



Ref: 134014

OCT 26 2009

Mr. Darcy Alexander, Co-Chair
Ms. Ines Popig, Co-Chair
Sun Peaks Incorporation Study Committee
PO Box 1002
Sun Peaks, BC V0E 5N0

Dear Mr. Alexander and Ms. Popig:

I appreciated the opportunity to meet with you and Mr. Al Raine on September 24, 2009, and the opportunity to discuss provincial support for the incorporation of Sun Peaks as a mountain resort municipality. I would also like to acknowledge your letter of September 23, 2009, regarding the Provincial Offer of Restructure Assistance (Offer) made to the Sun Peaks Incorporation Committee (Committee). Let me summarize where we are in consideration of your concerns with respect to provincial assistance for incorporation.

With regard to school tax mitigation, I appreciate your concern that the formula means that the community does not currently qualify for school tax mitigation. However, because this is a formula-based program, your eligibility could change in the future. I know that you would have preferred a different outcome; regardless, it would not be prudent, given its sensitivity to changing assessed values in the school district, to use school tax mitigation as a basis for making a decision on whether to incorporate or not. The separate rate for school tax is a program that should be seen as a potential bonus from incorporation rather than a given.

I can provide you assurances on the implications of the Harmonized Sales Tax (HST). My cabinet colleague, Honourable Colin Hansen, Minister of Finance, has provided assurances that the Additional Hotel Room Tax will be in place until June 30, 2011, which will provide ample time to explore the options for continuing support of local government tourism promotion and development programs. Also, please be assured that Ministry of Community and Rural Development (Ministry) staff are working with Ministry of Finance staff to mitigate the impact of the HST on the Resort Community Tax Transfer Program. This will involve investigating long-term solutions that will assist communities in financing projects that facilitate

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growth in the local tourism industry. Although I am not in a position to guarantee any outcome at this time, I hope it helps you to know that government is trying to find ways to retain these programs for the benefit of the tourism industry.

I committed at our meeting to give more thought to the formula for calculating the Small Community Grant. As you know, I have many resort-based communities in my region and I appreciate their special challenges and unique opportunities to contribute to the betterment of the region and the province as a whole. However, I am not prepared to adjust the formula at this time as it has recently undergone a comprehensive review and revision and any further changes to the formula would require substantive consultations with the Union of British Columbia Municipalities.

My colleagues and I committed to discussing road issues with Honourable Shirley Bond, Minister of Transportation and Infrastructure. I have forwarded a copy of Kerr Wood Leidal Associates Limited Consulting Engineers' report to the Ministry of Transportation and Infrastructure for their consideration, and Ministry staff will advise you of the results of their review.

We have worked hard within government to develop an Offer that is fair and will support the implementation of a new municipal governance structure for the Sun Peaks community should electors support incorporation. I want to thank you and the members of the Committee for your hard work and advocacy for your community over the past few years. Your Committee has played an important role in gathering information and facilitating discussion of this most vital decision for your community. I encourage you to take the next step and present your findings to the Sun Peaks community, after which the Committee will be in a position to decide whether or not the residents support proceeding to an incorporation vote.

Thank you, again, for a very productive meeting and I look forward to working with you over the coming months as we bring this important issue to the people for their decision. If you wish to discuss this letter with me personally, I am always happy to hear from you by phone or in person.

Sincerely,

**ORIGINAL
SIGNED BY**

Bill Bennett
Minister

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pc: Honourable Colin Hansen
Minister of Finance

Honourable Kevin Krueger
Minister of Tourism, Culture and the Arts

Honourable Shirley Bond
Minister of Transportation and Infrastructure

Dr. Terry Lake, MLA
Kamloops–North Thompson

Ms. Karen Lynch
Senior Planning Analyst
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