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REPORT TO CAPITAL REGIONAL DISTRICT BOARD MEETING OF WEDNESDAY, DECEMBER 12, 2018

SUBJECT **FEDERAL PUBLIC DOCK DIVESTITURE TO CRD (SGI HARBOURS SERVICE)
– HORTON BAY DOCK (MAYNE ISLAND) AND SPANISH HILLS DOCK
(GALIANO ISLAND)**

ISSUE

The Federal Department of Fisheries and Oceans (DFO) has offered to divest the Horton Bay dock located on Mayne Island and the Spanish Hills dock located on Galiano Island to the Capital Regional District (CRD), to be operated under the Southern Gulf Islands (SGI) Harbours Service.

BACKGROUND

The CRD currently owns ten public docks or wharves under the SGI Harbours Service, which were previously acquired from Canada through the divestiture process. The Horton Bay and Spanish Hills docks are no longer considered related to Canada's Fisheries and Oceans core program or mandate and are therefore being considered for divestiture to the CRD as public docks for island access and boat moorage. At its June 1, 2018 meeting, in response to the request from DFO to have the CRD consider acquiring and operating the docks (See Appendix A), the SGI Harbours Commission directed CRD staff to pursue the divestiture opportunities.

Horton Bay Dock

The Horton Bay dock is located at the south end of Mayne Island off of Horton Bay Road within water District Lot 431, Cowichan District. The CRD has managed, operated and maintained the dock by way of a management agreement with Canada since 2007.

DFO proposes to divest the dock to the CRD with a payment of \$350,000 in order for the CRD to undertake construction of a new dock and removal of the existing dock. The new dock will be located at the end of Anson Road approximately 400 meters northwest of the existing dock along Horton Bay Road (See Appendix B –Location Maps). The CRD has already rezoned and obtained a tenure over the water district lot at the end of Anson Road for this purpose, and the water lot has suitable public access via community park land between the public road allowance and foreshore. The total cost for design and construction of the Anson Road dock was estimated at \$400,000; the estimated \$50,000 in funding required over and above the federal contribution payment to complete the project has been budgeted by the service.

Spanish Hills Dock

The Spanish Hills dock is located at the northwest end of Galiano Island facing the Strait of Georgia within water District Lot 310, Cowichan District. The dock has been managed by the Whaler Bay Harbour Authority since 2002, and they are agreeable to the divestiture.

DFO proposes to divest the dock to the CRD with a payment of \$337,000. The wharfhead is currently a drive-on structure, with the plan for DFO to reduce the approach and wharfhead access to pedestrian only before transfer to the CRD in order to reduce the structural improvements required over the longer term. The floating dock is approximately 13 metres long and accommodates two long-term moorage spaces on the landward side, one short-term space and one loading space on the seaward side. Recent maintenance and improvements to the float, wharfhead and approach, include superstructure, rails, decking, and anchoring. The payment received with the divestiture would fund further short-term repairs to extend the residual life of the asset as well as replacing the current gangway with a cantilever gangway to mitigate the effects of the increased wave action generated by increased freighter traffic within the strait.

Canada and the CRD have negotiated consent to encroach on the upland owner's riparian rights via a statutory right of way. In order to agree to the riparian consent, the upland owners requested that they each have priority for one moorage space of 5.5 metres on the landward side of the dock for a maximum of \$400 per annum which shall escalate with inflation. This arrangement is for as long as the statutory right of way exists and runs with the land, and is available to any subsequent owners of the land.

Copies of the divestiture transfer agreements are attached as Appendix C – Transfer & Replacement Agreements. The effective date of the transfers would be January 15, 2019. The CRD would be obligated to manage and maintain the docks for a minimum of ten years.

A copy of the terms of the upland owner statutory right of way agreement are attached as Appendix D – Upland Owner Statutory Right of Way.

ALTERNATIVES

Alternative 1

That the Capital Regional District Board approve the following agreements between Canada and the Capital Regional District:

1. Agreement to Transfer Spanish Hills (North Galiano) Wharf, Galiano Island, British Columbia; and
2. Agreement to Replace Horton Bay Wharf, Mayne Island, British Columbia.

Alternative 2

That the report be referred back to staff for further information.

IMPLICATIONS

SOCIAL IMPLICATIONS

At Horton Bay, the decommissioning of the old dock would be completed once the new dock is in service to minimize the impact on moorage and boat owners. At the Spanish Hills dock, the Whaler Bay Harbour Authority would initiate the transfer of operations by notifying current moorage tenants that the operations and management of the dock will be transferred to the CRD. At year-end 2018, the Whaler Bay Harbour Authority would also send notice that they would not be renewing the current moorage agreements on the dock as part of the transfer of operations.

ENVIRONMENTAL IMPLICATIONS

The removal of the Horton Bay dock would require the establishment of environmental protection procedures. In concept, the decommissioning plan would involve the removal of the pilings by cutting them off at the mud line, and then floating the remaining dock away for disposal. The approach structures would also be removed. There are no plans to alter the general configuration of the Spanish Hills dock.

ECONOMIC IMPLICATIONS

Under Alternative one, the CRD would receive a total payment from DFO in the amount of \$687,000. The funding would be allocated to the improvements noted above. The 2019 SGI Harbours Service capital plan would be revised to include these projects. On-going operating costs associated with the two new dock additions to the SGI Harbours Service, would be funded through moorage revenue and an inflationary adjustment to the service requisition.

INTERGOVERNMENTAL IMPLICATIONS

DFO has undertaken First Nation consultation for the divestitures, and moving forward the CRD has committed to keeping the interested First Nations apprised of any activities including archaeological and environmental assessments. The CRD would be required to submit a Notice of Works application to Transportation Canada for removal of the existing dock and building of the new dock.

DFO will be cancelling their Order in Council tenure over DL310 and the CRD would apply for long-term tenure from the Province for DL310 and a portion north of the district lot to encompass the anchor lines.

CONCLUSION

The addition of the Spanish Hills and Horton Bay (Anson Road) docks to the SGI Harbours Service will complement the CRD service, ensure that these dock facilities remain in-service and publicly accessible. The divestiture of the docks to the CRD will provide enhanced opportunities for inter-island connectivity.

RECOMMENDATION

That the Capital Regional District Board approve the following agreements between Canada and the Capital Regional District:

1. Agreement to Transfer Spanish Hills (North Galiano) Wharf, Galiano Island, British Columbia; and
2. Agreement to Replace Horton Bay Wharf, Mayne Island, British Columbia.

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Attachments: Appendix A - DFO Letters
Appendix B - Location Maps
Appendix C - Transfer & Replacement Agreements
Appendix D - Upland Owner Statutory Right of Way
Appendix E - Photos