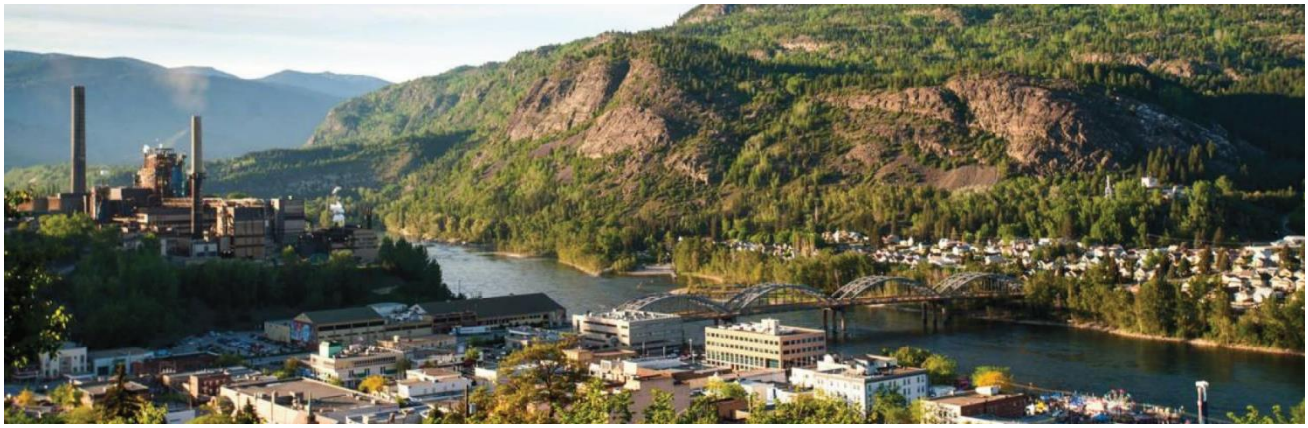
CITY OF TRAIL

OFFICIAL COMMUNITY PLAN UPDATE

BACKGROUND REPORT 2.0

January 2024



BACKGROUND REPORT 2.0

OFFICIAL COMMUNITY PLAN UPDATE

CITY OF TRAIL

VERSION 2.0
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EXECUTIVE SUMMARY

An Official Community Plan (OCP) is a local government by-law, that provides objectives and policies to guide decisions on planning and land use management. OCP's provide the long-term vision of a community and serve as a statement of objectives and policies that guide decisions on municipal and regional district planning and land use management.

The City of Trail's existing OCP was adopted in 2001; since 2001, Trail has experienced changes in regard to its population, economy, and the environment. In addition, the community and Council's needs and priorities for growth and development have also changed. As a result, an updated OCP is required to support and reflect the community's current long-term vision, goals, and objectives.

In July of 2019, the City of Trail retained the services of WSP to review and update the City's OCP. The multi-faceted process to update the OCP included an examination of the current state of the community, a review of all background documents, and a comprehensive public and stakeholder engagement process. In 2023, the OCP update process was resumed and an additional review of background data and new City documents was undertaken to identify gaps and ensure that all information is up to date and accurate. The combination of these reports provided WSP with an in-depth understanding of current issues, challenges, opportunities, desires, priorities, and growth and development goals of the City of Trail; this understanding will inform the OCP update process.

This report includes an in-depth examination of Trail's community context, such as a demographic analysis and examination of the current housing supply, and a summary of observations derived from this analysis. This report concludes with a section on *Emerging Themes & Guiding Principles.*

Seven key emerging themes were formed through the project's process; these themes will be used to form the basis of the OCP's objectives and policies, and are as follows:

1. **Affordable Housing:** There is a significant shortfall of quality affordable housing units in the City of Trail. While expansion possibilities for housing are generally limited, few new affordable units are being developed, with a significant barrier of entry being the general cost of construction alongside stagnant market growth.
2. **Complete Community:** The goal of the Trail OCP update will be to connect various groups and foster strategies for promoting complete communities across the city.
3. **Connectivity:** The recently completed Active Transportation Plan outlined the need to connect areas of the city through bike lanes and paths.
4. **Regional Partnership:** Regional partnerships are a cornerstone of implementation for the various policies and themes of the OCP.
5. **Vibrant Downtown Core:** All stakeholders from development firms to provincial agencies, to local organizations felt a vibrant downtown core in Trail was essential to their individual goals and objectives. It was also noted that the concept of a vibrant downtown would go a long way in redefining the image of Trail, and how it is perceived as a city to live, work, and raise a family.
6. **Supporting Local Business:** Local businesses will foster a strong sense of place and belonging. These businesses are anchors to tourism, and regional marketing strategies for economic development. The image of Trail is strengthened when small business succeeds as does the entire Kootenay region
7. **Recreation Opportunities:** Linking various recreational plans and policies between the City of Trail and its neighbours has yet to be completed. A unified vision and pathway for tourism and recreational leadership as a focus would help attract investment and reshape view of Trail and surrounding region.

In addition to the above themes, since the project started in 2019, two additional themes have emerged:

8. **Housing Supply:** In addition to affordable housing, increased supply of market housing is needed to meet demand.
9. **Climate Resilience:** Numerous climate disasters have occurred in the Southern Interior in recent years.

Details of the background document review and the public and stakeholder engagement process, as well as a summary of this feedback can be found in **Appendix A** and **Appendix B** of this report.

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1 COMMUNITY CONTEXT

The *Community Context* section of the *Background Report* provides an overview of the spatial and economic conditions for the City of Trail, including location, economy, labour force, and economic indicators.

1.1 HISTORY/BACKGROUND

The West Kootenay region, including the Trail area, is the traditional home of the Sinixt, Ktunaxa and Sylix First Nations. The development of the Dewdney Trail led to the discovery of gold and copper ore at Red Mountain in 1890, drawing the first white settlers to Trail proper. In 1896, the first smelter furnace blew, processing ores from the Rossland mines. In 1901, the bustling townsite was incorporated as a city, with a prospering industry fueling the local economy for generations to come.

The City of Trail is located in the Southern Interior of BC, approximately 10 km north of the Canada/USA boarder at an elevation of 440 m above sea level. Nestled between the Monashee and Selkirk Mountains, Trail is split by the Columbia River. South of Trail, just before the Canada/USA border is the confluence of the Columbia and Pend d'Oreille Rivers. Major highways intersecting within the City include Hwy 3B and Hwy 22 and Hwy 22A, which provides access to the United States Boundary border crossing. Trail is home to the Trail Regional Airport, which provides two to three daily flights to Vancouver International Airport. The West Kootenay Regional Airport is located in Castlegar, an approximate 30-minute drive from Trail, and provides daily flights to Vancouver and Calgary International Airports. Nearby international airports include Cranbrook, Kelowna and Vancouver, BC, Calgary, AB and Spokane, WA. The City of Trail and the surrounding communities of Rossland, Warfield, Montrose and Fruitvale make up the area referred to as the Greater Trail Area and a large portion of the Lower Columbia. The population of the Greater Trail Area is approximately 18,500.

