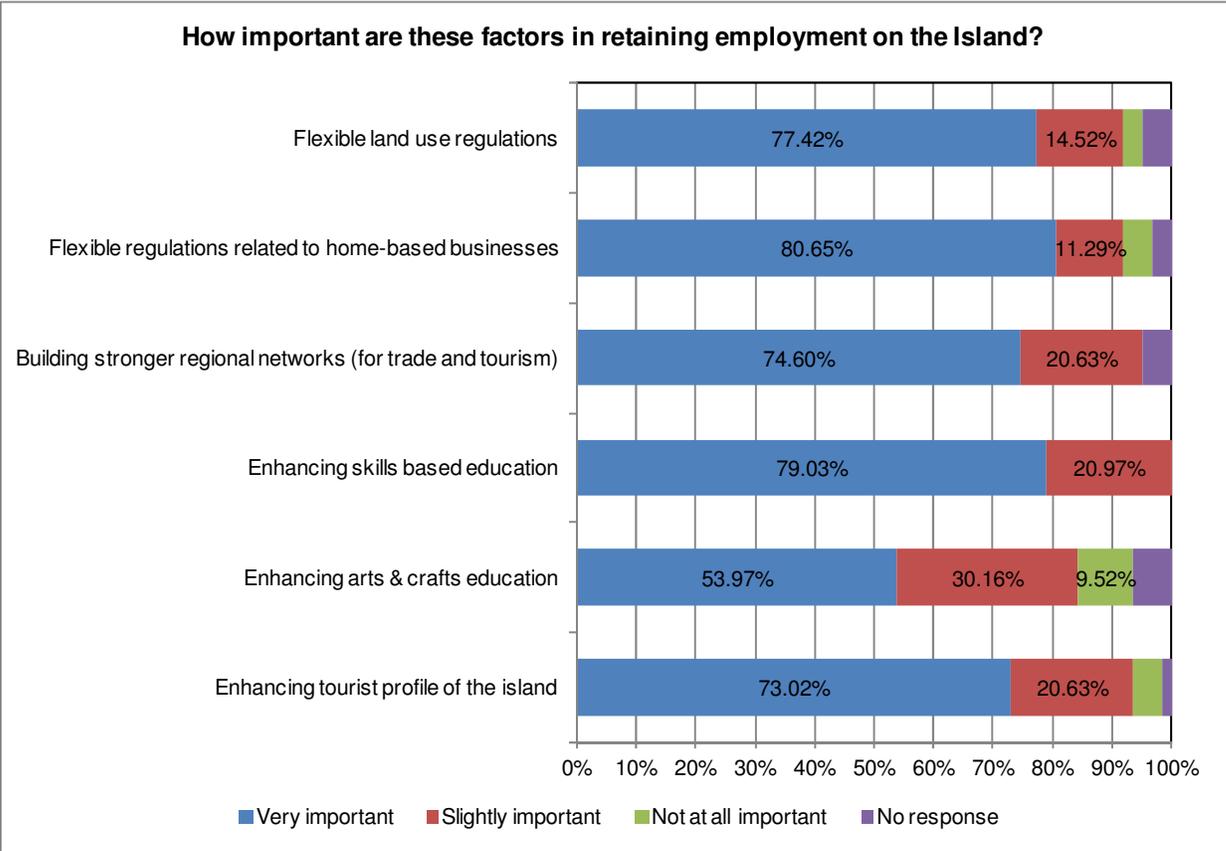
1. "Perfect if you like natural beauty."
2. "Quality of commercial development in Ganges – Poor."
3. "The 4 day school week is terrible."
4. "SSI has very poor 'walkability' (e.g. sidewalks and proximity to services) which is very important to quality of life."
5. "Road access to Mt Maxwell Provincial Park is a shame."
6. "Pace of life and lifestyle – excellent."
7. "Ferry access is very good, but expensive."
8. "We need a bike path and easier transport for kids to activities after school."
9. "Bus service could use more runs in the evening to help out local restaurants and bars."
10. "The public roads are life threatening and disgraceful. I feel that everyone using our roads, including pedestrians, are at horrible risk."
11. "I believe we have an asset in our harbour that we can take advantage of. If we infill the harbour at the end of gasoline alley, (it is a big stinky mud bank) and create a large park area we would be enhancing our seaside access and improve our islands park areas..."
12. "Bureaucratic and costly for development permits or rezoning."

Please rate our Island as a place to do business on each of the factors below:



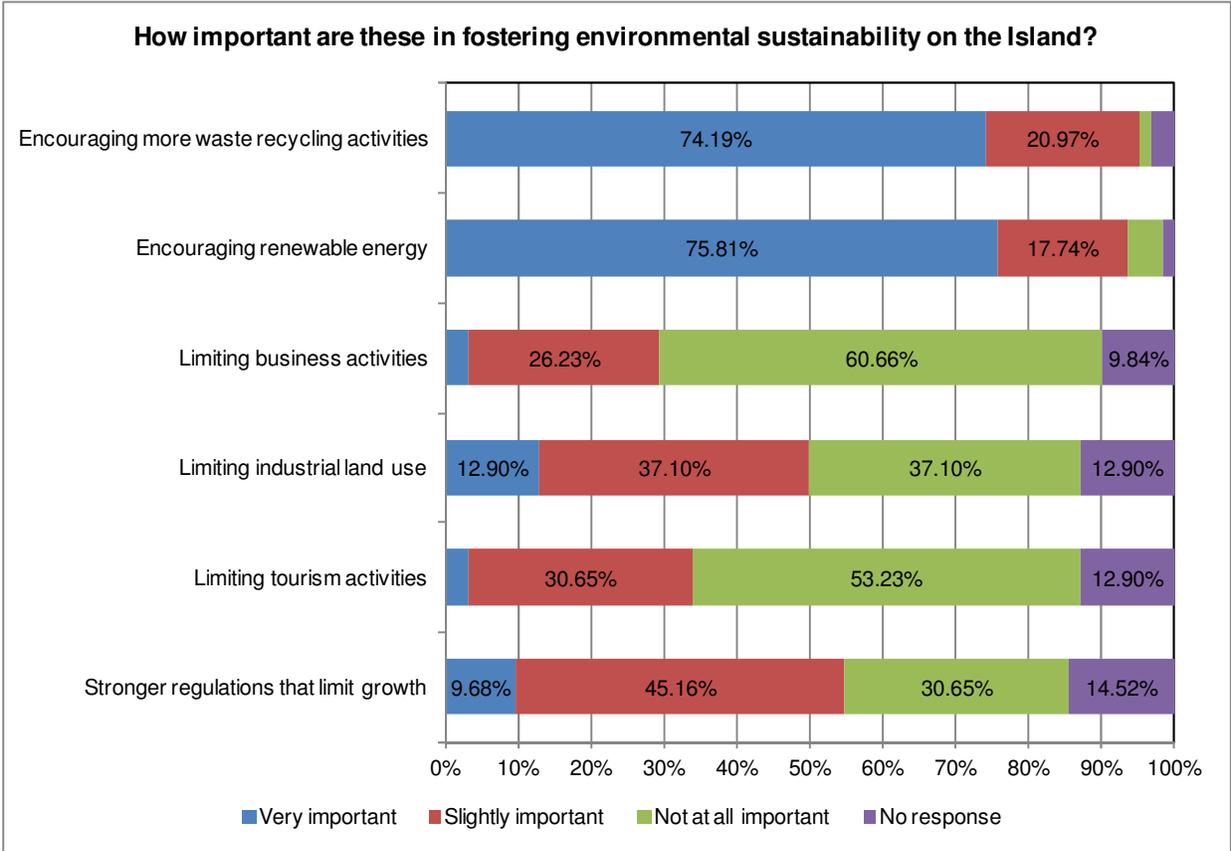
1. "Years to go through trust if changes or applications needed."
2. "Community support for local business - Not great."
3. "The absence of an "enterprise" spirit or entrepreneurial culture is a huge factor hampering the islands economic health. Rules regulating development – e.g. the Fulford Pub/Hotel development, the Salt Spring Coffee, the Vesuvius Pub redevelopment all serve to erode the economic and employment base of the island. Young people and families with children will leave the island if there are no opportunities. The tax base and services will ultimately suffer as a result of a lack of strategic long term thinking."
4. "Rental costs very high for amount of foot traffic."

