

Block Q Ladue Estate Planning Study

FINAL

FEBRUARY 9, 2021

CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

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Table of Contents

| | | |
|------------|---|-----------|
| 1.0 | INTRODUCTION | 3 |
| 2.0 | ALTERNATIVE A: RV-STYLE CAMPGROUND | 4 |
| 2.1 | ECONOMIC EFFECTS..... | 4 |
| 2.2 | RV-STYLE CAMPGROUND CAPACITY..... | 7 |
| 2.3 | LOCATION-INDUCED VISTOR SPENDING..... | 10 |
| 2.4 | THE BLOCK Q LEASE..... | 11 |
| 2.5 | TAXES AND UTILITY CHARGES | 12 |
| 2.6 | ADDITIONAL ALTERNATIVE A CONSIDERATIONS..... | 13 |
| 3.0 | ALTERNATIVE B: RESIDENTIAL DEVELOPMENT | 14 |
| 3.1 | PROPERTY TAX ANALYSIS | 14 |
| 3.2 | RESIDENTIAL HOUSING DEMAND..... | 16 |
| 3.3 | NEW RESIDENT SPENDING | 17 |
| 3.4 | MUNICIPAL INFRASTRUCTURE COSTS..... | 20 |
| 3.5 | 'VACANT' RESIDENTIAL LOT ANALYSIS | 21 |
| 4.0 | ALTERNATIVE C: RECREATION CENTRE | 22 |
| 5.0 | CONCLUSION..... | 24 |



1.0 INTRODUCTION

The City of Dawson, like all local governments, constantly endeavors to deliver an optimal mix of municipal and planning services to its residents with a finite amount of resources. Not only must the City of Dawson deliver water, sewer, solid waste and recreational services on a day-to-day basis, the City must also prudently manage its assets and plan for future growth for the benefit of all Dawson community members.

Key among the City of Dawson's assets is a complete 'city block' of undeveloped land located within the Historic Townsite Boundary and outside of the Downtown Core, as defined in the City of Dawson's 2018 Official Community Plan. Block Q of the Ladue Estate is comprised of 20 lots and is bounded by Duke Street to the north, York Street to the south, Fifth Avenue to the east and Fourth Avenue to the west. The area of Dawson City surrounding Block Q can generally be described as residential. The residences surrounding Block Q are serviced with in-ground water and sewer infrastructure. As such, existing water and sewer services are proximate to the 20 Block Q lots.

Use of the Block Q site is currently granted exclusively to Gold Rush Campground Ltd., an entity incorporated under Yukon's Business Corporations Act, under the terms of a lease with the City of Dawson. The first 10-year campground lease was established in 1984. The term of the current lease is 1 October 2017 to 30 September 2027. The City of Dawson invoked paragraph 6.02 (e) of the lease in June 2020: Either party may terminate this lease agreement by providing two (2) years notice of termination in writing.

The City of Dawson has hit pause on the campground lease as part of its efforts to prudently manage its assets and plan for future growth for the benefit of all Dawson community members. This report presents the planning study team's assessment of the economic and social factors to be considered in the determination of the highest and best use of the Block Q site by the City of Dawson's elected officials. The three development alternatives currently being considered for the Block Q location include (in no particular order):

- Recreational Vehicle-style campground (status quo)
- Residential development
- New recreation centre

We note that in its narrowest meaning, highest and best use analysis involves calculating a single number embodying the net positive fiscal effect for each alternative. A comparison is then made among each of the resulting numbers with the alternative scoring highest chosen as the best alternative. As recognized by Dawson City Council, the Block Q use issue is complex and cannot reasonably be reduced to the comparison of single numbers. As directed, the study team has taken a broader view in the assessment of the economic and social factors to be considered. Thus, the analysis which follows involves a mix of quantitative and qualitative factors.



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

Identification of the relevant economic and social factors to be considered in the analysis was informed by extensive community engagement which sought to learn directly from Dawson City residents the social and economic factors to be considered in the analysis. Engagement channels included an on-line survey, interviews with representatives of Yukon businesses, governments and organizations and a series of five open houses hosted in-person at City of Dawson Council Chambers. The engagement period ran from mid - September to 11 November. The results of the engagement are presented under separate cover in the *What We Heard Report*.

Our consideration of the three different uses for the Block Q site recognizes that some uses are more in the nature of 'economic infrastructure' rather than 'social infrastructure' and vice versa. For example, a community facility such as the recreation centre is more in the nature of social infrastructure rather than economic infrastructure. In contrast, an RV-style campground is more in the nature of economic infrastructure than social infrastructure. Residential development of the Block Q site is an example of both social infrastructure and economic infrastructure.

Note that environmental factors, specifically the suitability of the Block Q site with regard to permafrost, is not within the scope of the planning study. For purposes of the study, it was assumed that the Block Q site is potentially suitable for use by all three alternatives (RV-style campground, residential development and a recreation centre).

2.0 ALTERNATIVE A: RV-STYLE CAMPGROUND

2.1 ECONOMIC EFFECTS

Much of the community discussion in Dawson City about terminating the current lease has centered on the economic contribution of the Gold Rush Campground to the Dawson City economy. It is widely perceived by Dawson residents that the use of Block Q for a purpose other than an RV-style campground will cause not only the loss of a well-established Dawson City business, but also a significant loss of revenues for other businesses where Gold Rush Campground guests also make purchases. Dawson businesses that sell food, beverages, souvenirs and entertainment are all expected to be affected by a closure of the Gold Rush Campground.

According to the Tourism Industry Association of Yukon, "the Gold Rush Campground...has been responsible for accommodating 15,000 to 16,000 visitors in Dawson City annually and bringing \$2.3 million to Dawson each year." The table on the following page presents the results of reverse engineering the Tourism Industry Association of Yukon's number of 16,000 visitors across the five-month summer season.



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

The posted capacity of the Gold Rush Campground is 83 RV-style sites. Multiplying the total number of sites available (83) by the number of days in each of the months between May and September yields monthly available site nights ranging between 2,490 and 2,573 per month. Summing the monthly totals results in 12,699 site nights over the full summer season.

Gold Rush Campground – Estimated Visitation

| | May | Jun | Jul | Aug | Sep | Totals |
|--------------------------------------|-------|-------|-------|-------|-------|--------|
| Available site nights | 2,573 | 2,490 | 2,573 | 2,573 | 2,490 | 12,699 |
| Proxied occupancy rate | 18% | 77% | 100% | 83% | 28% | |
| Occupied site nights | 462 | 1,907 | 2,444 | 2,129 | 703 | 7,646 |
| Average group size | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | |
| No. of Gold Rush Campground visitors | 925 | 3,814 | 5,146 | 4,259 | 1,407 | 15,550 |

Note: The distribution of occupancy rates over the five-month summer season was proxied using Dawson City Visitor Information Centre attendance estimates, averaged over the three-year period 2017 to 2019.

