

**COUNCIL REPORT**

**To:** Mayor and Council

**From:** Administration

**Date:** June 17, 2025

**Subject:** Land Purchase Policy 1.18 - Review

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**RECOMMENDATION:**

THAT Council direct staff on whether or not to sell District-Owned Land adjacent to residential properties.

**BACKGROUND:**

Following the Regular Meeting of June 10, 2024, Council directed staff to review the License to Use District-Owned Land Policy 1.19 and assess the option to sell District-owned land adjacent to residential property owners.

Land Purchase Policy 1.18 currently prohibits the sale of District-owned land adjacent to residential properties. This policy was adopted and the License to Use District-Owned Land Policy 1.19 was adopted to still allow property owners to use the property in certain cases. A report on the review of Policy 1.19 has been included next on the Council agenda.

The following were the pros and cons considered in choosing the License-to-Use Policy route:

<b>Land Purchase</b>	<b>License-to-Use Agreement</b>
<p><u>Pros:</u></p> <ul style="list-style-type: none"><li>- The property owner would own the land and be able to erect permanent structures.</li><li>- If the land was cleared, it would support the District's goal of reducing wildfire interface between forest and residential areas.</li><li>- Potential revenue generation.</li></ul>	<p><u>Pros:</u></p> <ul style="list-style-type: none"><li>- Allow property owner to use the land.</li><li>- The land would remain in the ownership and control of the District, which aids with future development.</li><li>- Allow the District to ensure prescribed areas for wildfire fuel mitigation were completed in support of the Community Wildfire Resiliency Plan.</li><li>- Would not allow the property owner to buy on speculation without the rest of the public having the same opportunity.</li></ul>

Land Purchase	License-to-Use Agreement
<p><u>Cons:</u></p> <ul style="list-style-type: none"> <li>- Permits a property owner to buy land without availing the general public the same opportunity.</li> <li>- A rezoning and subdivision process would need to be commenced for each request.</li> <li>- If there is future expansion the lot lines will not be uniform which would create jogs and hinder backing one person's lot to another in a smooth manner.</li> <li>- Servicing costs will be higher to extend the utility services beyond the frontage of the new lot to the ones beyond if there is future development.</li> </ul>	<p><u>Cons:</u></p> <ul style="list-style-type: none"> <li>- The property owner would not own the land or be able to erect permanent structures.</li> <li>- No revenue generation.</li> </ul>

General Steps to Process Sales:

The following are the general steps required for selling lots that are on unsurveyed land:

- Lot Survey - needs to be registered on eventual new title
- Lot Appraisal – to determine market value for sale
- Subdivision Process to remove the surveyed area from the District's lot
- Rezoning Process to change the current zoning to Residential 1 Zone
- Agreement Drafting
- Sale Approval
- Subjects are removed (required public notice, deposit)
- Registration

This process can take up to 6 months depending on referral timelines and contractor availabilities for appraisal, survey, and legal.

Policy 1.18 Amendment Considerations:

If Council wishes to move forward with allowing the sale of District-owned land abutting residential properties, the following would be staff's recommendations.

A draft policy amendment has been attached for Council's consideration.

### ***Land Size***

Currently, there is no restriction on how much land could be sold. As a starting point, staff would recommend keeping it consistent with License to Use Policy 1.19 for maximum land area (max. 25% of parcel size to a maximum of 160 m<sup>2</sup>).

The option to apply to Council for larger area could be considered on a case-by-case basis if Council desired.

### ***Equity***

It would be recommended that the same conditions as in License to Use Policy 1.19 would apply with respect to equity of the land available to be sold and not encroaching on property that could be sold to a neighbouring property.

### ***Sale Price***

To maximize revenue generation, it would be staff's recommendation that individuals wishing to purchase the land be responsible for the sale processing costs in addition to the sale price. A list of those costs has been included below:

- Land purchase application fee: \$250
- Legal fees: \$2,000 - \$3,000
- Re-zoning Application Fee - \$500
- Subdivision Application Fee - \$250
- Subdivision Engineer Review Fees - ~\$1,000 - \$2,000 (*if necessary for future servicing*)
- Public notices - \$500
- Appraisal and survey fees (\$5,000 - \$10,000)
- Lot appraised sale price

### ***Example - Lot Sale Value***

If a rate of \$3.97/sqft was applied, a property size of 160 m<sup>2</sup> or 1,722.23 sqft would be appraised at \$6,837.25.

The rate in this example is based on the 2024 average price/sqft appraisal for the Bell Place subdivision.

### **Tax Revenue from Sales**

As current LTU holders are already responsible for the property tax, if the land remained undeveloped and a current LTU area was sold, the District would not receive any additional tax revenue from the sale.

New sales would increase taxable land value and generate increased tax revenue.

For example, BC Assessment indicated that in 2024 one of the LTU agreement holders had an increase in land value of \$1,300 in comparison to their neighbour without an LTU.

Based on this valuation, if the land sold remains bare land, the \$1,300 increase in land value would equate to \$10.40 in additional property tax revenue.

If the area was redeveloped with new permanent structures (garage, shop, additions etc.), then there would be an increase in improvements value, which may equate to higher levels of tax revenue depending on the assessment.

### **Department Capacity Considerations:**

Until the department is fully staffed, there is limited capacity to process the sales. There are a few members of the community that have expressed interest and have been waiting for land sale and license to use policy reviews. This backlog would be able to be addressed as staff capacity increases.

If Council does wish to proceed with an amendment to the policy, then staff would request a start date for the policy amendment of Fall 2025 or January 2026 if possible.

### **BUDGETARY IMPACT:**

There is no budgetary impact associated with this recommendation.

### **COUNCIL PRIORITIES:**

#### **Community and Social Development**

- Our investment in the municipality's services and infrastructure, our commitment to principles of social equity and well-being, and our belief in the value of resident engagement, creates a healthy community in which everyone feels valued and enjoys a high quality of life.

### **RESPECTFULLY SUBMITTED:**

Emily Kaehn, Director of Corporate Services

**Reviewed By:** Corporate and Financial Services

**Approved By:** Chief Administrative Officer