How important are these factors in retaining employment on the Island:



1. "Ganges focus group called for simplified zoning but the opposite happened!"
2. "Have a clear policy on light industrial development and a land (re) zoning process to support it."
3. "Flexible regulations are not regulations. All regulations should be clearly defined and not able to be manipulated or influenced."
4. "Getting a Strategic Plan to accomplish all this = PRICELESS!"
5. "Quality of jobs available is poor, mostly low-wage unless employed in public sector."
6. "We need a serious look at the bylaws and how they restrict accommodation providers offering private self contained accommodation which a high majority of guests are seeking and securing for their type of accommodation."
7. "We need more availability with individual applications.....not big tracts of land that people sit on."

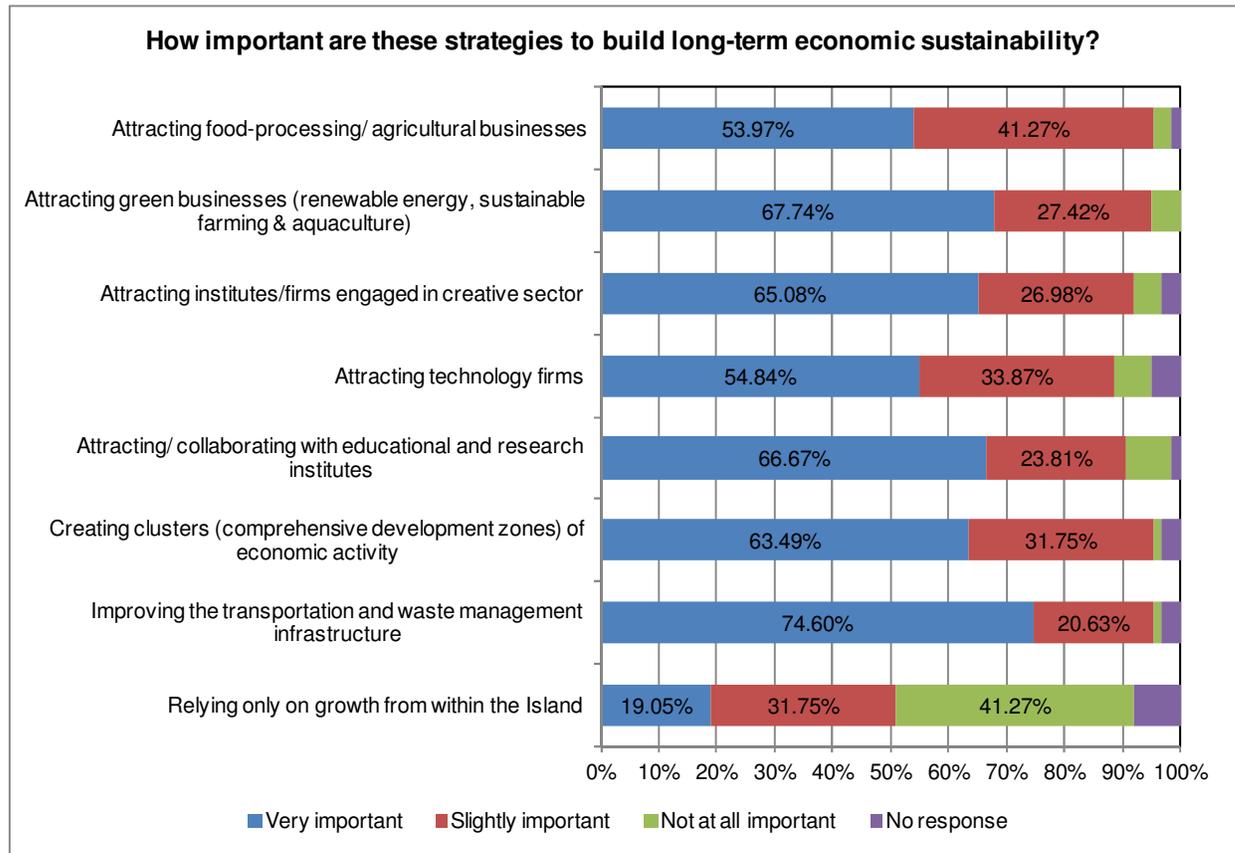
How important are these factors in ensuring environmental sustainability on the Island:



1. "Should allow small manufacturing with sales room within town for shopping interest...as in Japan. Ex. Wool man. From local sheep with sales room."
2. "Cluster and multi level development for residential and commercial development. The areas designated for industrial and commercial use are more than adequate for the next 25 years. The rules and regulations should be modified to make possible higher density development in these areas."
3. "More important than limiting growth is shaping the right type of growth."
4. "Encourage transit use as well as water collection."
5. "Environmental sustainability is different from "preservation and protection" and should be seen to include the social, economic, political and business environment as well as the natural environment. A sustainable community maintains its infrastructure; requires the schools to be clean and well equipped; offers opportunities for business growth and employment; regulates/manages the number and behavior of transients that dominate the landscape seasonally; proactively drive the SSI Brand both internally and externally; provides direction, leadership and a vision of the future. I don't see the Trust doing that right now."