The number of occupied site nights was calculated by multiplying the number of available site nights by the proxied monthly occupancy rates. The 2017/18 Yukon Visitor Exit Survey estimated that a total of 265,200 travelling parties visited Yukon from all origins in the reference year with an average of 1.9 people per travelling party. The same survey estimated that a total of 156,100 travelling parties visited Yukon from the United States in the reference year, with an average of 2.0 people per travelling party. As much of the rubber tire traffic arriving in Dawson City is likely on its way to, or from, Alaska, the higher figure of 2.0 for average group size was used in the calculations.

Multiplying the number of occupied site nights by the average group size provides an estimate of the number of Gold Rush Campground visitors per month. Summing across the five-month summer tourism season in Dawson results in a season-total number of Gold Rush Campground visitors of 15,550, a level consistent with the range provided by the Tourism Industry Association of Yukon (15,000 to 16,000).

An assessment of the accuracy of the Tourism Industry Association of Yukon's claim that the Gold Rush Campground "bring[s] \$2.3 million to Dawson each year" was completed by building on the analysis of estimated visitation at the Gold Rush Campground. A custom tabulation of data from the Yukon Bureau of Statistics' 2017/18 Visitor Exit Survey indicates that visitors to Yukon who entered Yukon in an RV, camper-truck or with a trailer, and who spent at least one night in the Klondike Region in an RV park, spent on average \$217 per party, per night.



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

Spending Attributable to Gold Rush Campground Guests

| | | May | Jun | Jul | Aug | Sep | Total |
|--|-------|---------|---------|---------|---------|---------|-----------|
| Gold Rush Campground: occupied site nights | | 462 | 1,907 | 2,573 | 2,129 | 703 | 7,775 |
| Average spend per party per night* | \$217 | 217 | 217 | 217 | 217 | 217 | |
| Gold Rush Campground: total guest spend | | 100,312 | 413,783 | 558,341 | 462,079 | 152,635 | 1,687,150 |
| Total Guest Spend by Category* | | | | | | | |
| Transportation | 44% | 43,937 | 181,237 | 244,553 | 202,391 | 66,854 | 738,972 |
| Accommodations | 20% | 19,661 | 81,101 | 109,435 | 90,567 | 29,916 | 330,681 |
| Food and beverage | 22% | 22,169 | 91,446 | 123,393 | 102,119 | 33,732 | 372,860 |
| Clothing and gifts | 6% | 5,918 | 24,413 | 32,942 | 27,263 | 9,005 | 99,542 |
| Recreation and entertainment | 6% | 5,617 | 23,172 | 31,267 | 25,876 | 8,548 | 94,480 |
| Other activities | 3% | 2,909 | 12,000 | 16,192 | 13,400 | 4,426 | 48,927 |
| Gold Rush Campground: total guest spend | 100% | 100,212 | 413,369 | 557,783 | 461,617 | 152,482 | 1,685,463 |

* Source: 2017/18 Yukon Visitor Exit Survey custom tabulation (average spend in Yukon, by visitors to Yukon who entered Yukon in an RV, camper-truck or with a trailer, who spent at least one night in the Klondike Region in an RV park, per party, per night).

Note: The Klondike Region includes Carmacks, Pelly Crossing, Dawson City and Tombstone Territorial Park.

Note: differences in 'Gold Rush Campground: total guest spend' are due to rounding.

Multiplying the average spend per party per night by the number of occupied site nights for each opening month produces the total monthly spend by Goldrush Campground guests. As can be seen from the table, the estimated total monthly guest spend ranged from a low of \$100,312 in May to a high of \$558,341 in July. Total spend by Goldrush Campground guests over the five-month summer season was estimated to be \$1,685,463, an amount \$600,000 less than the \$2.3 million figure supplied by the Tourism Industry Association of Yukon (an over-estimate of 27%).

The Yukon Bureau of Statistics' 2017/18 Visitor Exit Survey also provides an indication of the distribution of visitor spending for visitors to Yukon who entered Yukon in an RV, camper-truck or with a trailer, and who spent at least one night in the Klondike Region in an RV park, by type of spending. The categories of spending included transportation, accommodations, food and beverage, clothing and gifts, recreation and entertainment and other activities. As can be seen from the table above, spending on transportation accounted for 44% of visitor expenditures, with accommodations and food and beverage accounting for 20% and 22% of expenditures, respectively. Expenditures on clothing and gifts, recreation and entertainment and other activities accounted for the remaining 15% of visitor spending.



2.2 RV-STYLE CAMPGROUND CAPACITY

Many engagement respondents, including the Tourism Industry Association of Yukon, have suggested that closure of the Gold Rush Campground will result in the loss of *all* expenditures to the Dawson economy originating with Gold Rush Campground guests. As noted above, the value of the loss is estimated to be \$1.7 million per season. Such reasoning hinges on two suppositions, *first* that visitors travelling to Dawson City in a recreational vehicle will have nowhere else to stay in Dawson City and *second*, that the proximity of the Gold Rush Campground to other businesses somehow induces Gold Rush Campground guests to spend more in Dawson City than if they were to stay in a less proximate campground. Each assumption is addressed in turn below.

With regard to the *first* assumption, there are a total of four campgrounds, including the Gold Rush Campground, located within 3.5 km of the centre of Dawson City. For purposes of the study, Diamond Tooth Gerties is assumed to approximate the centre of Dawson City. In addition to the Gold Rush Campground, two other campgrounds are privately-owned, the Bonanza Gold Motel and RV Park and the Dawson City RV Park and Campground. Both the Bonanza Gold Motel and RV Park and the Dawson City RV Park and Campground can be considered perfect substitutes in supply, in terms of the amenities offered.

On the basis of information posted on the Yukon.ca website, all three private campgrounds offer: electricity (min. 30 amp), full hook-ups (water and sewer), wireless internet, pull through sites, sani-dump, showers, a store and laundry. Thus, the only material difference among the three private campgrounds is location. The Gold Rush Campground is located 350 metres from the centre of Dawson City, the Bonanza Gold Motel and RV Park 3,400 metres (3.4 kilometres) and the Dawson City R.V. Park and Campground 3,200 metres (3.2 kilometres). It is also worth noting that the Bonanza Gold Motel and RV Park and the Dawson City R.V. Park and Campground are connected to the near-centre of Dawson City by a walking / cycling path along the Yukon River Dike that is completely removed from road traffic.

The fourth campground located within 3.5 km of the centre of Dawson City is the Yukon River Campground. The Yukon River Campground is owned and operated by the Yukon Government and is accessible by a free 24-hour ferry across the Yukon River. The ferry is also operated by the Yukon Government. As it is non-serviced, the Yukon River Campground is not a perfect substitute in supply in terms of amenities. The Yukon River Campground does not offer any of the following amenities: electrical hookups, sewer hook-ups, wireless Internet, a sani-dump, showers, store or laundry facilities.

The Yukon River Campground does offer pull-through sites and well water. With that distinction drawn however, it is worth remembering that recreational vehicles, camper trucks and camping trailers are designed to be self-contained. Thus, to the extent that visitors are willing to forgo full hook-ups and other amenities while in Dawson City, the Yukon River Campground is a closer substitute for an RV-style campground than might be thought at first glance. Even more so given the availability of laundry, sani-dump, showers, stores and wireless internet service access at various locations throughout Dawson City. In addition, the Yukon River Campground is located a relatively short



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

distance from the centre of Dawson City, 2,000 metres (2 kilometres), as measured from the centre of the campground (given the elongated nature of the Yukon River Campground).