The City of Trail has established itself as an industrial and technological hub of the West Kootenay. Two of the region's largest employers are located in Trail; Teck Trail Operations and the Kootenay Boundary Regional Hospital. The MIDAS Fab Lab, an applied research, commercialization and digital fabrication training facility focused on the metallurgical sector that exists in the region, offers support and services to existing and entrepreneurial businesses. The Kootenay Association for Science and Technology, offering business development services like coaching, expertise, training and development is also located in Trail.

In the past 5 years, the City of Trail has embarked on major projects like the Columbia River Skywalk, the Trail Riverfront Centre (housing the Trail & District Public Library and the Trail Museum & Archives), and extensive upgrades to the terminal building and runway at the Trail Regional Airport. The active, recreational lifestyle and reasonable cost of living are appealing draws to the region.

Most recently, the City of Trail has developed its first Active Transportation Plan – a guide to help inform future decision-making and investments in non-motorized modes of transportation. The Active Transportation Plan is a flexible strategic policy document serving as an outline to achieve the City's active transportation goals by identifying a connected and implementable network with actionable and supporting tools and recommendations. The plan is intended to provide strategic direction for an active transportation network that is equitable and accessible for people of all ages and abilities and facilitates active living within the City and region. These include improved connectivity throughout the community and between neighbourhoods, encouraging more active transportation between the East and West Trail business districts and other key destinations, and improving connectivity to adjacent communities to enhance the active transportation experience for both residents and visitors. The ATNP sets the foundation for a short and long-term strategy to implement infrastructure, establish supportive policy and identify meaningful programs as a means of improving active transportation opportunities in Trail.

Trail's commercial trade area services approximately 60,000 people, encompassing the Cities of Nelson and Castlegar and surrounding communities. The Columbia Basin Trust and the Province of B.C., through its agent the Columbia Power Corporation (CPC) have invested $1 billion over the last 10 years to construct three hydroelectric power projects: the Arrow Lakes Generating Station, the Brilliant Expansion Project, and the Waneta Expansion Project.

Approximate Distances to Surrounding Communities			
Warfield, BC	Adjoins	**Creston, BC**	123 km
Rossland, BC	9 km	**Spokane, WA**	203 km
Montrose, BC	10 km	**Kelowna, BC**	314 km
Fruitvale, BC	15 km	**Calgary, AB**	621 km
Castlegar, BC	29 km	**Vancouver, BC**	628 km
Nelson, BC	70 km	**Victoria, BC**	717 km

1.2 INDIGENOUS PEOPLES

The Sinixt call their greater territory təmxʷúlaʔxʷ (sounds somewhat like "tem-hoo-lao") and it encompasses most of what is now known as the West Kootenays and beyond: north of Revelstoke, west to near Grand Forks, east to near Balfour and south to below Kettle Falls, Washington. Sinixt moved around their təmxʷúlaʔxʷ with the seasonal food sources, setting up summer camps everywhere and overwintering in pit houses near lakes and rivers.

Nearby Red Mountain is also known as kmarqn by the original inhabitants, Sinixt Peoples (AKA Sin Aikst, sngaytskstx or Lakes Tribe). kmarqn roughly translates to “smooth top”. The Sinixt come to kmarqn in the summer months primarily to forage on the abundant huckleberries.

When Europeans colonized Canada, they forced Indigenous Peoples onto reserves and prohibited them from traveling freely within their own lands. There was a significant presence of Sinixt at kpiƛ̓ls (kapee-tels), aka Brilliant (near Castlegar) and it was initially slated to be a reserve; however, settler plans changed and the land was sold to Doukhobor immigrants. The Sinixt families living there were violently pushed out. A reserve called Oatscott was established near present-day Needles, across the Arrow Lake from Burton. This area was not previously inhabited by Sinixt Peoples, was not easily accessible and was not suitable for anyone to live sustainably; therefore, very few Sinixt established themselves there. There was a significant reservation established south of the border near Colville; a great number of Sinixt ended up settling there. With the advent of the Canada/US border, the Sinixt from Colville Confederated Tribes were no longer able to hunt, fish, forage and protect their ancestral lands in the Canadian portion of their təmxʷúlaʔxʷ.

The last Arrow Lakes Band member (Sinixt) registered at Oatscott was Annie Joseph; she passed away in 1953. Because of sex discrimination in the Indian Act that conferred status differently to men and women, she was not able to pass the reserve on to her relatives, even though she had grandchildren and sisters who were alive and well. The Canadian Government declared the Arrow Lakes Band (Sinixt) extinct for purposes of the Indian Act in 1956, took back their reserved land and effectively eliminated the necessity of contending with Indigenous Peoples in Sinixt təmxʷúlaʔxʷ. The Columbia River Treaty was signed in 1961; dams flooded the majority of Sinixt archeological sites and, with extinction, the government felt there was no legal obligation to consult Sinixt in Canada. In more recent times, the municipal government has made efforts to engage with local Indigenous peoples. Without being a federally recognized First Nation, however, this engagement is somewhat hindered.

In 1987 road building in Vallican, BC unearthed Indigenous remains and an ancient village site. A group of Sinixt established a blockade to halt further desecration, occupied the area and fought for many years to repatriate the remains of their ancestors. This occupation is still active and is the longest ongoing Indigenous occupation of “Crown land” in Canada. This group continues to fight for their rights to protect their ancestral homeland despite being invisible in the eyes of the government and being subjected to oppression for over 200 years and counting.

There are Sinixt people living in the Slocan Valley, south in the Colville area, west in the Okanagan, east in Ktunaxa territory and elsewhere in Canada and the US. Colonization by Europeans has inflicted great trauma resulting in the fracturing and diaspora of Sinixt Peoples.

1.3 LAND USE

The City of Trail is constrained by the surrounding mountainous landscape and the Columbia River. As a result, few vacant areas within the existing municipal boundaries exist for future urban development. Land within the city must be used more

efficiently to accommodate future growth. This can be accomplished by increasing residential densities, permitting taller commercial buildings, and encouraging mixed use residential – commercial development.

Downtown is the main commercial and institutional area of the city. While most residential is contained in other neighbourhoods, there are some apartments in downtown. Transforming this neighbourhood into a mixed use residential – commercial district will be important for future development in the city.