6. Limit (industrial, business and tourism) activities and the Island will either die or it will become elite.”
7. “There has to be a balance between business and sustainability. All businesses should be allowed to operate if they can perform within sustainability guidelines.”
8. “(Provide) more financial incentives and local sharing of infrastructure.”
9. “Expand the Island bus service so fewer cars are needed.”
10. “Try to encourage business to come and or stay on the island.”
11. “INDUSTRIAL & CCOMERCIAL HAS ALREADY BEEN EXTREMELY LIMITED WHICH HAS HAD DRASTIC AFFECTS ON OUR ECONOMY.”
12. “Allow businesses full use of CRD recycling facilities.”

Strategies for helping Salt Spring Island enjoy long-term economic sustainability:



1. "We need to try and attract people from off island to set their business up here as well as encouraging islanders to set up their own businesses and be successful."
2. "A proper master plan of the island: master planning to revitalize the 5 villages in truly thought-through phasing; local government; winter and off season edu- tourism."
3. "Creating an environment that is more competitive and positive toward attracting new families and economic activity."
4. "It is very important (that) bylaws are consistent with business growth so people can go about their business without overly zealous bylaw enforcement and (with) support from the Islands Trust."
5. "Industrial Park should be at (the) corner of Robinson and Long Harbour Roads."
6. "An Industrial Zone area is a must; every other community has one."
7. "Getting residents to support local businesses."

Appendix B – Bylaw Definitions of Industrial Activity

Definitions from the Official Community Plan

Industry – a use that primarily consists of processing, manufacture, construction, assembly, storage, packaging, wholesale sale, repair of heavy equipment, and extraction with accessory retail sales that are incidental to the primary activity.

Industry, heavy – an industry that takes place both inside and outside a building and is engaged in the basic processing and manufacturing of materials or products predominately from extracted or raw materials, or a use engaged in storage of, or manufacturing processes using flammable or explosive materials, or storage or manufacturing processes that potentially involve hazardous or commonly recognized offensive conditions.

Definitions from Land Use Bylaw 355:

Industry, farm-related light – an industry that takes place indoors, and comprises the manufacture of farm products, including processing, fabrication, assembly, treatment, packaging, incidental storage, sales and distribution of such products, provided live animals are not involved in any aspect of the operation and the rendering of raw animal products and processing of agricultural waste does not occur.

Industry, light – an industry that takes place indoors, and comprises the manufacture, from previously prepared materials, of finished products or parts, including processing, fabrication, assembly, treatment, packaging, repairs, incidental storage, sales and distribution of such products, but excluding basic industrial processing from raw materials.

Industry, heavy – an industry that takes place either indoors or outdoors and comprises the basic processing and manufacturing of materials or products mainly from extracted or raw materials; or storage or manufacturing processes that use flammable or explosive materials.

Appendix C – Salt Spring Island Industrial Zoning and Permitted Uses

	Principal Uses, Buildings and Structures	C6	In1	In1(a)	In1(b)	In1(c)	In2	In2(a)	In3	In4	In4(a)
Light Industry	Light industry		X			X			X	X	
	Light industry, excluding uses that consume or use more than 1600 litres/day of water	X	X			X			X	X	
Farm related light industry	Farm-related light industry		X	X	X	X			X	X	
	Wholesale sales of products used in a farm operation.			X	X					X	
	Agriculture research and education.			X	X					X	
	Composting facility			X						X	
Natural resources related industry	Processing of wood products produced or to be used on Salt Spring Island, including saw mills and planing mills			X					X	X	
	Processing, sorting and storage of timber produced on Salt Spring Island or to be used on Salt Spring Island			X						X	
	Processing and sorting of construction aggregates for use on Salt Spring Island, excluding asphalt									X	
Retail and wholesale sales	Indoor sales of building supplies, appliances and furniture, with accessory outdoor sales and storage		X			X			X	X	
	Retail sales of building supplies, appliances and furniture	X								X	
	Indoor wholesale sales		X			X			X	X	
	Indoor and outdoor retail sales and wholesale sales of building supplies, garden supplies, appliances and furniture, with accessory outdoor sales and storage.	X				X					
Service and repairs	Indoor service and repairs to vehicles, equipment, machinery and boats	X	X			X	X	X	X	X	
	Boat building	X							X	X	
	Sales and rentals of vehicles, equipment, machinery and Marine-dependent uses									X	X
										X	X
Storage and parking	Storage, with the exception of outdoor storage of derelict vehicles and equipment, commercially licensed trucks, bulk fuel products, or waste materials	X	X			X	X	X	X	X	
	Storage of fuel products for use on Salt Spring Island									X	
	Automobile and equipment parking						X	X	X	X	
	Automobile rentals with a maximum of five vehicles stored on-site	X									
Offices and other uses	Offices for use by building construction professionals and trades	X									
	Indoor commercial, art and vocational schools		X			X			X	X	
	Funeral homes	X	X			X			X	X	
	Veterinarian clinics and animal hospitals		X	X		X			X	X	
	Public service uses	X	X			X	X	X	X	X	
Recycling	Collection of recyclable materials, excluding outdoor sorting and storage	X	X			X	X	X	X	X	
	Collection of recyclable materials, including outdoor sorting and storage									X	
	Car wrecking							X		X	
Accessory uses	Retail sales accessory to a permitted principal use	X	X	X	X	X	X	X	X	X	
	One dwelling unit accessory to industrial use		X	X	X	X	X	X	X	X	
	Dwelling units accessory to a commercial use	X									
	Composting facility				X						