Proximate RV-style Campground Site Availability in Dawson City

| | | Number of Sites | Distance to Diamond Tooth Gerties (metres) | Ownership Type |
|-----------------------------------|------------------------------------|-----------------|--|----------------|
| Comparator: | Gold Rush Campground | 83 | 350 | Private |
| Perfect Substitutes in Amenities | Bonanza Gold Motel and RV Park | 100 | 3,400 | Private |
| | Dawson City RV Park and Campground | 60 | 3,200 | Private |
| Imperfect Substitute in Amenities | Yukon River Campground | 102 | 2,000 | Public |
| Total | | 345 | | |

As a community, Dawson City currently offers a total of 243 RV-style campground sites with a full complement of amenities. Closure of the Gold Rush campground would see a reduction of 83 RV-style campground sites, representing a reduction of approximately one third (34%) of privately-supplied RV-style campground site capacity. Interviews with the other private campground owners in Dawson City indicated, however, that currently unused capacity could readily be brought into service if needed. As shown in the table below, capacity could be increased at the Bonanza Gold Motel and RV Park by an estimated 50 sites and at the Dawson City RV Park and Campground by an estimated 25 sites. Thus, the resulting net reduction in the number of RV-style campground sites available within 3.5 km of the centre of Dawson City is estimated to be eight.

Privately Supply of RV-style Campground Site Capacity in Dawson City

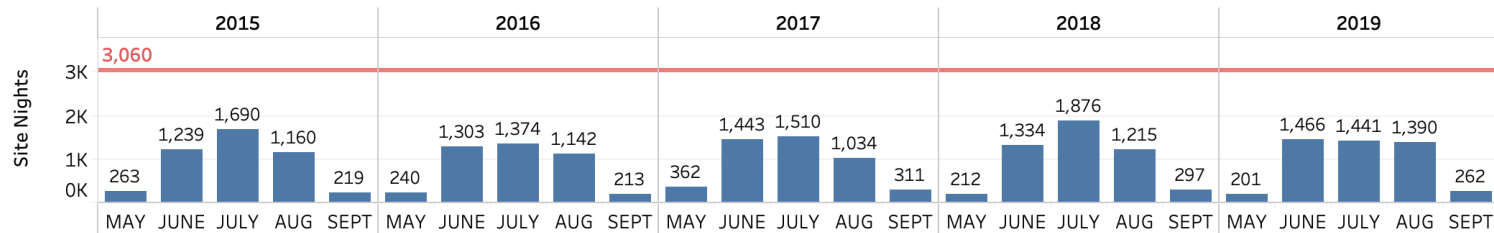
| | Current site capacity | Estimated change in site capacity | Net site capacity |
|------------------------------------|-----------------------|-----------------------------------|-------------------|
| Gold Rush Campground | 83 | -83 | 0 |
| Bonanza Gold Motel and RV Park | 100 | +50 | 150 |
| Dawson City RV Park and Campground | 60 | +25 | 85 |
| Total | 243 | -8 | 235 |



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

The chart below presents site occupancy by month at the Yukon River Campground located across the Yukon River and accessible by a free 24-hour ferry. As can be seen from the chart, significant unused non-serviced RV-style campground capacity is consistently available at the Yukon River Campground, even in the peak month of July. For example, in July 2018, when the highest monthly occupancy was recorded over the five-year 2015 to 2019 period, capacity exceeded occupancy by 1,184 site nights, or in percentage terms 39%.

Yukon River Campground - Occupancy by Month
Site Nights (Capacity = 3,060)



Source: Yukon Environment.

As noted earlier, sites at the Yukon River Campground are not perfect substitutes in supply for sites at the Gold Rush Campground in terms of amenities. However, given the self-contained nature of recreational vehicles, camper trucks and camping trailers, and the close proximity of the Yukon River Campground to the centre of Dawson City, it is not unreasonable to expect that the net reduction of eight RV-style campground sites resulting from the closure of the Gold Rush Campground could reasonably, and handily, be offset by existing capacity at the Yukon River Campground.

In summary, the closure of the Gold Rush Campground is not expected to result in a net loss of RV-style campground capacity in Dawson City. Visitors travelling to Dawson City in a recreational vehicle, camper truck or camping trailer can be accommodated within existing capacity *and* within 3.5 kilometres of the centre of Dawson City.

Several engagement respondents noted that a change in use of the Block Q site to something other than an RV-style campground would result in the unauthorized parking of RV units throughout the historic Dawson townsite. On the basis of the analysis above, which finds that the closure of the Gold Rush Campground will not result in a net loss of RV-style campground capacity, a change in use of the Block Q site is not expected to worsen any unauthorized RV parking issues currently being experienced in the historic Dawson townsite.



2.3 LOCATION-INDUCED VISTOR SPENDING

The *second* assumption, that the close proximity of the Gold Rush Campground to other businesses induces Gold Rush Campground guests to spend more money in Dawson City is considered next by returning to the spending figures presented in the table on page six of this report (reproduced in part in the table below).

Induced Spending by Category and Degree of Spending Influence

| Total Guest Spend by Category* | Share | Sunk Spending (\$) | Discretionary Spending (\$) | Induced Spending (10%) | Induced Spending (20%) | Induced Spending (30%) |
|--------------------------------|-------|--------------------|-----------------------------|------------------------|------------------------|------------------------|
| Transportation | 44% | 738,972 | -- | -- | -- | -- |
| Accommodations | 20% | 330,681 | -- | -- | -- | -- |
| Food and beverage | 22% | -- | 372,860 | 37,286 | 74,572 | 111,858 |
| Clothing and gifts | 6% | -- | 99,542 | 9,954 | 19,908 | 29,863 |
| Recreation and entertainment | 6% | -- | 94,480 | 9,448 | 18,896 | 28,344 |
| Other activities | 3% | -- | 48,927 | 4,893 | 9,785 | 14,678 |
| Total | 100% | 1,069,653 | 615,809 | 61,581 | 123,162 | 184,743 |

To recap, it was estimated that guests of the Gold Rush Campground spend at total of \$1.7 million over the May to September summer season. Almost two-thirds (64%) of that spending, totaling \$1.1 million, is for transportation and accommodations and is considered to be 'sunk' spending. The spending is considered to be sunk as all visitors to Dawson City would make the same expenditures, regardless of which RV-style campground facility they may choose to stay at. The other four spending categories (food and beverage, clothing and gifts, recreation and entertainment and other activities) are considered to be discretionary in nature and influenced to a degree by the convenience of being able to stay close to Dawson's restaurants, bars, shops and entertainment venues.

The exact degree to which visitor spending behavior is influenced by the distance between the location of visitor accommodation and tourism businesses is not known. To illustrate some possibilities, however, the table above presents a range induced spending for three degrees of influence. If the degree of influence is assumed to be 10%, the total value of induced spending is \$61,581. If the degree of influence is assumed to be 20%, the total value of induced spending is \$123,162. If the degree of influence is assumed to be 30%, the total value of induced spending is \$184,743. The range of 10% to 30% is thought to be reasonable given there are three other campgrounds located within 3.5 kilometres of the centre of Dawson City.



