

VILLAGE OF TAHSIS			
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**PROPERTY MANAGEMENT POLICY**

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## **I. Introduction**

The Village of Tahsis Property Management Policy sets out a framework for how the Village will acquire, dispose and manage its land assets. The purpose is to assist with the preparation of the rolling five year financial plan and to align the Village's land resources with the 2020 Official Community Plan.

The Village owns 257.67 acres (104.3 ha) of land. As a landowner, it is imperative that the Village maintain a current and accurate inventory of its lands. Having this information assists in decision-making on future acquisitions and dispositions. This policy should help the Village more effectively manage its existing land assets.

The policy is supported by the following:

- Aligned with the 2020 Official Community Plan
- Maintaining an up-to-date inventory of land assets
- Using established criteria to identify acquisition priorities
- Using established criteria for disposing of land assets
- Maximizing the use of land and generate revenue and/or community benefit from the land

The policy will require reporting and monitoring of land acquisitions and property management initiatives. The policy will need to be updated as Council priorities evolve in future years.

## II. Land Inventory

Developing this policy involved compiling a detailed inventory of the Village's land assets and creating a map layer to easily identify the location and other data of the assets.<sup>1</sup>

### Land Inventory

The Village owns 257.67 acres (104.3 ha) of land. This excludes land dedicated as road within the Village. It does include land dedicated as park. All land owned by the Village is within the municipal boundary. The Village has a Crown licence of occupation for a 11.2 acre shellfish tenure in the Tahsis Inlet.

There are four land categories:

### Parks

Although much of the Village's land assets such as DL 608 and DL 235 might be considered park areas, only 5.17 acres (2.1 ha) have been dedicated as park under the *Community Charter* and *Land Title Act*. Land that is dedicated as park can only be used for that purpose and not sold or leased for other purposes.

### Buildings

There are 8 land parcels totalling 6.86 acres (2.77 ha) that have buildings used for municipal and commercial purposes. The municipal purpose buildings are: Public Works Yard, Municipal Hall, Museum/Tourist Information Centre, Recreation Centre and (decommissioned) Fire Hall. The commercial buildings are: Tahsis Marine Centre ("hangar buildings"), Heliport building and the restaurant building on S. Maquinna Drive (Sally's Grill). The second floor of the Municipal Hall houses the Vancouver Island Regional Library, Tahsis Branch and CBC Radio uses space within the Tahsis Recreation Centre for its broadcast equipment.

### Other

The Village owns 16.04 acres (6.50 ha) of other types of property which include uses such as treatment plants, water treatment and distribution infrastructure, marine infrastructure, building lots, community garden, flood protection and a parking lot. The Village has a Crown licence of occupation for 3.44 acres for drinking water infrastructure located in DL 82.

<sup>1</sup> The SRD GIS section is currently developing the map layer to illustrate the Village-owned lands.

## Vacant Land

The remainder of the land owned by the Village within the Village boundary is categorized as vacant land and accounts for 229.31 acres (92.8 ha). This includes land that is largely unsuitable or challenging for development as well as land that is used for recreational purposes.

### **III. Acquisition Priorities**

#### Background

Controlling or owning land is fundamental to achieving the Village's functions, such as public safety, economic development and infrastructure. In considering acquisition opportunities, Council must ensure that there is a revenue source to pay for the acquisition and that the acquisition aligns with the Official Community Plan and the 5 year Capital Plan.

Using a set of criteria, Council can make informed decisions on whether an opportunity is a priority and the implications of advancing one property acquisition ahead of another.

Acquisitions can be prioritised using these criteria:

***Funding in place*** – with limited funding it is difficult to define which parcels of land should be a priority. Priority is given to properties that have a defined revenue source such as in the 5 year capital plan.

***Relationship to the Official Community Plan or other Strategic Plans*** – the OCP policy priorities of Natural Environment, Economic Vibrancy, Infrastructure and Service, Sense of Community, Culture and Community well-being are individually and/or collectively could be supported by property acquisitions.

***Risk if Opportunity is Lost*** – weighing each acquisition target against the implications of missing the opportunity will assist Council in its decision-making. Also paying attention to whether the property in question is required for a specific project, or seen as a “nice to have”.

***Value (Price)*** – Priority should be provided to parcels that meet the above criteria and can be acquired at market or less than market value.

***Willing Vendor*** – working with a willing vendor or negotiating with a property owner whose property is on the market is generally easier than a property owner who is reluctant to sell.

## Acquisition Tools

The most common form of acquisition is to purchase property in fee simple. However, there are other tools available to secure land for municipal purposes.

***Purchase in partnership*** – the Village could partner with another organization (legal entity) to share the purchase cost.

