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**REPORT TO BEDDIS WATER SERVICE COMMISSION
MEETING OF THURSDAY, FEBRUARY 28, 2019**

SUBJECT **REQUEST TO PURCHASE CRD LAND - LOT B, SECTION 76, SOUTH SALT SPRING ISLAND, COWICHAN DISTRICT, PLAN 17642**

ISSUE

Update to the request to purchase land owned by the Capital Regional District (CRD) and related to the Beddis Water Service, Salt Spring Island.

BACKGROUND

The Capital Regional District took on the ownership and operation of the Beddis water service in about 2004 (Bylaw 3188) and in doing so, inherited the water system assets from the previous water system owner, the Beddis Waterworks District. Those assets included a narrow strip of land called Lot B (PID 003-961-729 – Lot B, Section 76, South Salt Spring Island, Cowichan District, Plan 17642) which was previously used to facilitate a water storage tank and related pipe works that have since been abandoned. Lot B is approximately 0.12 acres, or 5,200 square feet in area. The adjacent land is Lot A is 0.75 acres or 32,670 square feet. Lot B is 16% of Lot A's area as outlined on Plan 17642. The owners of Lot A, Section 76, South Salt Spring Island, Cowichan District (1375 Beddis Road), Mr. and Mrs. Jacques, have requested that the CRD sell Lot B to them (via their lawyer James A. Pasuta, letter of September 21, 2017).

The CRD staff have conducted a review of the site to determine if it is, or will be, necessary for the operation of the service and confirmed that the original water storage tank was decommissioned prior to the CRD taking on ownership of the water service. Some of the water works materials and appurtenances remain abandoned on the site. Further, the CRD staff confirmed that there are no plans to re-utilize the land for a new water storage tank nor have plans to facilitate any other water service related assets or functions on the land (refer to Genivar study of 2011). At the June 4, 2018 the Commission requested staff to confirm if a pressure pump station should be added to improve the existing infrastructure. Based on a second visit to the site staff confirm there is no reason operationally for the Beddis water service to retain this land and to proceed with disposal as per the CRD policy. Therefore, the site can be considered surplus to the needs of the Beddis Water Service. It is understood that the CRD Real Estates Services Division manages sales transactions for the CRD.

Should the land be sold, the appurtenances remaining on site could be included in the sale as a condition "as-is, where-is" or the Beddis Water Service could remove all or a portion of the appurtenances at a cost to the Beddis Water Service. Regardless, it should be confirmed that the waterworks are appropriately disconnected from the water service by excavating, confirming and if necessary terminate any abandoned connections near Beddis Road.

As per Section 285 of the Local Government Act, the CRD Board does not need to make land available to the public for acquisition if it is disposed to an owner of adjoining land for the purpose of consolidation. A notice of disposition would be required as per Section 286 of the Local Government Act

ALTERNATIVES

That the Beddis Water Service Commission recommends that the Electoral Area Services Committee recommend to the Capital Regional District Board:

Alternative 1

To direct staff to dispose of the land on Salt Spring Island described as Lot B, Section 76, South Salt Spring Island, Cowichan District, Plan 17642, PID 003-961-729 (Lot B), through a land sale to the adjoining land owner in accordance with the Local Government Act and established CRD policies and procedures for disposing of CRD land, with the following conditions:

1. that the Chief Administrative Officer will respond to the Jacques' lawyer advising them of the disposition process,
2. that the value of Lot B be based on a market appraisal;
3. that Lot B will be consolidated with the adjoining Lot A, Section 76, South Salt Spring Island, Cowichan District Plan 17642,
4. that the purchaser pay for an appraisal; and
5. that staff will confirm that the waterworks have been appropriately abandoned,
6. that the Chief Administrative Officer be authorized to negotiate, execute and do all things incidental to finalizing the sale.

Alternative 2

To direct staff to not dispose of the land on Salt Spring Island described as Lot B, Section 76, South Salt Spring Island, Cowichan District, Plan 17642, PID 003-961-729, through a land sale to the adjoining land owner, and respond to the Jacques advising them that the CRD is not prepared to sell the land.

IMPLICATIONS

Alternative 1

By selling the land, the Beddis Water Service would incur the cost of disposing of the land, and would gain the value of the sale. The BC Assessment value in 2018 was \$35,200, and an appraisal would be completed prior to disposition. The cost of appropriately terminating the abandoned water works should be factored into the sale.

Alternative 2

By not selling the land, the CRD's Beddis water service would continue to own and incur any future liabilities related to doing so. The abandoned works should be confirmed to have been appropriately terminated, a cost to the Beddis Water Service.

CONCLUSION

The CRD received a letter from the lawyer representing the Jacques requesting that an adjacent land owned by the CRD be sold to the Jacques. The CRD staff have determined that the site was once used for a storage tank has since been abandoned and the CRD staff have confirmed that the long-term plans for the water service do not include the use of that site for a storage tank or other purpose. Therefore the land can be deemed surplus to the needs of the Beddis Water Service and potentially be disposed of in accordance with the Local Government Act and CRD's policies regarding land disposition.

RECOMMENDATION

That the Beddis Water Service Commission recommends that the Electoral Area Services Committee recommend to the Capital Regional District Board:

To direct staff to dispose of the land on Salt Spring Island described as Lot B, Section 76, South Salt Spring Island, Cowichan District, Plan 17642, PID 003-961-729 (Lot B), through a land sale to the adjoining land owner in accordance with the Local Government Act and established CRD policies and procedures for disposing of CRD land, with the following conditions:

1. that the Chief Administrative Officer will respond to the Jacques' lawyer advising them of the disposition process,
2. that the value of Lot B be based on a market appraisal;
3. that Lot B will be consolidated with the adjoining Lot A, Section 76, South Salt Spring Island, Cowichan District Plan 17642,
4. that the purchaser pay for an appraisal; and
5. that staff will confirm that the waterworks have been appropriately abandoned,
6. that the Chief Administrative Officer be authorized to negotiate, execute and do all things incidental to finalizing the sale.

Submitted by:	Karla Campbell, Senior Manager, Salt Spring Island Electoral Area
Concurrence:	Stephen Henderson, BSc, PGD Eng, MBA, Manager, Real Estate Services
Concurrence:	Ted Robbins, BSc, CTech, General Manager, Integrated Water Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

SC/KC/SH/TR:ts

Attachments:

A-Survey Plan of the land
B-Letter of September 21, 2017