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

Some engagement respondents indicated that in their experience, visitors to Dawson City who stay at RV-style campgrounds located outside of the historic townsite actually spend more than visitors who stay at RV-style campgrounds located within the historic townsite. Visitors staying outside the historic townsite are observed to “go to town for the full day” and not return to eat meals at RV units located within short walking distance of restaurants and bars. It was also pointed out that many RV travelers tow smaller vehicles and/or bring bicycles with them, as they have no expectation of being able to park and set up camp in the centre of the many communities along the Alaska Highway. Such travelers have figured out how to keep their shopping and entertainment options open and convenient long before arriving in Dawson City. For the reasons above, it is suggested that a reasonable upper limit for an estimate of induced spending resulting from close RV site / shopping proximity corresponds to a degree of influence of 20%, or \$123,162.

2.4 THE BLOCK Q LEASE

Engagement participants were generally supportive of the current use of the Block Q site as an RV-style campground. To phrase it another way, most respondents do not generally feel that an RV-style campground is an inappropriate use of the Block Q site. Several engagement participants did question the fairness of the lease arrangement, in terms of the process used by the City of Dawson to grant the lease, the amount of rent specified in the lease and the jurisdiction to which tax revenues accrue. Several engagement participants expressed concern about the fairness of the lease selection process, noting that an open and transparent procurement process did not appear to have been used for either the 10-year lease that ran from 2006 to 2016 or the current lease that expires in September 2027.

With regard to the amount of rent specified in the lease, the lease requires five payments per year of \$6,000, with each payment due on the last day of May, June, July, August and September. Thus, an aggregate payment of \$30,000 per year effectively grants the Gold Rush Campground Ltd. exclusive use of the Block Q site for 10 years. Under the terms of the lease, the Gold Rush Campground Ltd. is responsible for payment of property taxes and utilities (water, sewage and garbage). As the lease makes no provision for rent escalation over the 10-year term, the monthly rent is fixed at \$30,000 per year until the end of the lease term in 2027.

Several engagement participants questioned whether an annual lease payment of \$30,000 accurately reflects the market value of the Block Q site. Specifically, some engagement participants wondered if the annual lease payment is below market value, with the inadvertent result that the City of Dawson is operating a business subsidy program for which only one Dawson City business is eligible to participate. *Pro forma* analysis provided by the City of Dawson’s Chief Financial Officer suggests that market value of the annual lease payment is north of \$115,000. So, even if rent were charged on the full 12 months of the year for which exclusive use of the Block Q site has been granted (instead of just five months of the year for which rent is currently collected), the annualized lease rate of \$72,000 would still be below market value. The analysis suggests that at the current lease rate, a business subsidy of at least \$85,000 per year is effectively being provided by the City of Dawson to the Gold Rush Campground Ltd.



2.5 TAXES AND UTILITY CHARGES

The table below presents an extract from the property assessment roll prepared by the Yukon Government’s Property Assessment and Taxation Branch for the City of Dawson, from the most recently completed assessment in 2019. As shown in the table, the total assessed value for the 20 Block Q lots is \$637,790, comprised of an assessed value of \$471,000 for land and \$166,790 for improvements (i.e., buildings). As specified in the City of Dawson’s 2020 Tax Levy Bylaw, the non-residential property tax rate applicable to the Block Q site is 1.85%. Applying the tax rate of 1.85% to the total assessed value of \$637,790 yields a property tax liability of \$11,799.

Gold Rush Campground - Property Tax Assessment 2019

| Use | Neighborhood | Block | LOT | Description | Name | Land | Improvement | Total | Tax |
|------------|--------------|-------|--|-------------|----------------|----------------|----------------|----------------|---------------|
| Commercial | Ladue Estate | Q | 11 | LADUE | CITY OF DAWSON | 28,750 | 0 | 28,750 | 532 |
| | | | 12 | LADUE | CITY OF DAWSON | 28,750 | 0 | 28,750 | 532 |
| | | | SEE DESC LADUE ESTATE: 1-10 13-20 LANE | | CITY OF DAWSON | 413,500 | 166,790 | 580,290 | 10,735 |
| Total | | | | | | 471,000 | 166,790 | 637,790 | 11,799 |

According to data supplied by the City of Dawson, current utility charges for water, sewer and garbage services for the Gold Rush Campground are \$22,479 per year. Total annual property taxes and utility charges for the Gold Rush Campground are \$34,269.

As confirmed through the Yukon Government’s online corporate registry system, the Gold Rush Campground Ltd. is incorporated under the Yukon *Business Corporations Act* and is in good standing with the Yukon’s Corporate Registrar. As the Gold Rush Campground facility meets the definition of a permanent establishment, any corporate taxes due on revenues earned through operation of the Gold Rush Campground are payable to the Yukon Government.

Personal income taxes, including taxes on dividends issued to the owners of the corporation, are payable to the provincial or territorial jurisdiction where the owners of the corporation are normally resident on 31 December of the year. Thus, corporate income taxes payable on net business income would accrue to the Yukon Government and personal income taxes payable on corporate earnings issued to the owners would accrue to the jurisdiction where the owners of the corporation reside.



2.6 ADDITIONAL ALTERNATIVE A CONSIDERATIONS

Additional issues identified through the public engagement with Dawson City residents regarding the continued use of the Block Q site as an RV-style campground are outlined below.

Support for Tourism and Local Business

Several engagement respondents expressed a desire to support tourism and local businesses in Dawson City even if they felt a campground was not the most suitable use for the Block Q site. In addition, many respondents noted that with the decimation of the tourism industry as a result of the global COVID-19 pandemic, perhaps now is not the best time to cause the closure of a long-standing Dawson City tourism business.

Seasonality of Use

Many engagement respondents noted that year-round use of the Block Q site could potentially bring benefits to the Dawson community on a year-round basis.

Loss of Public Amenities

The existing campground currently offers laundry and shower facilities to both campground clients and the public (pay-for-use). Many engagement participants noted that closure of the campground would also result in a loss of laundry and shower facilities for use by the broader Dawson community. While not available in the same location, there are two other campgrounds within 3.5km which offer these same amenities to the public: Bonanza Gold Motel and RV Park and the Dawson City RV Park and Campground.



3.0 ALTERNATIVE B: RESIDENTIAL DEVELOPMENT

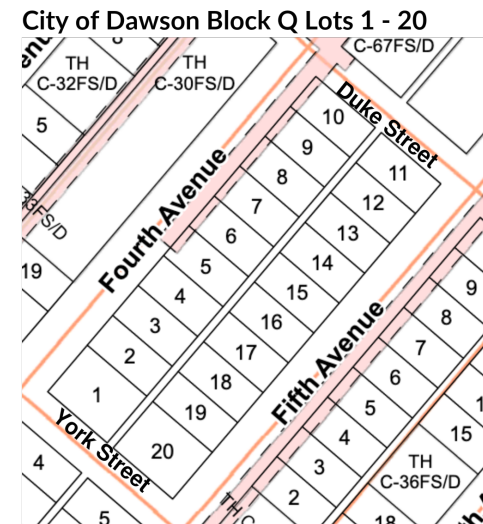
The second development alternative to be considered for the Block Q site as part of this planning study is residential development. The existing survey for the Block Q site outlines a total of 20 lots, with 18 lots of size similar to single-detached housing in the surrounding area and two lots of slightly larger size. The two larger lots are located on the south (York Street) side of the site. According to City of Dawson Zoning Bylaw No. 2018-19, all 20 lots on the Block Q site are zoned for residential use (both single detached and duplex units). For the purpose of the analysis which follows, the 20-lot quantum and current zoning has been taken at face value. Condominium-style, townhouse or apartment-type developments have not been considered as part of the analysis.