East Trail has a variety of land uses, ranging from single family to service commercial. It's proximity to amenities and the Columbia River make it a desirable area for residents of all ages. Much of its housing stock was built pre-WW2, making the area a candidate for redevelopment and densification.

West Trail was initially constructed to accommodate Cominco (Teck) workers. Unfortunately, over time infrastructure and properties in the area deteriorated. Revitalization of the area, including infill or increasing density, is challenging due to smaller property sizes, infrastructure capacity, and parking issues.

The Gulch consists of a mix of 1920s – 50s commercial buildings and small homes along or near Rossland Avenue, the highway that connects Trail to the neighbouring communities of Rossland and Warfield. Highway 22 also connects to Highway 3B in this neighbourhood, making The Gulch an important entrance to the city. Similar to West Trail, many of the buildings are in need of repair and maintenance. If refurbished, this area could become an important commercial area and tourist destination for the city.

Tadanac was developed in the early 1900s and provided additional housing for workers at the nearly Cominco (Teck) facility. The neighbourhood is exclusively single family residential, with lot sizes around ¼ acre. It would be a candidate for subdivisions and infill development if it were serviced by sanitary sewer, rather than septic systems.

Sunningdale, across the river from Tadanac, is a mid-century neighbourhood of single family bungalows. Lot sizes are not as spacious as in Tadanac, so infill development would likely require demolition of existing homes to make way for new construction or potentially renovation of existing homes to create duplexes or multiplexes.

Shavers Bench sits upon a plateau above the East Trail neighbourhood. It consists mostly of single family residential, with the exception of the western area of the neighbourhood where there is a townhome complex.

Miral Heights is a single family neighbourhood, like much of Trail, developed in the 1980s.

Glenmerry is a mid century negihbourhood in the eastern area of the city. It consists of mostly single family residential.

Waneta Plaza/Rock Island and Waneta Junction are newer neighbourhoods in the eastern area of the city, developed since the late 1990s. These neighbourhoods have a mix of single family and duplex residential, along with newer big box commercial development.

The areas north of Sunningdale, areas surrounding Miral Heights, and the Waneta area were identified in the existing OCP (2010) as areas of potential new development.

As with many communities in BC, aging infrastructure and infrastructure capacity are issues to consider when determining where new development can be located.

Despite the development challenges in some areas of the community, the City will need to find methods of accommodating more development given the recent Provincial legislation changes. Secondary suites, accessory dwelling units, and the elimination of single family zoning will likely result in infill development and denser neighbourhoods. While this may cause logistical challenges in the near term, such development patterns are likely to result in more efficient infrastructure and reduced costs per dwelling unit, in future.

1.4 INFRASTRUCTURE

The City of Trail maintains an extensive water supply, treatment, and distribution system. The system serves most of the developed urban areas of the City.

The City's sanitary sewer system generally consists of a series of gravity collection pipe networks which discharge to a regional system that also serves the adjacent municipalities of Rossland and Warfield. The regional system is collectively referred to as the Columbia Pollution Control System and is owned and operated by the Regional District of Kootenay Boundary but available to the City under contract.

The City maintains a stormwater management system that consists of a network of gravity piping connecting catch basins and stormwater inlets throughout the developed area, which discharge to the Columbia River. Several creek systems in both East and West Trail are confined within culverts and conveyed underground to the Columbia River.

1.5 ECONOMY

Trail's economy is dominated by Teck Trail Operations, a subsidiary of Teck Resources, which is one of the world's largest fully integrated zinc and lead smelting and refining complexes.

Teck Resources is a diversified mining and industrial producer of copper, zinc, coal and energy with combined global revenues in 2018 of $12.6 billion with same year gross profits of $6.2 billion. The Teck Trail Operations accounted for gross profits of $91 million in 2018, representing 1.5% of Teck Resources gross profit. In 2018, Teck sold the Waneta Dam to BC Hydro in the 3rd quarter of 2018, which resulted in a $75 million increase in power cost that is forecast to escalate 2% per year.

It is beyond the scope of this analysis to predict trends with respect to this corporation, but preliminary review of the financial statements indicates that Teck Trail Operations is not a major contributor to the general performance of Teck Resources globally and combined with the sale of the Waneta Dam interest, the financial motivators in comparison to the performance of the remaining business are weak. Teck Resources is a publicly traded company and subject to typical shareholder pressure to ensure profitability across its business model. There may well be additional nonfinancial or strategic motivators to operate Teck Trail Operations but the long-term impact of the increased power cost on the viability of the business may be in question.

As per the 2022 Economic Contribution Report, Teck Trail Operations created or sustained over 3,455 average annual jobs (direct and indirect) and contributed $21.4 million in taxes and revenues to governments at direct, indirect and induced levels. The Trail economy are serviced by a full range of specialized firms supporting the industrial and energy production sector and include specialised engineering, planning and construction firms.

The second largest employer in Trail is the Kootenay Boundary Regional Hospital which is the largest diagnostic, and acute care hospital in the West Kootenay Region. This hospital employs +/- 650 people with an additional 75-80 family practitioners. KBRH is the center for regional care and is reported to serve an estimated 80,000 people.

The City is also home for the corporate offices of Kootenay Savings Credit Union, the largest of the regional credit unions with assets of over $1 billion and +/- 250 employees.

The Lower Columbia Initiatives Corporation (LCIC) is a partnership between the cities of Trail and Rossland, and Villages of Warfield, Montrose and Fruitvale, as well as Electoral areas A & B of the Regional District of Kootenay Boundary. The LCIC works collaboratively with the communities in the Lower Columbia region, local agencies, organizations and businesses to develop and implement strategies that will assist in strengthening the local economy.

In discussion with the LCIC a number of issues were highlighted which included:

1. Regional over dependency on the Teck Trail Operations.
2. Need for diversification and the attraction of new investment based upon existing skillsets.
3. Development of the Columbia River as a recreational fishery and tourist attraction.
4. Access to more development lands and new housing in support of new employment.
5. Insufficient marketing and economic stimulus resources due to weak funding model.

Community Futures (CF) echoed much of the general sentiment of the LCIC and highlighted the need for more stimulus to encourage economic growth and diversification. CF emphasized the need for continued downtown revitalization and completion of the broad band fiber expansion into residential areas.

1.6 ACTIVE TRANSPORTATION

The Active Transportation Plan, developed in 2023, identified gaps and opportunities for the City's active transportation network and through engagement efforts with stakeholders and community members, identified a number of goals to improve active transportation in Trail.

The most prominent gap in the City of Trail's active transportation infrastructure is the lack of a connected network for cyclists and/or pedestrians. This refers to the lack of safe and interconnected infrastructure options for cyclists and/or pedestrians to use when traveling around the city. This also refers to a lack of connection between key destinations.