***Gifting*** – a property owner can gift to the Village their property in exchange for a tax receipt.

***Land Exchanges*** – through a mutually beneficial land exchange each party trades surplus lands to the other party to better align with their respective priorities.

***Subdivision*** – through the subdivision process, the Village can acquire land that is dedicated through a survey plan as park or road right of way.

***Lease Agreements*** – the Village can secure the use of property and an interest in the land on a long term basis through Lease Agreement.

***Licences of Occupation***- Licences of occupation are entered into where the Village does not require an interest in the land. The Village secured space for the Puddle Ducks Daycare in Captain Meares Elementary Secondary School through a Licence of Occupation.

***Statutory Right of Way Agreements*** – By securing a statutory right of way agreement, the Village can acquire land that can be utilized for public purposes. The Village was recently granted a statutory right of way for the Cook Street/McKelvie Creek dike.

***Expropriation*** – expropriation is typically the tool of last resort, when negotiations stall or fail, to secure a land parcel or a right of way.

#### **IV. Disposition Policy**

The Village has not had a formal disposition strategy or policy, so disposition decisions have recently been made in response to informal or formal expressions of interest or arising from specific circumstances.

##### Criteria for Dispositions

The following criteria will be used in deciding when a property should be considered surplus or otherwise suitable for disposition:

- There are no long term plans for the parcel
- The sale of the parcel will generate economic return
- The parcel can be disposed of without too much process such as rezoning or survey work
- The disposition will help to spur economic development
- The sale will increase property tax revenues

##### Recent Dispositions

South Maquinna Drive \$136,000, February 15, 2019

146 Alpine View Road \$15,000, April 27, 2021

## Notification Process/Advertising

The process for disposing of municipal land is prescribed in section 26 of the Community Charter

### **Notice of proposed property disposition**

**26** (1) Before a council disposes of land or improvements, it must publish notice of the proposed disposition in accordance with section 94 [*public notice*].

(2) In the case of property that is available to the public for acquisition, notice under this section must include the following:

- (a) a description of the land or improvements;
- (b) the nature and, if applicable, the term of the proposed disposition;
- (c) the process by which the land or improvements may be acquired.

(3) In the case of property that is not available to the public for acquisition, notice under this section must include the following:

- (a) a description of the land or improvements;
- (b) the person or public authority who is to acquire the property under the proposed disposition;
- (c) the nature and, if applicable, the term of the proposed disposition;
- (d) the consideration to be received by the municipality for the disposition.

The *Community Charter* also prohibits assistance to business, so municipal lands cannot be sold below market value to ensure it does not contravene this provision.

## V. Licencing of Village Properties

### Licences and leases

An important part of the Village's role as a landowner is to manage the use of lands through formal licence agreements for third party businesses using Village commercial property. A licence of occupation differs from a lease agreement in that a lease is an interest in land allowing registration with the Land Title and Survey Authority, where a licence is not. A licence establishes a contract between the person using the space and the Village, but does not establish any form of title to the land. A licence, typically, has a short cancellation notice clause and does not extend for long periods of time, thus giving the Village considerable management control of its properties. The Village will use licences as the primary contractual instrument for entering into agreements with persons using Village property for business or with non-profit organizations.

### Determining Rent

The *Community Charter* seemingly dictates that market rents must be charged to ensure there is no assistance to business. However, determining commercial real estate market rates in Tahsis is extremely difficult since the Village is the sole supplier of commercial real estate. The prohibition against "assistance to business" is to ensure equitable treatment of all businesses and to prevent a municipality from providing a financial benefit to a particular business in the form of tax relief or cheap rent, for example. If the Village has a rent policy which applies to all of its commercial space, there is no "assistance to business" concern.

The Village's semi-informal approach to commercial tenancy has been to keep rents low in order to stimulate, support and retain local businesses. The policy objective is to achieve a public benefit, as much as a business benefit.

In selecting tenants and determining rents, the following criteria will be used:

- The goods and/or services offered provide a demonstrated community benefit
- The good and/or services offered provide the only opportunity (or one of only a few opportunities) for the goods and/or services in the community
- The business does not compete with another business in the community, or it does compete but is offered in very different ways or is accessible to persons who do not normally have access to the services or facilities offered by others.
- There is a unique distinguishing feature offered by the business.

All licences of occupation will include an annual percentage rent increase between 2-4%, based on the cost of living index at the time of execution.



### Length of Term

Licences will be no longer than 3 years with a provision to extend for a further two years. After five years, a new licence is required.

### Insurance

All licences require an insurance clause that the tenant has comprehensive general liability insurance of at least \$2,000,000 and names the Village as an additional insured.

### Right of First Refusal

When commercial space becomes available for occupancy, the Village's tenants will be given the right of first refusal.