3.1 PROPERTY TAX ANALYSIS

The table on the following page outlines a *pro forma* analysis for expected property tax revenues and utility charges for 22 residential units on the Block Q site. For purposes of the analysis, it is assumed that 18 single-detached homes will be built on each of the 18 smaller lots and that duplexes will be built on each of the two larger lots.

In Yukon, land is assessed by the Yukon Government's Property Assessment and Taxation Branch at 'fair' or 'market' value. The fair or market value of a property is the price a lot could be expected to fetch if sold by a willing seller to a willing buyer on the date of assessment. In contrast, improvements (building, structures and fixtures), are assessed at replacement cost, rather than market value. Because improvement assessments consider the type of construction, materials used, the quality of construction and the age and condition of the improvement, improvements are effectively assessed in Yukon at 'depreciated replacement cost'.

The consequence of assessing land at market value and improvements at depreciated replacement cost is that property taxes on older homes can be significantly lower than property taxes on newer homes, as improvement values for newly constructed buildings are not yet depreciated. For this reason, the assessed improvement values used in the *pro forma* analysis are higher than for houses in the immediately surrounding area. The analysis is based on an assessed land value of \$30,000 and an assessed improvement value of \$175,000 for the single detached homes and an assessed land value of \$40,000 and an assessed improvement value of \$145,000 each for the duplex homes. The assessed land and improvement values used in the analysis are thought to be conservative relative to residential properties in the area immediately surrounding the Block Q site. The annual utility charges are actual values for similar residential properties and were supplied by the City of Dawson.



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

Pro Forma Property Tax and Utilities Analysis of 22 Residential Properties – Block Q

| Home type | Assessed value of land | Assessed value of improvements | Total assessed value | Property taxes (1.56%) | Annual utility charges |
|--------------------------|------------------------|--------------------------------|----------------------|------------------------|------------------------|
| Lot 1a - duplex | 20,000 | 125,000 | 145,000 | 2,262 | 1,312 |
| Lot 1b - duplex | 20,000 | 125,000 | 145,000 | 2,262 | 1,312 |
| Lot 2 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 3 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 4 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 5 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 6 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 7 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 8 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 9 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 10 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 11 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 12 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 13 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 14 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 15 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 16 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 17 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 18 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 19 - single detached | 30,000 | 175,000 | 205,000 | 3,198 | 1,312 |
| Lot 20a - duplex | 20,000 | 125,000 | 145,000 | 2,262 | 1,312 |
| Lot 20b - duplex | 20,000 | 125,000 | 145,000 | 2,262 | 1,312 |
| Total | 620,000 | 3,650,000 | 4,270,000 | 66,612 | 28,874 |

The total assessed value of a property is the sum of the assessed value of land and the assessed value of improvements. The property tax liability is calculated by multiplying the total assessed value by the residential property tax rate (1.56%).

For the 20 lots (22 homes) the total assessed value (land and improvements) is estimated to be \$4.3 million with an accompanying tax liability of \$66,612. Total annual utility charges are estimated to be \$28,874. On the basis of the *pro forma* analysis, the City of Dawson could expect to collect property tax and utility charge revenues totaling \$95,486 per year.

Note that the Yukon Home Owner's Grant does not figure into the analysis here. The Home Owner's Grant is a bill subsidy program operated and funded by the Yukon Government which reduces property tax bills for Yukon property owner's resident in a home for 183 or more days in a calendar year. The City of Dawson would receive the full amount of property taxes shown in the table.



3.2 RESIDENTIAL HOUSING DEMAND

As it would make no sense to convert the Block Q site to residential use without sufficient demand for single detached and duplex building lots in Dawson City, an assessment of current housing demand was undertaken as part of this planning study. The overall demand for single detached and duplex housing in Dawson City emanates from two distinct types of demand, pent-up demand and population growth-induced demand. Evidence of pent-up demand for single detached housing can be found in a survey conducted by the Klondike Development Organization, developers of two apartment-style housing initiatives in Dawson City in recent years. As noted in the 2017 *Housing and Land Need* study prepared by the Klondike Development Organization:

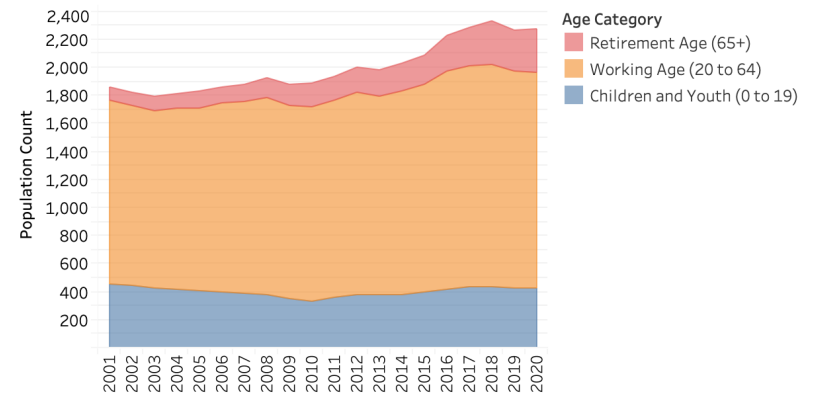
“The acute shortage of appropriate housing has been repeatedly raised in community economic and needs surveys since 2011. Both the 2017 Household Survey (133 responses) and the 2017 Business Retention and Expansion Survey (33 interviews) again confirmed housing as the top priority for improving Dawson and strengthening the economy, ahead of recreation, transportation, infrastructure or other investments.”

When asked “what kind of home are you looking to buy or build”, 77% of respondents to the Klondike Development Organization’s 2017 *Housing Rental & Ownership Demand Survey* indicated they were looking to buy or build a single detached home. When the same question was asked on the 2020 version of the same survey, 79% of respondents indicated they were looking to buy or build a single detached home. According to the same survey, 43% of renters in 2017 were planning to buy or build their own home in the next 5 years. By 2020, 56% of survey respondents were planning to buy or build their own home in the next 5 years. Clearly, the Dawson City housing market features significant pent-up demand for owner-occupied housing.

In terms of growth-induced demand, the Klondike Development Organization study also included a 2018 to 2030 Housing Unit Needs Forecast for Dawson City. The forecast indicates home ownership demand over 13 years at the level of 125 homes (or, 9.6 homes per year) comprised of 30 one-bedroom homes, 65 two-bedroom homes and 30 three-bedroom homes.

