

ALTERNATIVE APPROVAL PROCESS TO PURCHASE 3427 TYEE CRESCENT, NANOOSE BAY

RECOMMENDATIONS

1. That “Electoral Area ‘E’ Community Parks Local Service Amendment Bylaw No. 803.07, 2021” be introduced, read three times, and forwarded to the Inspector of Municipalities for approval.
2. That “Regional District of Nanaimo Electoral Area ‘E’ Parkland Acquisition Loan Authorization Bylaw No. 1844, 2021” be introduced, read three times, and forwarded to the Inspector of Municipalities for approval.
3. That the Board approve the Elector Response Form as provided in Attached 3; establish 4:00 P.M. on February 14, 2022 as the deadline for receiving elector responses for the alternative approval process, and; determine the total number of electors of the area to which the approval process applies to be 5,394.
4. That once the service is amended, the 2022 proposed budget include \$1,060,500 for the purchase of parkland in EA E.

BACKGROUND

On January 11, 2021 Regional District of Nanaimo staff received correspondence indicating a potential opportunity to expand Blueback Community park in Electoral Area E through a market value acquisition.

At the February 23, 2021 RDN Board In Camera (IC) meeting, a motion was approved to review the potential acquisition of the subject property at 3427 Tyee Crescent and report back to the Board.

At the April 27, 2021 Board IC meeting, direction was provided on the development of an Offer to Purchase for the subject property which included the following conditions:

- a. Acceptance by the Board through consideration of a further report
- b. Approval of the Inspector of Municipalities
- c. Confirmation of financing via an Alternative Approval Process (AAP) under the requirements of the *Local Government Act*
- d. Final Board approval after the AAP
- e. Approval of the financing
- f. Approval of the financing in the Financial Plan

An Agreement of Purchase and Sale with the owner was then negotiated for a purchase price of \$1,060,500, which then received Board approval at the July 27, 2021 IC Board meeting.

On July 27, 2021, the Board passed the following motion:

1. That the Board of the Regional District of Nanaimo:

- i. Approve the Property Disclosure Statement (Residential);*
- ii. Approve the Agreement of Purchase and Sale; and*
- iii. Authorize the documentation necessary to complete the terms of this Agreement in compliance with all requirements of the Community Charter (British Columbia) and the Land Title Act (British Columbia) and other applicable enactments.*

To secure funds for this acquisition through an elector approval process, seven Buyer's Conditions must be met, including the adoption of a Service Area Amendment Bylaw (Attachment 1) and a Loan Authorization Bylaw (Attachment 2).

Pursuant to section 86(1) of the *Community Charter*, approval of the electors has been obtained if, at the end of the time period for receiving elector response forms, the number of response forms received is less than 10% of the number of electors of the area to which the approval process applies. This AAP process applies to Electoral Areas E, and the total number of electors of the participating area is determined to be 5,394. Therefore, if less than 539 elector response forms are received by 4:00 P.M. on February 14, 2022, elector approval is deemed to have been obtained and the Board can proceed to adopt Bylaw No. 803.07 and Bylaw No. 1844.

FINANCIAL IMPLICATIONS

The price to purchase this property is \$1,060,500. The amount of \$130,000 from EA E Cash-In-Lieu Reserve account is available to be used towards this purchase. If the balance of \$930,500 was borrowed over a 20-year term, the annual payments would be \$65,267, assuming a 3% interest rate. The average home will see an approximate increase in tax requisition of \$18.56 /year under this option. It is recommended the purchase amount be borrowed over a 20-year period for this acquisition.

The cost of demolishing the 800 sq ft 1964 cottage, removing various dead trees and restoring the site is estimated in the range of \$25,000 to \$50,000 depending on if any hazardous materials are present in the building (Asbestos-Containing Materials and Lead). An amount of \$30,000 is included in the proposed Electoral Area E Community Parks 5-year Financial Plan - 2022-2026.

If acquired, the cost to maintain this property is estimated at \$1,000 per year. This annual amount would cover the cost of managing and maintaining the vegetation on site and other amenities.

Parks will be submitting a staffing request as part of the 2022-2026 budgeting process for an additional park operations field staff to join the park operations team in 2022. Adding this new position would increase the Parks Division's capacity to maintain and improve new park assets and properties such as the subject property presented in this report. If acquired, parks operations staff would visit this property twice per week during summer months, weekly in winter and upon request.

STRATEGIC PLAN ALIGNMENT

Environmental Stewardship - Protect and enhance the natural environment, including land, water, and air quality for future generations.

REVIEWED BY:

Y. Gagnon, Manager, Parks Services
T. Osborne, General Manager, Recreation and Parks
T. Moore, A/Director of Finance
J. Hill, Manager, Legislative Services
D. Holmes, Chief Administrative Officer

ATTACHMENTS:

1. "Electoral Area 'E' Community Parks Local Service Amendment Bylaw No. 803.07, 2021"
2. "Regional District of Nanaimo Electoral Area 'E' Parkland Acquisition Loan Authorization Bylaw No. 1844, 2021"
3. Electoral Area E Community Parks Service Amendment and Loan Authorization Bylaw - Elector Response Form