Public engagement feedback also noted a lack of connection between the outer neighbourhoods and the downtown core and Waneta Junction shopping areas. Namely, there are no options for pedestrians or cyclists to access these areas without a car, having to instead travel along the shoulder of the highways connecting these areas. This presents an opportunity to develop a safe mode of travel connecting all neighbourhoods in the City, i.e., a "spine" network for pedestrian and cyclist use.

The ATNP gives precedence to the development of an active transportation network that prioritizes connectivity and safety along the City's most high use corridors, or by means of providing alternative routes along streets with lower traffic speeds and volumes.

In the first phase of public engagement, survey participants were given the opportunity to rank their top five active transportation plan outcomes. The top four priorities from survey respondents were:

- Add/improve bicycle infrastructure.
- Improve and expand sidewalks.
- Improve pedestrian street crossings.
- Connections to recreational trails.

Based on this feedback and the existing conditions review, the following project goals were established within the ATP to provide a framework for the development and prioritization of recommendations.

Goals identified in the ATP include:

- Provide recommendations that satisfy the needs of different user groups, including commuter trips, recreational trips, and regional trips;
- Identify critical cycling connections, as well as focus on improving pedestrian facilities to enhance the walkability of Trail;
- Ensure active transportation infrastructure is equitable and accessible for people of all ages and abilities;
- Expand and enhance the trail network along the Columbia River to better serve residents and visitors of Trail;
- Provide missing connections between important destinations within the City, including improvements to connections between East and West Trail; and
- Support regional stakeholders in the improvement of active transportation connections between Trail and other communities in the region.

1.7 PARKS AND RECREATION

The City is blessed with a variety of parks and recreation facilities. Maintenance of existing facilities will be more important than adding additional parks and facilities. In addition to the parks and recreation facilities within the City boundaries, there are ample recreation opportunities in the surrounding region.

2 DEMOGRAPHIC ANALYSIS

The *Demographic Analysis* section of this *Background Report* identifies the demographic trends which have occurred in Trail and through the region using census data from Statistics Canada. A summary is provided which includes key implications and demographics trends.

The below **Sections 2.1, 2.2**, and **2.3** only pertain to the City of Trail. **Sections 2.4** and **2.5** include data from Trail and the surrounding region.

2.1 GENERAL

Table 1: Trail General Population Change Summary

2021	7,920	% Change from 2016 to 2021:	2.7
2016	7,709	% Change from 2011 to 2016:	0.36
2011	7,681	% Change from 2006 to 2011:	6.1
2006	7,327		
Population Density		226.9 / sq. km.	
Land Area		34.90 sq. km.	

2.2 HOUSING

Table 2: Trail Private Dwelling Summary

Total Private Dwellings	3,735

2.3 AGE & GENDER

Table 3: Trail Population Age & Gender Summary

		Women +	Men +
All Ages	7,920	4,100	3,820
0-14	1,025		
15-24	730		
25-44	1,820		
45-64	2,140		
65+	2,205		

Median Age of Population	49.6

According to the 2021 census statistics, Trail's population increased by 2.7% between 2016 and 2021. In comparison the provincial population grew during this period by 7.6%. In 2021, 27.8% of the population was 65 years and over, which compares to 20.3% provincially, and the median age of the population was 49.6 years, approximately seven years older than the provincial average. 4.0% of the population was 85 years and over compared with 2.4% provincially. Average household size was 2.0 versus 2.4 provincially.

2.4 SURROUNDING COMMUNITIES

In short, the census data indicates trends which are an older population than provincial averages and household sizes which are smaller. Compared to other regional population centers within the West Kootenay, the following trends were found:

Table 4: Trail & Surrounding Community Population Summary

Community	Population	Pop Growth	% > 65 yrs	Median Age (Years)
Trail	7,920	2.7%	27.8	49.6
Castlegar	8,338	3.7%	24.8	45.6
Rossland	4,140	11.0%	16.3	40.8
Nelson	11,106	5.1%	20.6	42.4

The regional statistics indicate that the City of Trail has the lowest population growth, the highest median age and the greatest portion of the population 65 years or older.

2.5 HOUSEHOLD INCOME & MIGRATION OF REVENUE

During the research phase of our analysis, the issue of wage migration to surrounding communities was raised, in particular, that higher wages were generated within the city with employers such as Teck Operations and the Regional Hospital, are migrated to surrounding communities that provide a stronger lifestyle balance.

Included in **Table 5** is a comparison household income in the communities with close proximity to Trail:

Table 5: 2020 Household Medium Income Summary

2020 Median Income				
	Household	Male	Female	% Diff. Men to Women
Trail	$ 68,000	$ 46,000	$ 34,400	33.7%
Rossland	$ 96,000	$ 54,000	$ 42,000	28.6%
Montrose	$ 94,000	$ 58,800	$ 34,400	70.9%
Warfield	$ 90,000	$ 58,400	$ 36,400	60.4%
Fruitvale	$ 83,000	$ 54,000	$ 33,600	60.7%

As can be seen in **Table 5**, Trail significantly lags all the other communities with respect to household income, but this gap closes with respect to individual income. None of the comparison communities are known for their strong employment base and the observational concern with respect to wage migration appears to be supported by the census data.

The likely impacts of wage migration into the surrounding communities will be diverse and difficult to quantify but from a housing perspective, issues will include redirection of investment capital into housing outside of the City limits. This dynamic has been observed over time, for example, the nearby community of Rossland which is well known for its superior lifestyle and recreational amenities has experienced a number of real estate centric projects over the last fifteen years including a new golf course, development at the ski hill and smaller projects throughout the town. In the decade prior to the COVID-19 pandemic, medium house pricing in Rossland had doubled whereas Trail had seen minor increases over the same period. Consequently, the Rossland downtown core is generally more revitalized and supports a diverse range of businesses which in turn attracts other forms of revenue including tourism. Since 2020, housing prices in all areas of the region have dramatically increased, following national trends.

The failure to capture a stronger portion of the employment segment within the tax base of the community further weakens the City's ability to reinvest directly. Furthermore, the drain of income away from the City further undermines the downtown core economic model and the private sectors ability and motivation to invest into the City.

In addition to wage migration, Trail has a higher percentage of seniors than other surrounding communities. Seniors typically have a lower income from pension earnings than the working population. It is likely these demographic differences partially contribute to the income disparities in the region.

Amalgamation efforts, which would have alleviated these issues, have failed in the past. Renewal of amalgamation discussions could be considered.