As shown in the chart to the right, the population of Dawson has been steadily increasing over the last 20 years. Between 2001 and 2020 Dawson City’s population increased by 420 residents, equivalent to 21 new residents per year. Over the most recent 10-year period, 2011 to 2020, Dawson City’s population increased by 343 residents, equivalent to 34 residents per year.

Dawson City Population by Age Cohort 2001 to 2020



Source: Yukon Bureau of Statistics.
 Note: Count at December of the year except for 2020 (July).



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

Data from Statistics Canada 2016 Census indicates that average household size in Dawson City is 2.0. Thus, annual growth-induced demand on the basis of population growth over the last 10 years is 17 housing units per year. Most of the growth-induced housing demand of 17 units per year will likely be for rental units. If it is assumed that the demand of 17 new housing units per year is split 10 for rental and seven for owner-occupied, a total of 70 building lots for owner occupied housing will be needed over the next ten years, *exclusive of existing pent-up demand*.

On the social side of the ledger, it should be noted that at a time of 50-year lows in home mortgage rates, the acute shortage of building lots in Dawson City is resulting in an entire generation of young Dawson residents being shut out of home ownership opportunities. A permanent expansion of Dawson City's housing stock would also likely improve social cohesion in the community as more individuals and families would be able to establish stable and year-round 'roots'.

It is acknowledged that other land development and planning projects already underway in Dawson City could potentially absorb some of the current and expected demand for residential building lots. Two projects are of note. *First*, Yukon Community Services is currently undertaking an infill development in the North End of Dawson City that will supply approximately 15 new single-family building lots.

Second, outside of the historic Dawson townsite, planning work is underway to determine the feasibility of supplying new residential lots in the Crocus Bluff / Dome Road area, also on a cost recovery basis. It is not yet known however, if the economics of building lots such a distance from existing municipal water and sewer services will allow for the supply of higher-density municipally serviced lots or lower-density owner-serviced country-residential style building lots. The Yukon Government's cost recovery approach to land development may mean the Crocus Bluff / Dome Road building lots are economic for only a very few. In summary, current and future demand for building lots in Dawson City over the next ten years is expected to exceed supply even if all options currently under development or being planned come to fruition.

3.3 NEW RESIDENT SPENDING

As described above, on the basis of recent population trends, the demand for building lots for owner-occupied housing, exclusive of existing pent-up demand, is estimated at 70 building lots over the next ten years, or 35 lots over the next five years. Under a scenario of 15 new building lots under development in the North End and 20 potential building lots at the Block Q site, population growth-induced demand would be equal to the supply of building lots. Thus, it can reasonably be concluded that the North End and Block Q sites would be populated by new Dawson City residents, or by people whose current housing would become occupied by new Dawson City residents. The distinction between existing residents and new residents is important because of the implications for the effects of consumer spending on the Dawson City economy.



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

Information about consumer spending in the Yukon can be found in Statistics Canada's Survey of Household Spending. While results of the Survey of Household Spending are not available for Dawson City, results are available for the three territorial capitals (Whitehorse, Yellowknife and Iqaluit). Data from the Survey of Household Spending for Whitehorse are most recently available for 2017. The Yukon Bureau of Statistics calculates spatial price indices for Yukon communities which measure the differences in prices for consumer goods and services in Yukon communities relative to prices for the same goods and services in Whitehorse.

In the table below, data from the Survey of Household Spending for Whitehorse for the top ten consumption expenditure categories have been adjusted using the January 2020 spatial price index for Dawson City. We note that not all of the additional consumer spending will be captured by Dawson business as some items are not available for sale in Dawson City. Also, some families may choose to make expenditures outside the Dawson economy, for example from Whitehorse businesses or from on-line retailers outside the Yukon. The data is presented on a monthly basis to highlight that the benefits that will potentially accrue to Dawson City businesses from additional families living in Dawson City will occur through all 12 months of the year and not just the five-month tourism season. As shown in the table, average monthly household expenditures for goods and services in the top 10 expenditure categories were estimated at \$6,524 per month or \$78,291 per year.

Average Household Expenditures for One Dawson City Household by Month, Top 10 Expenditure Categories (\$)

| Expenditure Category | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Shelter | 2,006 | 2,006 | 2,006 | 2,006 | 2,006 | 2,006 | 2,006 | 2,006 | 2,006 | 2,006 | 2,006 | 2,006 | 24,068 |
| Transportation | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 1,283 | 15,396 |
| Food | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 11,339 |
| Household operations | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 7,495 |
| Recreation | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 427 | 5,125 |
| Clothing and accessories | 353 | 353 | 353 | 353 | 353 | 353 | 353 | 353 | 353 | 353 | 353 | 353 | 4,232 |
| Furnishings and equipment | 266 | 266 | 266 | 266 | 266 | 266 | 266 | 266 | 266 | 266 | 266 | 266 | 3,189 |
| Health care | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 252 | 3,027 |
| Tobacco and alcohol | 192 | 192 | 192 | 192 | 192 | 192 | 192 | 192 | 192 | 192 | 192 | 192 | 2,306 |
| Miscellaneous expenditures | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 2,114 |
| Total | 6,524 | 6,524 | 6,524 | 6,524 | 6,524 | 6,524 | 6,524 | 6,524 | 6,524 | 6,524 | 6,524 | 6,524 | 78,291 |

Source: Statistics Canada, *Survey of Household Spending (2017)* and Yukon Bureau of Statistics, *Community Spatial Price Index* for Dawson City.

Note: Survey of Household Spending amounts for Whitehorse were adjusted with the January 2020 spatial price index for Dawson City (SPI = 1.204)



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

The table below illustrates the estimated household expenditures for the Block Q residential scenario on an annual basis and in aggregate for all 22 potential households (18 single detached and four duplex households). Estimated expenditures were calculated by multiplying the number of single detached and duplex households by annual expenditures for one household estimated in the table above. As can be seen from the table below, total expenditures for 22 potential households on the Block Q site have been estimated at \$1.7 million per year.

Estimated Annual Household Expenditures for Block Q Residential Scenario (\$)
Top 10 Survey of Household Spending Expenditure Categories

| | Single detached | Duplex | Total |
|--|-----------------|---------|-----------|
| Number of Households | 18 | 4 | 22 |
| Shelter | 433,223 | 96,272 | 529,495 |
| Transportation | 277,120 | 61,582 | 338,702 |
| Food | 204,107 | 45,357 | 249,464 |
| Household Operations | 134,908 | 29,980 | 164,888 |
| Recreation | 92,258 | 20,502 | 112,759 |
| Clothing and accessories | 76,177 | 16,928 | 93,105 |
| Household furnishings and equipment | 57,409 | 12,758 | 70,167 |
| Health care | 54,483 | 12,107 | 66,591 |
| Tobacco products and alcoholic beverages | 41,502 | 9,223 | 50,725 |
| Miscellaneous expenditures | 38,056 | 8,457 | 46,513 |
| Total | 1,409,243 | 313,165 | 1,722,409 |

While the analysis above has taken the 20-lot quantum and current zoning at face value and considered only single detached and duplex dwellings, a more innovative design for the Block Q site could improve the mix housing offerings in Dawson City. As shown in the population chart on page 13, the retirement age cohort (65+) in Dawson City is quickly expanding, almost doubling from 168 in 2011 to 314 in 2020, an increase of 94%. Innovative housing options for people of retirement age, and others, who may now be considered 'overhoused' (i.e., living in dwellings with square footages beyond functional need) could bring family-suitable housing to the Dawson City market and reduce pressure on demand for single detached and duplex building lots.