Current Land Zoned Industrial or Commercial 6

PID	LessSlopeAcres	ACRES	ZONE	ADDRESS	LAND	IMP	USE	ActualUseCode	Land Valu	Improven	Land Utili	ZONING COMPLIANCE
024-113-123	0.45226790083	0.48750	Commercial6	321 RAINBOW RD	01	01	000	Single Family Dwelling	232000	132000	UTILIZED	COMMERCIAL USED AS RESIDENTIAL
024-113-131	0.48036946568	0.48819	Commercial6	317 RAINBOW RD	01	01	001	Vacant Residential Less Than 2 Acres	253000	0	VACANT	COMMERCIAL USED AS RESIDENTIAL
024-120-715	0.01379631878	0.01779	Commercial6	315 UPPER GANGES RD	01	01	030	Strata-Lot Residence (Condominium)	133000	63300	UTILIZED	COMMERCIAL USED AS RESIDENTIAL
024-216-500	0.56130181536	1.20174	Commercial6	131 KNOTT PL	06	06	201	Vacant IC&I	166000	0	VACANT	APPARENTLY USED AS ZONED
024-216-518	0.26004286017	0.47307	Commercial6	125 KNOTT PL	01	01	202	Store(S) And Living Quarters	196100	358000	UTILIZED	APPARENTLY USED AS ZONED
023-327-251	0.37009893624	0.41567	Commercial6	325 RAINBOW RD	01	01	202	Store(S) And Living Quarters	248100	146500	UTILIZED	APPARENTLY USED AS ZONED
024-216-470	0.33627369404	0.52758	Commercial6	319 RAINBOW RD	06	06	216	Commercial Strata-Lot	133000	53000	UTILIZED	APPARENTLY USED AS ZONED
024-207-896	0.03162583347	0.03163	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	163000	103000	UTILIZED	APPARENTLY USED AS ZONED
024-207-861	0.02219561216	0.02220	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	134000	56600	UTILIZED	APPARENTLY USED AS ZONED
024-621-331	0.01771504376	0.01772	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	99700	85900	UTILIZED	APPARENTLY USED AS ZONED
024-621-358	0.02814989259	0.02815	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	150000	118000	UTILIZED	APPARENTLY USED AS ZONED
024-621-340	0.02544848202	0.02545	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	88700	69800	UTILIZED	APPARENTLY USED AS ZONED
024-621-323	0.01329565161	0.01330	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	106000	76500	UTILIZED	APPARENTLY USED AS ZONED
024-207-811	0.01177564837	0.01709	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	66700	43300	UTILIZED	APPARENTLY USED AS ZONED
024-207-799	0.01605145716	0.01605	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	66800	43000	UTILIZED	APPARENTLY USED AS ZONED
024-207-802	0.01568179662	0.01568	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	66400	43000	UTILIZED	APPARENTLY USED AS ZONED
024-207-829	0.01605145716	0.01605	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	77400	43300	UTILIZED	APPARENTLY USED AS ZONED
024-207-837	0.01568179662	0.01568	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	77300	43000	UTILIZED	APPARENTLY USED AS ZONED
024-207-845	0.01177564837	0.01709	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	83700	46700	UTILIZED	APPARENTLY USED AS ZONED
024-120-707	0.01617904118	0.01618	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	136000	104000	UTILIZED	APPARENTLY USED AS ZONED
024-120-740	0.01651606047	0.01652	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	68700	52700	UTILIZED	APPARENTLY USED AS ZONED
024-120-758	0.01379631878	0.01779	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	63600	57600	UTILIZED	APPARENTLY USED AS ZONED
024-120-723	0.00080713200	0.01299	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	63200	41800	UTILIZED	APPARENTLY USED AS ZONED
024-120-731	0.01048700176	0.01651	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	68600	52300	UTILIZED	APPARENTLY USED AS ZONED
024-120-782	0.01651606047	0.01652	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	58100	52500	UTILIZED	APPARENTLY USED AS ZONED
024-120-766	0.00080713200	0.01299	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	54600	41700	UTILIZED	APPARENTLY USED AS ZONED
024-120-774	0.01048700176	0.01651	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	57700	52200	UTILIZED	APPARENTLY USED AS ZONED
024-120-677	0.01626717365	0.01627	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	117000	83300	UTILIZED	APPARENTLY USED AS ZONED
024-120-693	0.01566164719	0.01566	Commercial6	315 UPPER GANGES RD	06	06	216	Commercial Strata-Lot	81100	73500	UTILIZED	APPARENTLY USED AS ZONED
005-640-601	1.35675553294	1.37535	Commercial6	334 UPPER GANGES RD	06	06	273	Storage & Warehousing (Closed)	424000	388000	UTILIZED	APPARENTLY USED AS ZONED
017-860-270	1.38993975212	1.52957	Commercial6	331 UPPER GANGES RD	01	01	273	Storage & Warehousing (Closed)	400400	388700	UTILIZED	APPARENTLY USED AS ZONED
023-327-227	0.43422383691	0.49098	Commercial6	327 RAINBOW RD	06	06	273	Storage & Warehousing (Closed)	233000	511000	UTILIZED	APPARENTLY USED AS ZONED
017-860-261	1.87787447749	1.94606	Commercial6	347 UPPER GANGES RD	06	06	275	Self Storage	465000	1670000	UTILIZED	APPARENTLY USED AS ZONED
023-882-921	0.06800165852	0.10872	Industrial 1	151 LOWER GANGES RD	06	06	200	Store(S) And Service Commercial	402000	163000	UTILIZED	INDUSTRIAL USED AS COMMERCIAL