3 HOUSING SUPPLY / EXISTING CONDITIONS

3.1 MARKET TRENDS

Interest rates were at historic lows in 2016, but were increased throughout 2017, 2018 and 2019. These increases correlate with a dip in real estate sales and construction in 2019. Furthermore, the Provincial government released a budget in early 2018 which included multiple measures designed to cool the housing market. It was generally considered that these measures had a cooling effect, particularly in urban markets.

Federal and Provincial government fiscal policy following the onset of the COVID-19 pandemic in early 2020 is generally considered to have ended the housing downturn and fueled an unprecedented real estate boom. Interest rates were cut to historic lows to spur an economic recovery. These interest rate cuts coincided with Boomer generation retirement home purchases and Millennial first-time home purchases. Unfortunately, supply was far exceeded by demand, and therefore prices rose to unprecedented levels.

The stock market rose to historic highs in 2019, before collapsing in March 2020 when COVID-19 lockdowns and restrictions began to be imposed. With national governments spending hundreds of billions to offset the economic difficulties, the stock market quickly recovered, with a year-long run up to a new record high. Since Spring 2022, the stock market has fluctuated, but remains at a higher level than pre-pandemic.

Figure 1: Toronto Stock Exchange, 2019 - 2023

Commodity prices have fluctuated over the past five years. The price of most goods increased to historic highs from 2020 to 2023, with some prices gradually decreasing in recent months. Similarly, fuel costs in BC also skyrocketed to record levels, nearing $2.00/litre in the Southern Interior. Although there has been a decline, the cost of consumer goods, including fuel, has remained higher than prices prior to the pandemic.

With the uncertainty of the Canadian economy, it is difficult to determine near term market trends.

3.2 RESIDENTIAL SUMMARY

The 2021 census data reported that there were 3,740 private dwellings of which 3,735 were occupied; 2,630 of the dwellings were single family detached homes, 510 were attached dwellings (semi detached and row house) and 190 were apartment dwellings.

The City is divided by the Columbia River. The east side of the river includes the neighbourhoods of East Trail, Glenmerry, Miral Heights, Sunningdale, and Waneta, the latter neighbourhoods typically being more expensive. Much of the housing stock within these neighbourhoods was built post-war in the 1940s and 1950s. The eastern Trail neighbourhoods are generally

made up of a younger housing stock that has historically been updated and maintained at a superior rate. These neighbourhoods have also attracted spot development of single family residential and duplexes.

The west side of the river is generally considered the more affordable neighbourhood and comprises largely of single-family residential homes built in the 1920s. The topography of the neighbourhood is mixed but substantial portions are steep and access roads constrained. Keystone, an appraisal company that provides appraisal services in Trail, has concluded that the effective age and condition of the western Trail properties is declining at a faster rate than the neighbourhoods on the east side of the river. This is reflected in the average market values and one of several factors that make this neighbourhood more affordable.

In 2022, there were 152 reported sales with an average selling price of $356,568. There were no reported vacant lot sales. The below **Tables 6** to **14**, and **Figure 1** and **2** summarize historic data derived from the Kootenay Real Estate Board.

Table 6: Residential Sales Summary, City of Trail 2014 – 2022

Trail	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units Sold	129	136	162	185	177	177	174	207	152
Average Sales Price	$171,408	$168,433	$175,916	$188,394	$212,660	$207,776	$250,926	$315,179	$356,568
Average Days on Market	125	123	120	95	72	79	68	60	46
Price Change %	-4%	-2%	4%	7%	13%	-2%	21%	26%	13%

Table 7: Residential Sales Summary, Greater Trail Area 2014 – 2022

Greater Trail Area	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units Sold	239	243	291	353	320	360	358	385	305
Average Sales Price	$202,417	$206,764	$211,762	$237,466	$259,009	$283,632	$325,489	$378,899	$445,073
Average Days on Market	135	119	129	108	80	90	75	57	47
Price Change %	-7%	2%	2%	12%	9%	10%	15%	16%	17%

Table 8: Residential Sales Summary, Rural Trail 2014 – 2022

Trail Rural	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units Sold	19	32	27	29	31	34	38	36	25
Average Sales Price	$259,471	$277,133	$286,404	$330,093	$380,787	$269,085	$356,645	$411,617	$487,776
Average Days on Market	177	149	138	81	115	101	82	54	48
Price Change %	-2%	7%	3%	15%	15%	-29%	33%	15%	19%

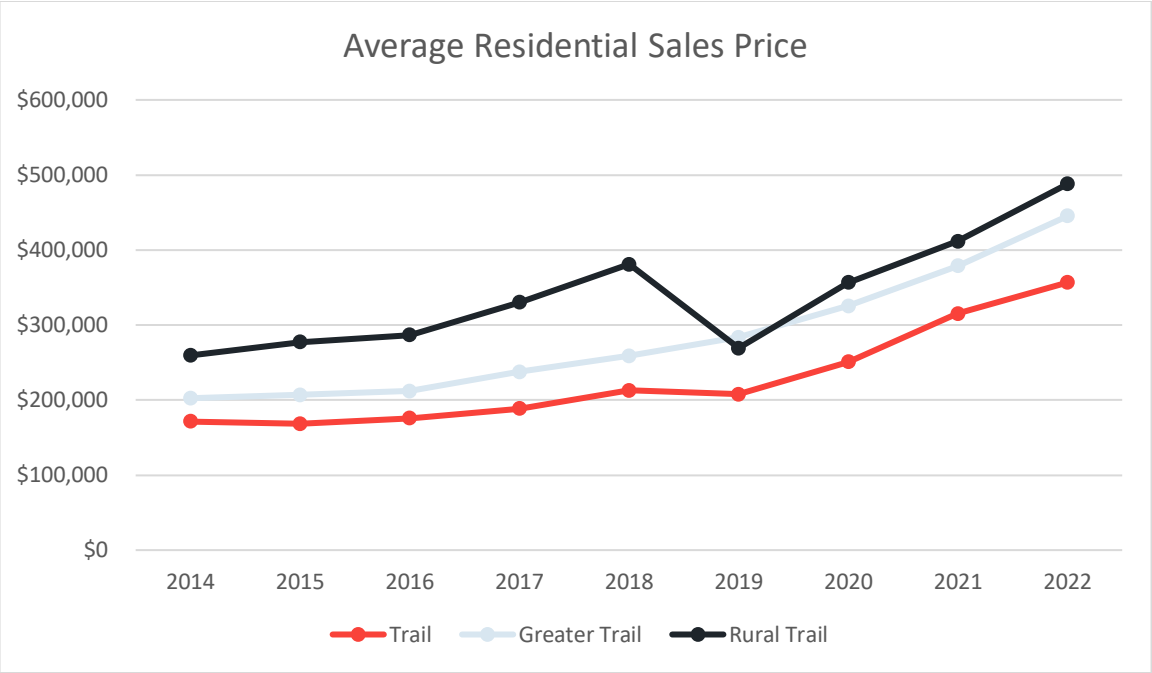
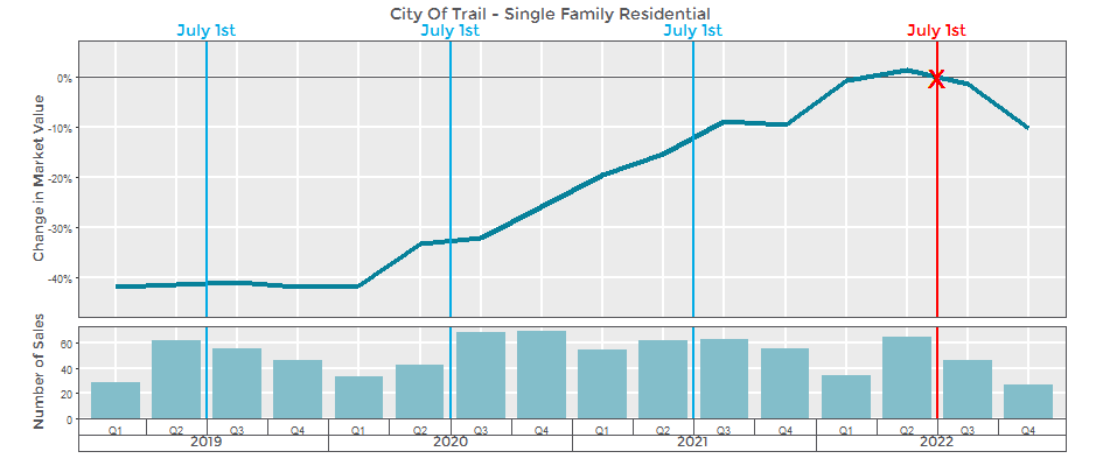