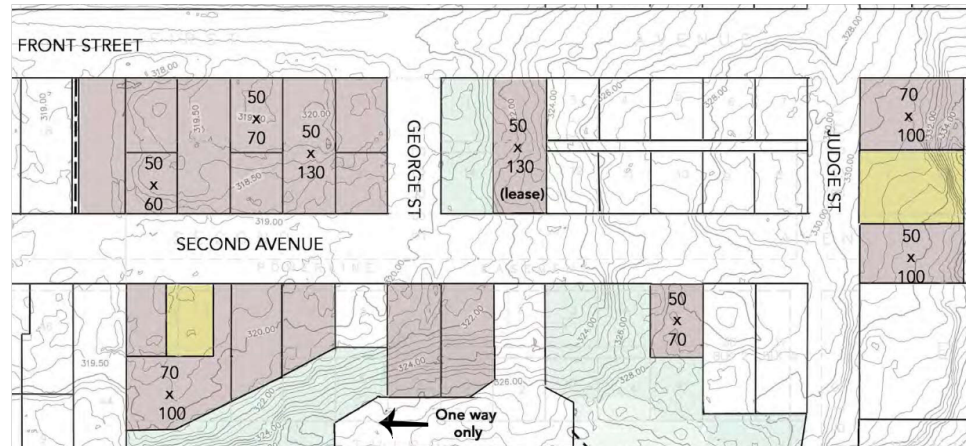
3.4 MUNICIPAL INFRASTRUCTURE COSTS

A key feature of the Block Q site is the potential to build on 20 contiguous and level lots proximate to existing underground water and sewer infrastructure and the associated cost implications. The installation of water and sewer services in a compact and efficient manner on the Block Q site can be expected to minimize infrastructure costs and building lot prices which, if in line with current practice, will be supplied to the market on a cost-recovery basis.

The North End infill development project, located just blocks away from the Block Q site, provides a contrasting example. As illustrated by the pink shaded parcels in the picture above, the presence of permafrost, soil contamination, steep gradients and

heritage values has resulted in a discontinuous assortment of potential building lots in Dawson City's North End. Within the last year, the Yukon Government collected costing data for the installation of water main, sanitary sewer, service connections, drainage improvement and reconstruction of roadways for 15 new lots in the North End. Analysis of the data confirms that factors such as of permafrost, soil contamination, steep gradients and heritage values all contribute to higher development costs than for the development of contiguous and level lots proximate to existing underground water and sewer infrastructure.

City of Dawson North End Plan - Final Development Concept

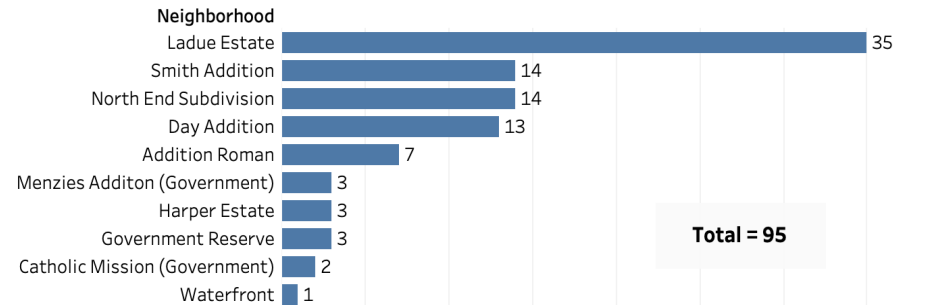


3.5 'VACANT' RESIDENTIAL LOT ANALYSIS

Several engagement respondents suggested that the solution to the shortage of residential building lots is to make use of some of the 'vacant' lots in the historic Dawson townsite. Indeed, several respondents noted that the historic Dawson townsite contains a total 77 vacant lots suitable for residential construction.

Our analysis of the 2019 property assessment roll prepared by the Yukon Government's Property Assessment and Taxation Branch indicates that Dawson's historic townsite contains 95 lots which might be considered 'vacant'. The chart to the right shows the number of lots in each of the neighborhoods which comprise Dawson's historic townsite, flagged as residential use on the assessment roll, that have an assessed land value of more than \$10,000 and an assessed improvement value of less than \$10,000.

Number of "Vacant" Residential Lots in Historic Dawson Townsite
 Assessed Land Value > \$10,000
 Assessed Improvement Value < \$10,000



Are there really 95 (or even 77) vacant building lots in Dawson's historic townsite? The short answer is no. A 'vacant lot' and a 'development-ready building lot' are quite two different things. Dawson's historic townsite, which includes the Block Q site, is best thought of as a brownfield, rather than a greenfield, development site. As illustrated by the North End infill development project, altered permafrost, soil contamination and undocumented heritage values are all potential cost escalators on a given historic townsite lot.

Existing structures also bring potential for above-ground contamination requiring remediation before residential construction can begin. For example, consider a 'vacant lot' that has soil contaminated with heavy metals and an unoccupied building insulated with asbestos. The cost to bring such a lot to the development-ready stage is not just the asking price, it's also the cost of cleaning up and disposing of the heavy metal and asbestos contamination, as well as the site preparation work required in the event permafrost is found in the ground.

And getting to the starting line on a project to remediate and convert a vacant lot into a development-ready building lot first requires finding a ready and willing seller of a vacant lot. On the basis of several interview responses, it would appear there are very few or none such ready and willing sellers in Dawson City. Even the \$800 minimum tax imposed by the City of Dawson on residential properties in the historic Dawson townsite under the current *Tax Levy Bylaw*, well above the average property tax bill of \$409 in 2020 for the 95 'vacant' lots, does not appear to be much of a deterrent for property owners to hold properties over the long term. In addition, it is worth noting that it is not just private land owners who have a role to play in addressing the shortage of building lots in Dawson City. The Yukon Government and the Yukon Housing Corporation also own lots designated for residential use within the historic Dawson townsite.



4.0 ALTERNATIVE C: RECREATION CENTRE

The third development alternative to be considered for the Block Q site as part of this planning study is a new recreation centre. Dawson City's current recreation facility, the Art and Margaret Fry Recreation Centre, consists of an ice hockey rink, two sheets of curling ice, a concession stand with seating area, main floor office spaces (used for storage) and an unfinished second floor. The curling rink has a heated lounge and bar. The current configuration of the Art and Margaret Fry Recreation Centre is approximately 20 years old and has experienced significant shifting and settling. While some special events are hosted in the facility in the off-season, such as the Dawson City International Gold Show in May, the building is largely unused in the summer season.

As the facility remains unfinished and does not perform to the expectations and promises made to the community when designed, interest in constructing a fully-functional recreation centre endures in Dawson City. The city-block sized footprint of a recreation centre, however, may restrict the options for locating a similar facility within the historic Dawson townsite. At the same time, the idea of locating another structure with such a massive footprint so close to a known permafrost occurrence has certainly given many engagement participants pause for thought.