005-504-279	0.53808172004	0.55607	Industrial 1	251 FULFORD-GANGES RD	01	01	202	Store(S) And Living Quarters	292000	43700	UNDERUT	INDUSTRIAL USED AS COMMERCIAL
000-155-071	0.36053009503	0.41297	Industrial 1	320A UPPER GANGES RD	06	06	204	Store(S) And Offices	254000	441000	UTILIZED	INDUSTRIAL USED AS COMMERCIAL
001-274-520	0.83995618044	1.18736	Industrial 1	330 LOWER GANGES RD	06	06	204	Store(S) And Offices	1519000	362000	UTILIZED	INDUSTRIAL USED AS COMMERCIAL
005-504-007	0.20499498276	0.24694	Industrial 1	156 ALDERS RD	06	06	273	Storage & Warehousing (Closed)	151000	271000	UTILIZED	APPARENTLY USED AS ZONED
006-301-924	2.40160981072	2.52381	Industrial 1	166 RAINBOW RD	06	06	276	Lumber Yard Or Building Supplies	298000	155000	UTILIZED	APPARENTLY USED AS ZONED
005-511-313	1.31527969357	1.87996	Industrial 1	804 FULFORD-GANGES RD	06	06	276	Lumber Yard Or Building Supplies	460000	513000	UTILIZED	APPARENTLY USED AS ZONED
003-910-725	1.07520863493	1.07624	Industrial 1(a)	203 RAINBOW RD	01	01	150	Beef	67405	180000	UTILIZED	INDUSTRIAL USED AS AGRICULTURAL
028-971-981	1.48734085771	1.48734	Industrial 1(b)	189 BEDDIS RD			401	Industrial (Vacant)	329000	4000	UNDERUT	APPARENTLY USED AS ZONED
006-461-794	9.86625315794	10.98354	Industrial 1(c)	225 BEDDIS RD	01	01	060	2 Acres Or More (Single Family Dwelling, Duplex)	498000	225500	UTILIZED	INDUSTRIAL USED AS RESIDENTIAL
005-640-539	0.64244974779	0.64380	Industrial 2	330 UPPER GANGES RD	01	01	000	Single Family Dwelling	204200	165700	UTILIZED	INDUSTRIAL USED AS RESIDENTIAL
000-155-306	1.44179840523	1.44180	Industrial 2	367A ROBINSON RD	01	01	060	2 Acres Or More (Single Family Dwelling, Duplex)	2385000	348000	UNDERUT	INDUSTRIAL USED AS RESIDENTIAL
027-925-811	2.36970028469	2.52414	Industrial 2	1415 FULFORD-GANGES RD	01	01	060	2 Acres Or More (Single Family Dwelling, Duplex)	397000	336000	UTILIZED	INDUSTRIAL USED AS RESIDENTIAL
011-948-841	0.69269176829	0.69269	Industrial 2	181 BEDDIS RD	01	01	060	2 Acres Or More (Single Family Dwelling, Duplex)	276000	114000	UTILIZED	INDUSTRIAL USED AS RESIDENTIAL
001-383-001	2.65334909830	2.67918	Industrial 2	1449 FULFORD-GANGES RD	01	01	180	Mixed	220450	561000	UTILIZED	INDUSTRIAL USED AS AGRICULTURAL
027-925-838	1.69018079106	1.69018	Industrial 2	80 GARNER RD	06	06	201	Vacant IC&I	180000	0	VACANT	INDUSTRIAL USED AS COMMERCIAL
001-648-284	0.40144776652	0.52160	Industrial 2	111 ROBINSON RD	06	06	228	Automobile Paint Shop, Garages, Etc.	237000	213000	UTILIZED	APPARENTLY USED AS ZONED
005-893-615	0.21459492422	0.21459	Industrial 2	191 RAINBOW RD	06	06	273	Storage & Warehousing (Closed)	141000	196000	UTILIZED	APPARENTLY USED AS ZONED
027-925-820	0.70235988650	0.75546	Industrial 2	1429 FULFORD-GANGES RD	06	06	273	Storage & Warehousing (Closed)	273000	464000	UTILIZED	APPARENTLY USED AS ZONED
003-141-331	0.69393203238	1.89718	Industrial 2(a)	115 DESMOND CRES	06	06	228	Automobile Paint Shop, Garages, Etc.	251000	529000	UTILIZED	INDUSTRIAL USED AS COMMERCIAL
001-271-610	0.75576309876	1.52099	Industrial 2a	194 STEWARD RD	01	01	000	Single Family Dwelling	191000	159000	UTILIZED	INDUSTRIAL USED AS RESIDENTIAL
000-427-756	2.86349334732	6.69295	Industrial 2a	260 STEWARD RD	01	01	060	2 Acres Or More (Single Family Dwelling, Duplex)	304000	275000	UTILIZED	INDUSTRIAL USED AS RESIDENTIAL
002-963-027	10.05434740800	10.56781	Industrial 2a	174 STEWARD RD	01	01	060	2 Acres Or More (Single Family Dwelling, Duplex)	323000	298000	UTILIZED	INDUSTRIAL USED AS RESIDENTIAL
000-427-748	8.81746251181	10.37084	Industrial 2a	190 STEWARD RD	01	01	063	2 Acres Or More (Manufactured Home)	371000	71000	UNDERUT	INDUSTRIAL USED AS RESIDENTIAL
003-247-414	0.39671170443	0.99910	Industrial 2a	210 STEWARD RD	01	01	239	Bed & Breakfast Operation Less Than 4 Units	218000	198000	UTILIZED	INDUSTRIAL USED AS COMMERCIAL
009-744-274	19.98803539390	20.11183	Industrial 3	190 REYNOLDS RD	01	01	190	Other	32655	2256700	UTILIZED	INDUSTRIAL USED AS AGRICULTURAL
023-004-614	1.28666827632	4.46464	Industrial 3	427 FULFORD-GANGES RD	06	06	228	Automobile Paint Shop, Garages, Etc.	257000	63800	UTILIZED	APPARENTLY USED AS ZONED
005-759-447	3.78658165284	4.46464	Industrial 4	345 RAINBOW RD	06	06	448	Concrete Mixing Plants	384000	27600	UNDERUT	APPARENTLY USED AS ZONED
004-459-083	0.01498469779	0.01498	Industrial 4(a)	111 MORNINGSIDE RD	06	06	200	Store(S) And Service Commercial	64500	63300	UTILIZED	INDUSTRIAL USED AS COMMERCIAL
003-930-521	0.26310959667	0.41150	Industrial 4(a)	101 FULFORD-GANGES RD	06	06	201	Vacant IC&I	531000	0	VACANT	INDUSTRIAL USED AS COMMERCIAL
025-639-269	0.11764774701	0.15288	Industrial 4(a)	111 MORNINGSIDE RD	06	06	401	Industrial (Vacant)	368000	0	VACANT	APPARENTLY USED AS ZONED
025-639-749	0.13134024456	0.15372	Industrial 4(a)	111 MORNINGSIDE RD	06	06	401	Industrial (Vacant)	360000	0	VACANT	APPARENTLY USED AS ZONED
004-031-059	0.20000000000	0.60000	Industrial 4(a)	111 SCOTT POINT DR	6	6	435	Liquid Gas Storage Plants	447000	95	UNDERUT	APPARENTLY USED AS ZONED