Figure 2: Average Residential Sales Price, Real Estate Board Summary, 2014 – 2022

The tables (**Tables 6 to 8**) and **Figure 1** illustrate fluctuating, but generally increasing, residential sale prices in the City of Trail since 2014. The City experienced a doubling of prices between 2014 and 2022. The number of units sold hit a 10 year high in 2021 of 207, following interest rate decreases during the COVID-19 pandemic. However, the data shows that the recent increased housing demand began in 2016 and only accelerated following interest rate decreases. The dramatic increase in sales price and decrease in days on market indicates that there has been a supply shortage since 2016.

Similarly, Greater Trail Area sale prices have more than doubled since 2014. The number of units sold in the Greater Trail Area has also been substantially higher in recent years since a low in 2013 of 195 sales. There were 305 sales in 2022, following a 10 year high of 385 in 2021. This increased demand mirrors provincial and Canada-wide trends, which can be explained as a combination of Boomer generation retirement purchases and Millennial first-time homebuyers. Concurrently, the lack of supply is partly due to an understaffed construction industry, as a result of significant numbers of tradespeople retiring in the past decade. The cumulative effect of increased demand and lack of supply has led to price increases.

Figure 2 below shows that assessed values in the City have generally mirrored sales price increases from 2019 to 2022, with an increase of more than 40%.



Measure	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Number of Sales	29	62	56	46	33	43	69	70	55	62	63	56	34	65	46	27
Change in Value	-42%	-41.5%	-40.9%	-42%	-41.7%	-33.2%	-32.2%	-25.7%	-19.5%	-15.4%	-8.8%	-9.6%	-0.6%	1.3%	-1.3%	-10.2%

July 1 marks the date BC Assessment estimates the market value of properties in B.C. by analyzing current sales in the local area, and evaluating factors such as a property's size, age, quality, condition, view and location. On the graph, July 1, 2022 is the reference point against which other quarters are compared. Note that the number of sales in the most recent quarters will increase as sales continue to be registered at the Land Titles and Survey Authority (LTSA).

Figure 3: City of Trail Residential Average Assessed Value, BC Assessment, 2019 – 2022

3.3 LOT SALES SUMMARY

Vacant lot values in Trail and the surrounding areas have fluctuated a great deal in the last few years. There have been very few vacant lot sales within the City of Trail making it difficult to determine any trends (see **Table 9**). A significant price increase in 2021, followed by no sales in 2022, are strong indicators of a supply shortage.

In the Greater Trail Area (**Table 10**), the number of vacant lot sales had been increasing in recent years, with a marked decrease in 2022, which is possibly due to lack of supply.

Table 9: Lot Sales Summary, City of Trail 2014 – 2022

Trail	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units Sold	0	1	1	4	5	5	2	6	0
Average Sales Price	N/A	$9,500	$70,000	$82,750	$77,910	$82,800	$57,000	$240,667	N/A
Average Days on Market	N/A	165	119	149	280	13	3	290	N/A
Price Change %	N/A	N/A	637%	18%	-6%	10%	-31%	322%	N/A

Table 10: Lot Sales Summary, Greater Trail Area 2014 – 2022

Greater Trail Area	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units Sold	14	29	17	45	35	43	33	60	16
Average Sales Price	$109,679	$71,086	$76,265	$90,069	$122,563	$138,582	$134,462	$191,183	$274,844
Average Days on Market	240	342	219	301	314	215	254	245	158
Price Change %	71%	-35%	7%	18%	36%	13%	-3%	42%	44%

Table 11: Lot Sales Summary, Rural Trail 2014 – 2022

Rural Trail	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units Sold	3	4	4	4	5	4	2	5	3
Average Sales Price	$101,000	$53,125	$85,000	$114,750	$101,000	$159,125	$140,000	$198,500	$410,000
Average Days on Market	56	232	207	181	169	204	214	94	669
Price Change %	-10%	-47%	60%	35%	-12%	58%	-12%	42%	107%

Commercial/industrial property values and sales in Trail show large yearly fluctuations. 2017 and 2018 were stronger years for sales, with a drop pre-pandemic, and an increase following interest rate decreases in 2021 (see **Tables 12 and 13**). There were four commercial MLS transactions in 2022 with an average value of $418,750. There are too few transactions from which to draw meaningful conclusions.

Across the Kootenay Real Estate Board, the commercial market was felt to be generally improving through 2015, 2016, and 2017, with an increase in the number of units sold and a significant increase in the average sale price of these properties. 2018 saw a dip in sales, with 103, roughly 20% fewer sales than 2017. Also notable was the average sale price in 2018, decreasing to $364,913 from a high of $419,541 in 2017. Similarly to Trail, the Kootenay region saw a boost in sales in 2021.