Given the social infrastructure nature of the recreation centre, any assessment of the Block Q site for use as a recreation centre will necessarily involve trade-offs described in terms more qualitative than quantitative. The trade-offs identified in the course of community engagement are discussed below.

In terms of location, the possibility of building a new recreation centre at the bottom of the Dome Road (next to the Crocus Bluff Ball Fields), approximately 1,800 meters from the existing Art and Margaret Fry Recreation Centre, has already been the subject of significant discussion within the community. Thus, much of the engagement feedback received on the recreation centre option involved not just two locations but three: the existing Art and Margaret Fry Recreation Centre, the Block Q site and at the bottom the Dome Road.

With regard to the location at the bottom the Dome Road, engagement respondents were generally of the view that a recreation centre located slightly outside of the historic Dawson townsite would have little impact on the current users of the recreation centre. Respondents suggested that facility users would be inclined to drive "with their hockey gear" to the recreation facility, wherever it is ultimately located.

For some Dawson residents, locating the recreation facility outside of the downtown area would help alleviate the effects of pollution from idling cars outside the current location or the potential Block Q site. While residents of the historic Dawson townsite may be made better off, residents proximate to the new location would be worse off in terms of pollution from car idling.

Given its latitude, Dawson City currently has a surprisingly very low volume of public warm spaces, areas where schools, daycares and families can send or take children to play indoors during Dawson's subarctic winters at little or no cost. Public warm spaces are most



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

accessible when located within users' walking distance. As such, locating a new recreation centre at the bottom of the Dome Road and further away from Dawson's two daycares and the Robert Service School will reduce accessibility. Completion of Dawson's new youth centre will increase the volume of public warm spaces within the historic Dawson townsite.

Construction of a new recreation centre on the Block Q site would require a zoning change. The recreation centre's current location is zoned as Core Commercial, intended for commercial, recreational, and multi-unit residential uses. The Block Q site is currently zoned for single detached and duplex residential dwellings, as is the area surrounding the Block Q site. As a result, placing an institutional structure of similar size and parking capacity on the Block Q site may not mesh well with the existing aesthetic features of the area.

Several engagement respondents noted that public facilities like recreation centres are essential to community health and well-being. Community well-being is bolstered by the ability to socialize. Thus, the distinction between a 'recreation centre' and 'community centre' is important here. If the Dawson community intends to build a new recreation centre, then the location of the recreation centre would seem to be less important. If, however, the intent is to build a community centre accessible by as many people as possible, then a more central location in the historic Dawson townsite may be preferred.



5.0 CONCLUSION

Under the Yukon's *Municipal Act*, the City of Dawson is obligated to prudently manage its assets and plan for future growth for the benefit of all Dawson community members. Key among the City of Dawson's assets is a complete 'city block' of undeveloped land, comprised of 20 lots located within the Historic Townsite Boundary on Block Q of the Ladue Estate. This report has presented the planning study team's assessment of the economic and social factors to be considered in the determination of the highest and best use of the Block Q site. The three development alternatives currently being considered for the Block Q location include: recreational vehicle-style campground (status quo), residential development and a new recreation centre.

As recognized by Dawson City Council, the Block Q site use issue is complex and cannot reasonably be reduced to the comparison of single numbers. As directed, the study team took a broad view in the assessment of the economic and social factors to be considered, informed by an extensive public engagement process. The analysis presented in the report includes both quantitative and qualitative factors. Environmental factors, specifically the suitability of the Block Q site with regard to permafrost, was not within the scope of the planning study. For planning purposes, it was assumed that the Block Q site is potentially suitable for use by all three alternatives.

Applying a broad community perspective, it is the conclusion of the study team that development of residential housing represents the highest and best use of the Block Q site. The supply of building lots in Dawson City has been restricted for so long that the supply of 20 new residential building lots will be nowhere near sufficient to offset pent-up and future demand, even when the approximately 15 building lots currently under development in the North End are taken into consideration. At a time when mortgage borrowing rates are at 50-year lows, the acute shortage of building lots in Dawson City is resulting in an entire generation of young Dawson residents being shut out of home ownership opportunities.

Given the current and longstanding imbalance on the supply side of Dawson housing market, the study team found that residential development of the Block Q site would potentially result in 22 additional families being able to live in Dawson City on a year-round basis. And because the 20 lots are located together in a single block proximate to existing in-ground municipal infrastructure, the per-lot cost to develop the Block Q site could reasonably be expected to be more affordable than other options under development (e.g., North End) or consideration (e.g., Crocus Bluff). Development of the Block Q site could also potentially help improve the mix of housing types in Dawson City for the benefit of the community's aging population.



CITY OF DAWSON BLOCK Q LADUE ESTATE PLANNING STUDY

The household spending and economic benefits attributable to welcoming 22 additional families to live in Dawson City on a year-round basis will far outweigh any potential economic losses attributable to the seasonal loss of 83 RV-style campground spots in the historic Dawson townsite. The likely improvement in Dawson's social cohesion resulting from more individuals and families being able to establish stable and year-round 'roots' in the community is another 'plus' for developing the Block Q site for residential use. Residential development of the Block Q site will build both the economic infrastructure and the social infrastructure of Dawson City.

The study team certainly appreciates how dearly many engagement participants cherish the existing Gold Rush Campground. We note, however, the highly seasonal flow of economic benefits associated with a facility that operates for only five months of the year while occupying the entire Block Q site for 12 months of the year. The yearly visitor counts associated with the Gold Rush Campground, as provided by the Tourism Industry Association of Yukon, were found to be reasonable by the study team. Visitor spending levels attributable to Gold Rush Campground guests, however, were found to be significantly lower than the estimates provided by the Tourism Industry Association of Yukon. The Tourism Industry Association of Yukon estimates would appear to be based on an assumption that people travel to the Klondike Region to visit the Gold Rush Campground as opposed to travelling to the Klondike Region to visit Dawson City and area attractions.

The Gold Rush Campground is one of four RV-style campground facilities located within 3.5 kilometres of the centre of Dawson City. The analysis found that a reduction in the number of RV-style campground sites resulting from a possible closure of the Gold Rush Campground could readily be offset by potential and existing capacity at the other three campground facilities located within 3.5 kilometres of the centre of Dawson City, and almost entirely at the two private campgrounds that feature the same list of amenities. The possible closure of the Gold Rush Campground is not expected to worsen any current unauthorized RV parking issues.

The large physical footprint needed for a new recreation centre very much limits the options for constructing a new facility within the historic Dawson townsite. Site size alone, however, would not seem to be sufficient reason to use the Block Q site for a recreation facility as engagement respondents were generally of the view that a recreation centre located slightly outside of the historic Dawson townsite would have little impact on the current users of the recreation centre. That said, the limited amount of public warm spaces in Dawson should be considered when deciding where to locate a new recreation centre.

RECOMMENDATION

In accordance with the conclusion of the Block Q Ladue Estate Planning Study as outlined above, it is recommended that a residential use be considered the most suitable use for the Block Q site.