Industrial Development Permit Activity 2001-2012

YEAR	PERMITS	VALUE	AVG. VALUE	YEAR	PERMITS	VALUE	AVG. VALUE
2001	18	\$ 556,000	\$ 30,889	2007	12	\$ 385,000	\$ 32,083
2002	19	\$ 283,000	\$ 14,895	2008	23	\$ 4,064,000	\$ 176,696
2003	22	\$ 484,000	\$ 22,000	2009	17	\$ 1,870,000	\$ 110,000
2004	10	\$ 734,000	\$ 73,400	2010	8	\$ 433,000	\$ 54,125
2005	26	\$ 631,000	\$ 24,269	2011	12	\$ 898,000	\$ 74,833
2006	19	\$ 5,472,000	\$ 288,000	2012	9	\$ 656,000	\$ 72,889

Appendix D – Industrial Task Force Criteria for New Industrial Land

Very early in the process, the task force members discussed various criteria that should be considered when determining preferred locations for new industrial lands. Some of these criteria are the various services and conditions that were thought to be important for the siting of industrial facilities – such as the availability of three-phase power, good road access, and relatively flat land. Other criteria to be considered were locations or environmental conditions that should be avoided – such as sensitive ecosystems and riparian areas.

A list of preferred criteria for industrial lands was determined, as follows:

- Located within a 1 - 5km radius of Ganges and Fulford villages;
- Proximity to arterial roads;
- Three-phase power near site;
- Adequate water supply;
- Sewer connection desirable;
- Terrain slope of 15% or less is preferred;
- Appropriate buffering provided;
- Not impacting watersheds;
- 30 metre setback from riparian areas; and
- Not in a sensitive ecosystem.

Appendix E – Current Regulations regarding Home-Based Businesses

Land Use Bylaw 355 and Home-Based Businesses

3.13.1 Home-based businesses are accessory to residential use of a lot and must be carried out indoors within a permitted dwelling unit, seasonal cottage or other fully enclosed accessory building, except that this restriction does not apply to the use of land for a pottery kiln or the outdoor activities associated with a family day care operation

3.13.2 The total floor area used for home-based business use on any lot must not exceed 50 per cent of the total floor area of dwelling and permitted residential accessory buildings on the lot, up to a maximum of 70 square metres for lots that are 1.2 ha or less in area and 150 square metres for lots that are greater than 1.2 ha in area

3.13.3 A home-based business must be operated by a person permanently residing on the premises in which the home-based business is conducted. Not more than three additional persons (or full-time equivalency) not residing in the dwelling unit may be employed in home-based business uses on any lots that are 1.2 ha or less in area and not more than four additional persons (or full-time equivalency) for lots that are greater than 1.2 ha in area.

3.13.4 There must be no exterior indication of the existence of the home-based business, either by stored materials, parking, displays, lighting or by any other variation from the customary residential character of the lot, dwelling unit, seasonal cottage or accessory building, with the exception of signs permitted by this Bylaw. Parking spaces for home-based businesses must be located on the lot where the home-based business is located, be visually buffered from neighbouring properties and the road, and be located at least 3 m from any side lot line and 7.6 m from the rear lot line and the front lot line. Vehicle storage must comply with Section 3.10 of this Bylaw.

3.13.5 (a) No home-based business may create noise that exceeds 40 dB beyond the lot on which the home-based business takes place.

(b) No home occupation may produce vibration, smoke, dust, odour, litter, electrical interference, fire hazard, effluent or glare detectable outside the boundaries of the lot.

(c) No home occupation may result in contamination of any soil or surface water by solvents, glues, chemicals or other substances deleterious to human and environmental health and safety.

Information Note: This noise level is that recommended in a report for the World Health Organization as the level which should not be exceeded for steady continuous noise in outdoor living areas.

3.13.6 Only the following occupations may be conducted as a home-based business:

- (a) Bed and breakfast operations.
- (b) Boarding houses, except that this use is not permitted in the Agriculture 2, Rural Watershed 1, Rural Watershed 2, Rural Islet or Forestry 2 zones.
- (c) Production of arts, crafts, music, fabric items, jewellery, food and drink items and other comparable products.
- (d) Sales of products produced on the same lot.
- (e) Sales of products manufactured elsewhere, provided persons employed in the home-based business carry out all distribution of such products offsite.
- (f) Instructional classes in personal skills including art, music, exercise or sport.
- (g) Personal services and products accessory to personal services, provided that not more than 5 square metres of floor area may be used for the storage and display of such products, if they have not been produced on the same lot.
- (h) Repair of small appliances, electronic equipment, instruments, furniture and bicycles.
- (i) Business and professional offices.
- (j) Day care centres for up to 10 children.
- (k) Repair of automobiles, excluding auto body repair and provided such repair takes place on a property greater than 2 ha in area that is not in the Agriculture 2, Rural Watershed 1, Rural Watershed 2, Rural Islet or Forestry 2 zones, is screened from view and is limited to one enclosed service bay not exceeding 25 square metres in floor area and provided not more than two vehicles may be parked outside, exclusive of the resident's own licensed vehicles.
- (l) Cabinet making, furniture making, upholstery and picture framing.

3.13.7 Bed and Breakfast home-based businesses are permitted only in the following zones:

Agriculture 1, Agriculture 2

Comprehensive Development 3

Forestry 1, Forestry 2

Residential 6, Residential 7, Residential 8, Residential 9, Residential 10

Rural

Rural Watershed 1

Rural Uplands 1, Rural Uplands 2

3.13.8 Bed and Breakfast home-based businesses are subject to the following additional conditions:

- (1) Not more than 1 bed and breakfast home-based business is permitted on any lot.
- (2) Despite Subsection 3.13.1, all bedrooms used to accommodate guests must be located only within a single-family dwelling or within a seasonal cottage, if one is permitted on the lot.
- (3) Not more than 3 bedrooms may be used to accommodate guests on lots that are 1.2 ha or less in area; not more than 4 bedrooms may be used to accommodate guests on lots that are greater than 1.2 ha in area.
- (4) Despite Subsection 3.13.2, the total floor area dedicated primarily to the accommodation of guests on any lot, including bedrooms, ensuite bathrooms, closets and common areas, is not to exceed 50 per cent of the total floor area of the single-family dwelling and seasonal cottage on the lot, up to a maximum of 100 square metres.
Information Note: Under a General Order of the Land Reserve Commission, bed and breakfast home-based businesses within the ALR are restricted to three bedrooms that must be fully contained within a single-family dwelling. The use of further bedrooms will require an application to the Commission and its written approval.
- (5) Breakfast meals only may be provided to bed and breakfast guests who have been provided with overnight accommodation.
- (6) Off-street parking for bed and breakfast home-based business uses must be supplied as outlined in Part 7 and screened from view from abutting lots, highways or parks by a landscape screen.
- (7) Despite Section 6.1, signs for bed and breakfast home-based businesses may be indirectly illuminated by a non-flashing light source, external to the sign. Where illumination is provided, it must consist of a maximum 150 watt PAR lamp mounted between 1 and 1.5 meters from each sign face.

