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REPORT TO PLANNING AND PROTECTIVE SERVICES COMMITTEE MEETING OF WEDNESDAY, MARCH 16, 2022

SUBJECT Regional Foodlands Access Program - Preliminary Business Case

ISSUE SUMMARY

To receive the Regional Foodlands Trust Business Case (the business case) and obtain direction on next steps.

BACKGROUND

In 2016 the Capital Regional District (CRD) Board approved the Regional Food and Agriculture Strategy (RFAS) and appointed a Regional Food and Agriculture Task Force (RFATF) to support the advancement of regional food and agriculture objectives. Supporting the establishment of a regional food and farmland trust is a recommended action within the RFAS, and a priority initiative of the RFATF.

In 2019, after completion of the *Capital Regional District Regional Foodland Access Program Feasibility Study*, staff were directed to:

- Canvass municipalities about interest in supporting a foodlands trust in partnership with a non-profit organization.
- Identify lands that may be available for inclusion in the trust; and
- Pursue a business case based on those lands.

At that time, nine municipalities indicated support in principle. Of those nine, three indicated a preliminary interest in contributing land, three indicated financial support in principle and one municipality would consider financial support should additional financial information be available (see Appendix A).

Three land parcels were also initially identified for potential inclusion in a program:

- District of Central Saanich: Newman Farm (Central Section), 6.2-acre parcel.
- District of Saanich: Panama Flats (Northern Section), 6-acre parcel.
- CRD Regional Parks: Bear Hill (5920 Patricia Bay Highway), 5-acre parcel.

Building from the 2019 feasibility study, Kwantlen Polytechnic University's (KPU) Institute for Sustainable Food Systems (ISFS) was contracted to produce a preliminary business case to understand applicability and preliminary costing implications for using the three parcels in a farmlands access program. The business case was informed by three technical site assessments also completed by KPU. Feedback from local experts, the RFATF, municipal and CRD staff informed this analysis.

Summary Results

A goal of this program is to provide land access to new and entrant farmers. All three land parcels could accommodate food production and could support an incubator program, as follows:

- Bear Hill parcel: Identified as the best option for a pilot parcel as it requires the lowest initial capital investment cost for the establishment, the plots are ready to be farmed, and it has supportive partners. The parcel requires rezoning approvals and legal agreements between existing users to be settled before use.

- Newman Farm parcel: Ideal because of its location, privacy, and agricultural history; however, it would require significant initial capital investment.
- Panama Flats parcel: Potential site but requires extensive infrastructure investments. WSÁNEĆ Leadership Council representatives indicated that this land is a critical wetland habitat and harvesting area. Prior to inclusion, additional community and First Nations consultation should occur before inclusion is recommended.

Adequate incubator plots range from 0.5 to 1-acre in size, therefore, a program utilizing all three parcels could accommodate between 17 and 34 new farmers.

The financial analysis within the business case considered expenses and revenue at the individual parcel level and included two scenarios – Scenario A in which all the parcels are established with the full suite of infrastructure and tools, and Scenario B, which defers large infrastructure/machinery investments.

There are three project phases, each with Board, municipal and electoral area partner, and non-profit partner decision points to ultimately establish a new foodlands access service (see Appendix B). Completing the business case (see Appendix C) is the last step in the first phase of this process and fulfills the CRD corporate plan priority to analyze options for improving access to affordable farmland. Given the new information provided in the business case and the significant level of effort to pursue next phases of the project, the Board must determine whether the establishment of a regional or sub-regional foodlands access service remains a priority for the region. Once confirmed, staff would identify detailed operational requirements, determine a funding strategy and confirm local government participants for establishing the new service.

ALTERNATIVES

Alternative 1

The Planning and Protective Services Committee recommends to the Capital Regional District (CRD) Board:

That the CRD Board determine, through the Board strategic planning process, whether establishing a regional foodlands access service (regional or sub-regional) is a Board priority for the 2022-2026 term.

Alternative 2

The Planning and Protective Services Committee recommends to the Capital Regional District (CRD) Board:

That the CRD Board direct staff to proceed with the next phase work to establish a regional foodlands access service by identifying the operational requirements, service participants and funding strategy needed to establish a service.

Alternative 3

The Planning and Protective Services Committee recommends to the Capital Regional District (CRD) Board:

That the CRD Board direct staff to not advance next phase work associated with establishing a regional foodlands access service as proposed in the business case.

Alternative 4

That the Regional Foodlands Access Program - Preliminary Business Case report be referred back to staff for additional information based on Planning and Protective Services Committee direction.

IMPLICATIONS

Intergovernmental Implications

During the next phase of work, Councils would be asked to confirm land contributions and, for interested participants, maximum allowable financial contributions. This would inform service applicability and scale, funding sources and detailed costing. Once staff have identified operational requirements and prepared detailed service costing, municipalities would be canvassed to confirm service participants.