Table 12: Commercial / Industrial Sales Summary, City of Trail 2014 – 2022

Trail	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units Sold	4	4	5	9	8	4	2	7	4
Average Sales Price	$138,751	$445,000	$578,200	$642,333	$269,563	$295,500	$180,000	$530,571	$418,750
Average Days on Market	133	516	248	286	359	309	200	284	313
Price Change %	N/A	221%	30%	11%	-58%	10%	-39%	195%	-21%

Table 13: Commercial / Industrial Sales Summary, Greater Trail Area 2014 – 2022

Greater Trail Area	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units Sold	8	6	7	11	12	5	2	8	6
Average Sales Price	$405,251	$353,333	$433,071	$559,864	$258,626	$303,400	$180,000	$551,125	$350,900
Average Days on Market	99	559	209	260	388	271	200	297	264
Price Change %	N/A	-13%	23%	29%	-54%	17%	-41%	206%	-36%

3.4 BUILDING STATISTICS

Table 14: Building Statistics Summary, Source: Kootenay Boundary Regional District, City of Rossland

	2017		2018		2019		2020		2021		2022	
	Value ($)	#	Value ($)	#	Value ($)	#	Value ($)	#	Value ($)	#	Value ($)	#
Trail	14,203,705	186	18,996,240	170	7,636,581	163	13,719,571	141	33,544,771	147	33,783,949	93
Rossland	13,727,600	129	18,527,800	145	14,791,000	104	N/A	122	33,062,183	129	45,773,100	136
Warfield	929,762	36	1,508,942	27	424,800	16	2,071,450	20	1,127,200	27	290,222	12
Montrose	1,352,915	25	876,037	20	121,800	9	431,980	14	1,734,315	18	1,846,831	16
Fruitvale	1,918,380	30	2,016,339	29	2,518,076	40	1,571,515	29	1,677,592	32	2,325,757	26
Electoral Area A	2,604,999	25	809,420	25	1,656,147	22	2,070,745	34	1,127,200	15	2,313,957	26

Electoral Area B	860,600	18	3,558,158	29	2,791,931	31	1,126,090	20	3,645,890	28	3,830,906	19

3.5 RESIDENTIAL & COMMERCIAL CONSTRUCTION COSTS

Construction costs have continued to climb through the East and West Kootenays. Whilst single family residential costs vary significantly according to scope, the simplest forms of new construction generally exceeded $230 - $250 per square foot pre-pandemic, exclusive of land costs. Inflationary pressure in materials, labor costs combined with changes to the building code, have become an increasing financial burden on the cost to build and the economic motivation to develop market housing. Since the inflationary impacts of the COVID-19 pandemic, construction costs have risen substantially. Construction costs of $300 – 500 per square foot are now commonplace in the Kootenays.

A review of Kootenay Real Estate Board recorded sales indicates that the average home price, inclusive of the land sold in 2019 for $207,776. By 2022, the average sale price rose to $356,568. The average reported home size was 1,500 square feet providing a value per square foot of $238. Lot values in much of Trail are low and the underlying value of land in these transactions is likely in the 15-20% range and based upon this estimate, the contributory value of the homes (on average) is +/- $190 - 202 per square foot.

This comparison illustrates the comparative distance between new inventory cost and existing market value and the substantial affordability gap. There is on average +/- 50 - 145% discount over new home cost when purchasing from the existing housing supply. That margin is narrowed at the higher end of the market segment, however, our review of the ten highest value residential sales indicated significant shortfalls against market value versus replacement cost. Within this housing segment, the relative low cost of housing is a significant demotivator in the development of new market housing.

3.6 DOWNTOWN & COMMERCIAL SEGMENTS

The commercial segment is focused largely in two areas: the Downtown area on the west side of the Columbia River; and along/adjacent to Highway 3B on the east side adjacent to the Glenmerry residential district.

The Downtown core is centered along three commercial streets, Bay Avenue, Cedar Avenue and Pine Avenue, each with approximately four primary blocks of commercial improvement. The downtown contains a mixture of retail, banking, office, service and government segments. Much of the building stock was developed during the earlier economic boom years and the scale of commercial buildout reflects a different economic model than is currently experienced.

A significant portion of the commercial improvements are in below average and/or inferior condition buildings. However, over the last few years there has been pocket revitalization focused primarily on Bay Avenue, including the significant City investment into a new library building on the corner of Bay Avenue and Helena Street. Selkirk College has a campus building on Helena Street which also accommodates the distance education and administration spaces.

The retail segment of the downtown is not extremely robust, but there is a strong banking and public sector presence and a number of professional offices, particularly those that support the industrial sector, such as engineering firms.

In 2018, the City completed a pedestrian access bridge, the Columbia River Skywalk, across the river connecting the downtown to East Trail. More recently, a grant was obtained to connect the bridge to a pedestrian esplanade.

Revitalization of the downtown core faces a number of economic challenges which are summarised below:

1. The inherent cost of commercial renovation, particularly of older, larger buildings that often include environmental contamination issues such as asbestos and that are not readily divisible into smaller, more commercially viable lease spaces.

2. Lower market lease rates which provide weak economic motivation to invest in building upgrades.
3. An oversupply of inferior, commercial square footage.
4. Competition from larger box store development along the highway including the Waneta Plaza complex.
5. A commercially weak retail segment that has been undermined by online shopping.

Highway 3B and Highway Drive accommodates a highway commercial zoned sector including the Waneta Plaza complex owned and operated by Anthem Properties, a variety of car dealerships, box stores including Canadian Tire, Walmart and Home Hardware, and commercial and light industrial businesses. The mall has faced a more challenging business environment over the last decade, losing its anchor tenant, and is currently only partially occupied with a mixture of retail stores, grocery store, fast food restaurants and offices.

3.7 RENTAL AND SENIORS HOUSING

The single family detached rental market is undersupplied and largely dominated by poor condition, rental suites focused in and around the downtown core and West Trail. The typical landlord model is to convert low cost, inferior condition residential units into affordable rental homes with higher-than-normal capitalization rates.

Superior rental units are in low supply and vacancy rates are low with low turnover. There is generally considered a significant shortfall of quality housing, particularly housing that is also affordable.

Rental apartment buildings are located largely within the downtown core and East Trail / Glenmerry neighbourhoods and reflect a range of age and condition, multi level properties, often owner operated and managed.

A review of the local marketplace was undertaken to confirm if rental prices in Trail reflect market rent prices. In 2023, one-bedroom rentals in Trail typically range in price from $1,000 to $2,000 for apartment units considered to be in average to above average condition. Two-bedroom rentals typically do not include utilities and range in price from $1,500 to $2,500 for apartment units considered to be in average to above average condition. Based on Trail's median household income of $68,000, the cost of a two bedroom apartment represents 26 – 44% of income. More than 30% is considered unaffordable.