OCP Guidelines on Home-Based Businesses

B.3.2 Home Based Businesses

B.3.2.1 OBJECTIVES

B.3.2.1.1 To accommodate a broad variety of home-based businesses consistent with the community's tradition of socioeconomic diversity, self-sufficiency and private initiative.

B.3.2.1.2 To ensure that home based businesses remain compatible with the residential and rural character of neighbourhoods and do not have an unacceptable impact on the natural environment.

B.3.2.1.3 To protect the vitality and viability of village businesses.

B.3.2.1.4 To promote home based businesses as a significant means of satisfying the community's employment needs so that economic benefits are retained in the community.

B.3.2.2 POLICIES

Note: Where land is located within the North Salt Spring Waterworks District, any rezoning proposals that are expected to result in a net increase in water demand must also take into account the severe restraints on the District's available water supply. Policies in Section C.3.2.2 must also be considered

B.3.2.2.1 Home based businesses will continue to be allowed in all areas where residential use is permitted and will be regulated by zoning.

B.3.2.2.2 The Local Trust Committee could consider rezoning applications from owners of larger properties who wish to operate a home-based industry, such as light manufacturing, assembly, and repair services. Such industries could occupy more space and employ more people than would normally be allowed for a home-based business. Should the Committee consider such applications, it should ensure that this use would be limited to those industries that can operate compatibly with the quiet rural character of the island, could be well-screened by vegetation and would not have a significant negative effect on the neighbourhood or the natural environment. The Committee should also consider a way of guiding the design of sites and buildings used for home based industries, such as through the Development Permit process.

Appendix F – Additional Facts from Economic Dependency Report

- Total employment (basic and non-basic) was 5,130, representing a 4.3% increase over total employment in 2001. Total income (basic and non-basic, from employment and non-employment sources) was estimated at \$262 million in 2006, an increase in nominal terms of 29% from 2001.
- Over the 2001-06 period, employment increased in the following basic sectors: forestry, mining, high-tech, construction and “other”. Basic employment decreased in agriculture, tourism, government, and film sectors.
- Income grew in the following basic sectors over the 2001-06 period: forestry, mining, high-tech, the public sector, construction, “other” all non-employment sources of income. Income decreased in fishing, agriculture, tourism, and film sectors.
- In 2006, 51% of before tax, basic income is attributable to non-employment sources of income, ONEI and transfers, the same proportion as in 2001. Public and private sector employment accounts for the other half of total basic income.
- The public sector (i.e. health / education and local / provincial / federal administration) is currently the largest source of basic employment (30%) and employment income (19% of total basic income) on Salt Spring. Public sector income grew in absolute and proportional terms over the 2001-06 period, despite a reduction in employment in this sector.
- Construction is the largest source of private sector employment (20% of total basic employment) and second largest source of employment income (11% of basic income).
- Employment and income in construction grew over the 2001-06 period, both in absolute and in relative terms.
- Tourism and “other” sectors, respectively, were the second and third most important sources of private sector employment and income in 2006. Tourism employment and income declined in absolute terms and in relative importance over the 2001-06 period. Employment in the “other” sector remained roughly constant from 2001-06.
- All primary industries, including mining, forestry, fishing and agriculture, together accounted for about 15% of total, basic employment and 6% of total basic income in 2006, representing an overall increase in absolute terms and in relative importance over the 2001-06 period.
- The film and high-tech sectors together accounted for about 5% of basic employment and 3% of basic income in 2006. High-tech employment and income increased in importance over the 2001-06 period, while the film sector declined.

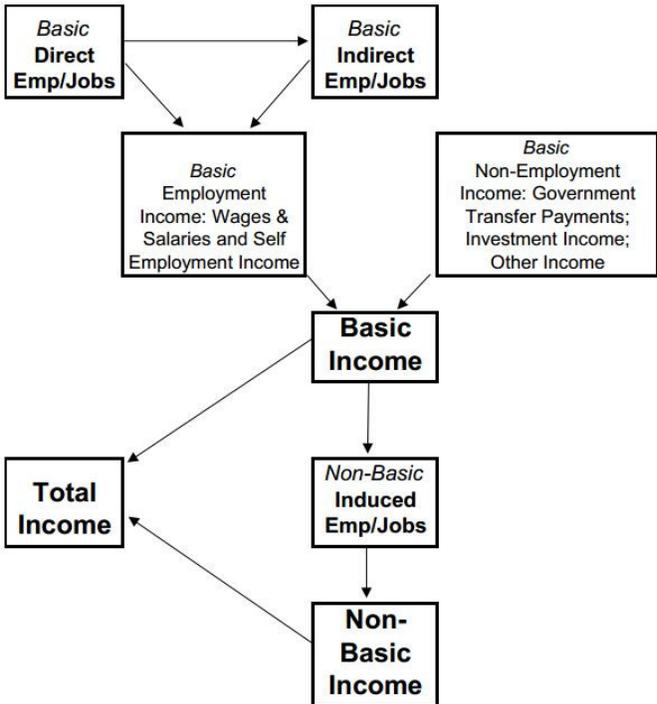
Economic dependency estimates show the relative importance of different sources of “basic” income, or income flowing into a region from the outside. Basic industries include: (i) resource export industries such as forestry and mining, (ii) tourism, government and other sectors, and (iii) sectors supplying industries (i) and (ii). Basic income includes wages and salaries earned in basic industries, as well as non-employment sources of income from outside the region (e.g., pension and investment income, government transfer payments). Non-basic sectors are defined as those businesses (e.g. local grocery and other retail stores) which serve local demand generated by re-spending of worker incomes earned in basic activities. Non-basic sectors are still obviously important, but are not considered to drive, the local economy.

The economic dependency estimates consider government and transfer payments as a “basic” industry because government spending and employment bring money into the local economy from the outside, and are determined by a number of factors external to the local economy. In fact, government spending and transfer payments (e.g., employment insurance, social assistance) can increase when activity in other basic sectors decreases.

