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**REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, MARCH 10, 2021**

SUBJECT **Cash-in-lieu of park land dedication for subdivision of James Island**

ISSUE SUMMARY

To consider the valuation of cash-in-lieu, pursuant to Section 510 of the Local Government Act (LGA), for the proposed 79 lot bareland strata subdivision of James Island presented as Strata Plan EPS6912.

BACKGROUND

James Island (LEL'TOS) is a 311 +/- hectare (ha) island east of Sidney, in the Capital Regional District's (CRD) Southern Gulf Island Electoral Area (SGI). The owner of James Island has applied to Islands Trust to subdivide the property into 79 lots under Strata Plan EPS6912 (Appendix A). The proposal has recently received Preliminary Layout Approval (PLA) from the Ministry of Transportation and Infrastructure (Appendix B). The conditions in the PLA include: First Nations approval; an Archaeological Impact Assessment; proof of suitable in ground septic disposal; proof of water quality and quantity; and a Section 219 covenant to be registered on title restricting construction until certain geotechnical matters are addressed.

Under the Local Government Act (LGA), (Section 510(6)), park dedication in the form of 5% of land, or cash-in-lieu, is also required as a condition of subdivision. Previously, in 2008, a Section 219 Covenant was registered on title by the Islands Trust, with an agreement that cash-in-lieu would be provided (Appendix C).

James Island is not within the boundaries of any of the Community Parks Services for the individual islands of Pender, Mayne, Saturna or Galiano, however, the island is within the jurisdiction of the greater CRD's Southern Gulf Island Community Park Service. The subdivision approving officer for James Island is the Ministry of Transportation and Infrastructure, and the planning authority is the Islands Trust. The Islands Trust does not have authority to operate a parks service and relies on the CRD to accept and administer park dedication on its behalf. Respectfully, the Islands Trust acknowledges the CRD is the recipient of any cash-in-lieu of parkland and requests the CRD to accept a derived value prior to their consideration.

To confirm the value of the cash-in-lieu, two appraisals were completed by the landowner based on the methodology provided in the Local Government Act. They derived values of \$36,560,000 and \$41,545,000. Following discussions with the landowner, they have agreed to use the higher value for the calculation of the cash-in-lieu. Based on the higher appraisal, 5% of the value is calculated to be \$2,077,550.

If the subdivision is not completed in 2021, staff recommend that a new appraisal should be completed as the value of the subdivision may change.

ALTERNATIVES

Alternative 1:

The Electoral Areas Committee recommends to the Capital Regional District Board:

That staff notify Islands Trust

1. That a 5% cash-in-lieu of park land dedication of \$2,077,250 is acceptable to the CRD for the proposed 79 lot bareland strata subdivision of James Island presented as Strata Plan EPS6912.
2. That if the subdivision is not completed by the end of 2021, that staff be permitted to request a new appraisal be undertaken and the cash-in-lieu adjusted accordingly.

Alternative 2:

That the application be referred back to staff for more information.

IMPLICATIONS

Intergovernmental Implications

The Provincial Ministry of Transportation and Infrastructure (MoTI), through the Provincial Approving Officer, is responsible for approving subdivisions of unincorporated areas of BC. MoTI has issued Preliminary Layout Approval (PLA) for the subject parcel.

The Provincial Approving Officer under MOTI is responsible for First Nations Consultation. Staff understand that MOTI continues to complete its consultation obligations and the CRD is not directly involved with this part of the subdivision process.

Within the Islands Trust Area, land use planning is under the authority of Local Trust Committees. Islands Trust receives parallel applications for subdivision and confirms compliance with zoning and Official Community Plan requirements for MoTI. Such requirements are usually incorporated as PLA conditions. James Islands is an associated island within the North Pender Local Trust Area; the North Pender Local Trust Committee is therefore responsible for determining the amount of land or cash-in-lieu to be accepted as park dedication. The Islands Trust, however, does not have authority to operate a parks service and relies on the CRD to accept and administer park dedication on its behalf. The Islands Trust acknowledges the CRD will be the recipient of the cash in lieu of parkland, and has requested the CRD accept the derived value prior to its consideration.

Financial Implications

Under the LGA, if an owner is to pay cash-in-lieu of park dedication, the value of the land is based on the average market value of all land in the proposed subdivision, calculated as the value on the date of preliminary approval of the subdivision, before any works or services are installed, or as a value agreed upon by all parties.

Any money received for park land must be deposited in a reserve dedicated for the purpose of acquiring park lands in the Southern Gulf Islands.

When the cash in lieu is received, it will fall within the SGI Community Parks Service Area which covers the entire electoral area. As mentioned, although James Island is within the Islands Trust Pender Island Local Trust Area, the CRD has different jurisdictional boundaries for the Community Parks Commission and James Island is not within any of the specific SGI Community Parks Commission boundaries. The decision on the use or final distribution of the funds has not been determined and will require further staff analysis and consultation.

CONCLUSION

The landowner is proposing to subdivide the 311 +/- ha property on James Island, pursuant to Section 510 of the Local Government Act. To derive the cash in lieu amount there have been two appraisals recently completed by the landowner. The higher of the two appraised values is being accepted, which will result in a cash in lieu amount of \$2,077,250.00 to the SGI Community Parks Service. Receipt of the cash-in-lieu is conditional upon the agreement of the Islands Trust, and MOTI's approval of the subdivision.

If the subdivision is not completed within 2021, a new valuation may need to be completed as the value of the subdivision may have changed.

RECOMMENDATION

The Electoral Areas Committee recommends to the Capital Regional District Board:

That staff notify Islands Trust

1. That a 5% cash-in-lieu of park land dedication of \$2,077,250 is acceptable to the CRD for the proposed 79 lot bareland strata subdivision of James Island presented as Strata Plan EPS6912.
2. That if the subdivision is not completed by the end of 2021, that staff be permitted to request a new appraisal be undertaken and the cash-in-lieu adjusted accordingly.

Submitted by:	Stephen Henderson, BSc, PG.Dip.Eng, MBA, Manager of Real Estate
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Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Strata Plan EPS6912

Appendix B: PLA James Island

Appendix C: Covenant