3.8 SUMMARY & OBSERVATIONS

The following are a summary of observations of the housing market in Trail:

1. While still lower than neighbouring municipalities, home purchase prices and rental costs have largely become unaffordable for many residents.
2. Market rents combined with market construction costs indicates that investment into development of market rental units is not economically feasible.
3. The loss of Teck Trail Operations due to Teck Resources restructuring would be an existential level impact for the City and the long-term diversification of the local economy should be considered the highest priority. It is unlikely that this can be done at a City level and regional partnerships should continue to be encouraged with adequate investment in making the region a more compelling investment proposition. Metal Tech Alley is an example of a move toward diversification.
4. The flight of household income generated in the Trail economy to surrounding communities requires the development of planning tools that could encourage higher value income households to live within the City.
5. Whether residential or commercial, the critical constraint to new build is the cost of construction, and the current and foreseeable real estate trends are not expected to change this economic weakness. New builds, particularly in the commercial market are more likely to be motivated by the business operation rather than the real estate investment.

6. The critical constraint to commercial renovation is the cost of renovation and strategies should be adopted that helps to improve the economic analysis for investors. An example of this, is the City's tax exemption scheme on commercial improvements; however, additional tools are needed to improve the economics of commercial real estate investment.
7. The City's population is aging, and current imbalances are likely to add to increased pressure on the assisted living housing segment. In the current real estate environment, there is insufficient economic motive for the private sector to add additional rental units. As the population continues to age, the burden on the public and non-profit housing will increase.
8. West Trail continues to provide an attainable housing segment that is important to the overall health of the City. However, the effective age and condition of these units is deteriorating at a faster rate than other parts of the city. Strategies need to be adopted that encourages homeowner investment into renovation projects to protect this inventory.
9. There is too much commercial square footage in the downtown area and the City should consider strategies to rezone and repurpose targeted areas to further concentrate the commercial core.

4 EMERGING THEMES & GUIDING PRINCIPLES

Below is a summary of the emerging themes and guiding principles. These were compiled based on the public and stakeholder feedback collected through the project's initial round of engagement in 2019, as well as market changes and government legislation in recent months and years. Consultation with the OCP Committee and additional rounds of public engagement will be needed to confirm these themes.

Once confirmed, the themes and principles will form the foundation of the OCP. The themes and principles are intended to reflect the community's vision for future growth; the project team will ensure that all OCP policies are grounded and guided by the themes and principles.

4.1 HOUSING SUPPLY

Principles To Maintain / For Policy Change:

1. Incorporate Provincial government legislation changes into City bylaws;
2. Develop and implement methods to reduce the construction cost of new rental housing;
3. Encourage the renovation of homes in West Trail to improve the condition of the housing stock in that area;
4. Ensure that the overall housing stock meets the needs of the current and future demographics of the community;
5. Budget for infrastructure replacement to ensure its capacity and condition supports additional housing.

4.2 AFFORDABLE HOUSING

Principles To Maintain / For Policy Change:

1. Encourage the development of a variety of types and tenures of housing (affordable, senior, higher density, etc);
2. Develop policies and incentives to encourage residential development (development charges, taxes incentives, and provincial partnerships);
3. Adjust zoning regulations to allow for secondary suites, and lower minimum parking requirements in certain zones to provide residential developers with more flexibility;
4. Encourage and prioritize the development of infill housing (as it requires less servicing investment); and
5. Provide incentives to renovate / remodel existing residential development.

4.3 COMPLETE COMMUNITY (LIVE, WORK, SHOP, PLAY)

Principles To Maintain / For Policy Change:

1. Maintain Trail as a destination that can support residents' daily activities;
2. Encourage the development of a variety of types and tenures of housing to retain and attract residents;
3. Create and promote development permit guidelines in regard to the improvement of form and character in the downtown core, which would encourage the development and maintenance of specific urban design elements;
4. Maintain and support the existing mom and pop shops in the downtown core, and implement tools to attract more; and
5. Adjust policy to promote and incentivize mixed-use (commercial – residential) opportunities, or encourage tax incentives and partnership opportunities.

4.4 CONNECTIVITY

Principles To Maintain / For Policy Change:

1. Identify critical cycling connections, as well as focus on improving pedestrian facilities to enhance the walkability of Trail;
2. Ensure active transportation infrastructure is equitable and accessible for people of all ages and abilities;
3. Expand and enhance the trail network along the Columbia River to better serve residents and visitors of Trail;
4. Provide missing connections between important destinations within the City, including improvements to connections between East and West Trail; and
5. Support regional stakeholders in the improvement of active transportation connections between Trail and other communities in the region.

4.5 REGIONAL PARTNERSHIP

PRINCIPLES TO MAINTAIN / FOR POLICY CHANGE:

1. Build and encourage regional partnerships to help build social capital across regions through collaboration between various groups and industries;
2. Encourage and foster communication between various agencies to help strengthen partnerships for economic development, affordable housing, etc.; and
3. Encourage the use of the region's trail network, through education, promotion, etc.

4.6 VIBRANT DOWNTOWN CORE

PRINCIPLES TO MAINTAIN / FOR POLICY CHANGE:

1. Develop policies to support and encourage economic development in Trail's downtown core;
2. Focus on urban design and programming to increase vibrancy in the downtown core;
3. Improve greenspace downtown; and
4. Provide incentives for higher-density residential development in Trail's downtown.

4.7 SUPPORTING LOCAL BUSINESS

PRINCIPLES TO MAINTAIN / FOR POLICY CHANGE:

1. Focus on economic development to promote future commercial / industrial diversification;
2. Develop policy that supports and encourage existing and new local business investment;
3. Focus on the development of 'complete communities' (Theme #3) and other aspects of land-use that will also support and encourage the growth and development of local business;
4. Adjust zoning policy to support and encourage small, local businesses.

4.8 CLIMATE RESILIENCE

PRINCIPLES TO MAINTAIN / FOR POLICY CHANGE:

1. Promote the use of alternate modes of transportation, including transit, cycling and walking;
2. Allocate annual budget funds and seek grant funding for the implementation of Active Transportation Plan projects;
3. Incorporate incentives into City bylaws (e.g. DCC Bylaw) that encourage the use of energy efficient building materials;
4. Ensure that the City has updated climate disaster plans, including an emergency response plan and a climate mitigation strategy.

4.9 RECREATIONAL OPPORTUNITIES

PRINCIPLES TO MAINTAIN / FOR POLICY CHANGE:

1. Promote Trail's existing, vast recreational opportunities;
2. Leverage Federal government funding opportunities available for tourism initiatives; and
3. Develop policies that encourage the linkages between Trail's recreational assets and its regional neighbours.

Appendices