Census information comprises the main source of data for economic dependency estimates. This data still does not fully capture seasonal or part time sources of livelihood, in part because Census questions focus on the primary employment activities of respondents. Also, “underground” sources of income are not reflected in the data. Therefore, the diversity and unique nature of lifestyles and livelihoods on the Islands are not fully reflected by economic dependency estimates. The economic dependency estimates are somewhat dated and also estimates for individual trust study areas, particularly for smaller areas, are subject to greater sample size error. The data is also residence-based, so it does not reflect the fact that some residents of the trust area actually work outside of the area, and conversely, that some workers are residents of non-trust areas.

Industries Considered Basic by NAICS Code

<p>FOR - Forestry</p> <p>113 Forestry and Logging 1153 Support activities for forestry 3211 Sawmills and wood preservation 3212 Veneer, plywood and engineered wood product manufacturing 3219 Other wood product manufacturing 322 Paper manufacturing 337 Furniture and related product manufacturing</p> <p>MIN - Mining and Resource Extraction</p> <p>211 Oil and gas extraction 212 Mining (except oil and gas) 213 Support activities for mining and oil and gas extraction 219 Mining – unspecified 324 Petroleum and coal products manufacturing 331 Primary metal manufacturing</p> <p>F&T - Fishing and Trapping</p> <p>114 Fishing, hunting and trapping 3117 Seafood product preparation and packaging</p> <p>AGF - Agriculture and Food</p> <p>111-112 Farms (including aquaculture) 1150 Support activities for farms 3111 Animal food manufacturing 3112 Grain and oilseed milling 3113 Sugar and confectionary product manufacturing 3114 Fruit and vegetable preserving and specialty food manufacturing 3115 Dairy product manufacturing 3116 Meat product manufacturing 3119 Other food manufacturing 312 Beverage and tobacco product manufacturing</p>	<p>TOU - Tourism</p> <p>7211 Traveler accommodation 7212 RV (recreational vehicle) parks and recreational campgrounds</p> <p>HITEC - High Technology</p> <p>3254 Pharmaceutical and medicine manufacturing 3259 Other chemical product manufacturing 3333 Commercial and service industry machinery manufacturing 334 Computer and electronic product manufacturing 3359 Other electrical equipment and component manufacturing 3364 Aerospace product and parts manufacturing 3391 Medical equipment and supplies manufacturing</p> <p>PUB - Public Sector</p> <p>621 Ambulatory health care services 622 Hospitals 623 Nursing and residential care facilities 61 Educational services 9111 Defense services 9112 Other federal services (9112 to 9119) 624 Social assistance 912 Provincial and territorial public administration 913 Local, municipal and regional public administration 914 Aboriginal public administration</p> <p>CON - Construction</p> <p>23 Construction</p> <p>FILM - Film Production</p> <p>512 Motion picture and sound recording industries</p>
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Appendix G – BC Assessment Land Classes

Classification of Property

BC Assessment places property in one or more of nine classes, typically based on the property's type or use. Municipal zoning does not determine property class, though it may be a factor in some cases.

The property classes:

Class 1, Residential — single-family residences, multi-family residences, duplexes, apartments, condominiums, nursing homes, seasonal dwellings, manufactured homes, some vacant land, farm buildings and daycare facilities.

Class 2, Utilities — structures and land used for railway transportation, pipelines, electrical generation or transmission utilities, or telecommunications transmitters. This property class does not include gathering pipelines, offices or sales outlets.

Class 3, Supportive Housing —this property class only includes eligible supportive housing property that has been designated by Cabinet. Eligible supportive housing property is funded by the provincial government or a health authority for the provision of housing that includes on-site support services for persons who were previously homeless, at risk of homelessness, and who are affected by mental illness or who are recovering from drug or alcohol addictions or have other barriers to housing. For more information, see the fact sheet on Classifying Supportive Housing Property.

Class 4, Major Industry — land and improvements (buildings and structures) of prescribed types of industrial plants, including lumber and pulp mills, mines, smelters, large manufacturers of specified products, ship building and loading terminals for sea-going ships.

Class 5, Light Industry — property used or held for extracting, processing, manufacturing or transporting products, including ancillary storage. Scrap metal yards, wineries and boat-building operations fall within this category. Exceptions include properties used for the production or storage of food and non-alcoholic beverages and retail sales outlets, which fall into Class 6. For

more information, see the fact sheet on Light Industrial vs. Business and Other Property Classifications.

Class 6, Business Other — property used for offices, retail, warehousing, hotels and motels all fall within this category. This class includes properties that do not fall into other classes.

Class 7, Managed Forest Land — privately-owned, forest land managed in accordance with the Private Managed Forest Land Act or the Forest and Range Practices Act. Property owners in this class have an obligation to provide good resource management practices, such as reforestation, care of young trees, protection from fire and disease and sound harvesting methods.

For more information on managed forest land, consult the fact sheets titled: Managed Forest Land Classification in British Columbia and How Managed Forest Land is Assessed.

Class 8, Recreational Property, Non-profit Organization — includes two very different categories:

Recreational Land:

- land used solely as an outdoor recreational facility for specific activities such as golf, skiing, tennis, public swimming pools, waterslides, amusement parks, marinas and hang gliding. Improvements on the land (such as a clubhouse) fall into Class 6.
- land in a rural area that is part of parcel used for overnight commercial accommodation that exists predominantly to facilitate specific outdoor recreational activities such as hunting, fishing and kayaking. Improvements on the land most likely fall within Class 6 (e.g. a hotel).

Non-Profit Organization Land and Improvements:

- property used or set aside for at least 150 days per year as a place of public worship or as a meeting hall by a non-profit, fraternal organization. The 150 days cannot include activities with paid admission or the sale/consumption of alcohol.
- additionally, the 150 days needs to be in the year ending on June 30 of the calendar year preceding the calendar year for which the assessment roll is being prepared.

Class 9, Farm — to qualify as farm for assessment purposes, the land must produce a prescribed amount of qualifying primary agricultural products for sale, such as crops or livestock. Farm buildings come within Class 1. For more information on farm land, see the fact sheet titled: Classifying Farm Land.

Split Classification – Property with several distinct uses can fall into more than one class. For example, commercial and residential space might be combined in one building, or a property combines residential, farm and forest land. In these cases, BC Assessment determines the share of the value of the property attributable to each class.