The three land parcels are located within the traditional Coast Salish Territory. Should this project move forward, the CRD and its partners would continue to engage with First Nations communities and invite them to incorporate traditional and Indigenous food systems on the parcels.

Regional Growth Strategy (RGS) Implications

Pursuing this initiative is consistent with Food Systems policy 6.1(1) and 6.1(2) in the RGS. It is consistent with the RGS objective to foster a resilient food and agriculture system and is a small step toward meeting the target to increase productive foodlands by 5,000 ha by 2038.

Financial Implications

The business case found that each site requires an initial capital investment of approximately \$270,000 to \$307,000 for infrastructure and equipment to provide adequate incubator program amenities. Further, ongoing annual program operations would cost approximately \$170,000 to \$190,000, depending on the number of sites. The scenarios show that some capital cost savings can be realized by minimizing or deferring purchase of large equipment. While land leasing/incubator fees have been identified as a source of revenue in the preliminary business case, funding for the program heavily relies on public sector subsidies and grants. The business case assumes \$120,000 of ongoing CRD operating funding. A funding source for land improvements and equipment cost has not yet been identified.

Additional work needed to develop operational requirements, identify a funding strategy and confirm service participants would incur a one-time project cost of between \$35,000 to \$45,000 to be identified through the service and financial planning process. Existing reserve funds could be used for this work.

Service Delivery Implications

Should the Board decide that a foodlands access service is a priority for the region, the next project phase is to determine what the service should look like. This requires additional staff work and Board direction on operational requirements, funding strategy and service participation. The final output would be municipal and electoral area approval to proceed with a service, subject to Board direction, and the preparation of a draft service establishment bylaw. The diagram in Appendix B sets out those decisions.

Operational Requirements

Staff would need to negotiate land use approvals for parcel inclusion from CRD Regional Parks, District of Central Saanich and District of Saanich. For the Bear Hill parcel, agreements with existing users will need to be resolved and a rezoning of the lands may need to occur. For the Newman Farm parcel, confirmation of infrastructure improvements, site servicing needs and approvals are required. For the Panama Flats parcel, confirmation of drainage costs and approvals are required, as well as additional engagement with community partners and First Nations prior to inclusion of this, or an alternative site.

Staff must also further engage local non-profits to confirm capacity, interest, and suitability in partnering in this initiative. The legal mechanisms (i.e., land trust versus land banking) and the governance model must be developed.

Funding Strategy

The detailed costs and funding mechanism for establishing a new service would be determined during the next phase of work. Costs are dependent on the number of local governments participating in the service, the number of parcels ultimately included, and the funding model.

Service Participants

Once operational requirements and a funding strategy have been prepared, municipalities and electoral areas would be canvassed to confirm interest in service participation and to provide consent to proceed with the service establishment process.

Should the Board agree that service establishment is a strategic priority for the 2022-2026 Board term, next phase activities would be completed through 2023 and 2024, with an anticipated service launch in 2025. Otherwise, work may begin immediately, with an anticipated service launch in 2024. The RFAS identifies 10 actions to achieve the region's vision for a vibrant food and agriculture system. Should the Board decide not to proceed with a foodlands access program, staff would work with the RFATF to advance other priorities within the RFAS.

Alignment with Board & Corporate Priorities

Completion of the business case fulfills Community Need Initiative 11-b – Affordable Farming Land. The establishment of a new foodlands access service is a different priority that could be determined through the 2022-2026 Board Strategic Planning process.

Alignment with Existing Plans & Strategies

RFAS recommendation 9, action 1, is to explore the feasibility of the CRD managing a public land bank, or foodlands trust. The RFAS identifies service establishment as a subsequent action.

CONCLUSION

To achieve goals of the RFAS, the CRD has worked with the RFATF to understand the implications for establishing a food and farmlands trust program. In 2019, staff canvassed municipalities about interest in supporting a foodlands trust in partnership with a non-profit organization and asked them to identify lands that may be available for inclusion in the trust. Three parcels were identified for potential inclusion. Technical sites assessments and a preliminary business case was completed to understand parcel suitability and capital and operating costs. Completion of the business case fulfills the corporate plan priority for affordable farming land. Staff are seeking confirmation from the Board that establishing a regional foodlands access service (regional or sub-regional) remains a priority for the region. If confirmed, next steps would be to develop operational requirements, identify local government service participants and determine a funding strategy for establishing a new service.

RECOMMENDATION

The Planning and Protective Services Committee recommends to the Capital Regional District (CRD) Board:

That the CRD Board determine, through the Board strategic planning process, whether establishing a regional foodlands access service (regional or sub-regional) is a Board priority for the 2022-2026 term.

Submitted by:	Emily Sinclair, MCIP, RPP, Senior Manager Regional & Strategic Planning
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

- Appendix A: Summary of Municipal Input, 2019
- Appendix B: Foodlands Access Service Project Phases
- Appendix C: KPU Foodlands Trust Business Case