

ITEM 14

MANAGER'S REPORT NO. 70

COUNCIL MEETING Oct. 30/72

14. Re: Administrative Charge for Giving Consents  
Water Lots on North Arm of Fraser River  
North Fraser Harbour Commission  
(Item 3, Report No. 54, September 5, 1972.)

When Council on September 5, 1972, considered and approved the subleasing of Water Lot 6317 to MacMillan Bloedel Industries Limited from May 15, 1972, to October 16, 1972 (see attached), the request for the Municipal consent required to authorize the North Fraser Harbour Commissioners to lease this water lot after October 16, 1972, was tabled pending a report to Council from the Manager as to the possibility of charging a fee for consents.

We have been in contact with an official of the Richmond Municipality and this problem has not arisen in that Municipality. He therefore had no suggestions or formula to offer for charging for consents.

In the past, Burnaby administered water lot leases for a charge of approximately 20%. It would therefore appear reasonable that this administration charge could be the amount of the fee charged for a consent. The basis of the fee could be the actual cost of the water lot lease from the North Fraser Harbour Commission to the water lot user.

As advised previously, only water lots 5770, 5772, 5870 and 6317 are leased by the Municipality from the Commission and were in turn sublet to various users. We received a total annual revenue for these lots of \$5,956.34 and the cost was \$4,902.30, for a surplus of \$1,054.04. Taxes on the four lots in 1972 will total \$2,685.44.

The changes in lease procedure being made by the Commission will have no effect on the assessed value of these water lots nor on the taxes payable by the lessees. If the lease is dated after January 1 in any year, we won't be able to catch up with the taxes due for that year until the next year as the current roll will be struck by then.

The only justification for charging a perusal fee or an administrative fee would be to cover the costs of reviewing whether or not the Municipality should give its consent to the lease proposed. Under the old arrangement we had bookkeeping costs because we administered the sub-lease. Under the new arrangement we do not have these costs but we will still have to review each request. As pointed out, our fee under the old arrangement was 20% and this amounted to \$1,054.04 for 1972.

A further consideration is that we are giving up our access to and right of enjoyment of the River when the water lot is leased.

RECOMMENDATIONS:

THAT the following administrative fee be approved for reviewing requests for Municipal consent of leases made by the North Fraser Harbour Commission:

- 20% for a lease costing up to \$500, plus
- 10% for any cost of lease over the first \$500, plus
- an amount equal to taxes prorated for the current year if the lessee is not already on the tax roll; and

THAT MacMillan Bloedel Industries Limited be advised that its request of July 13, 1972, to give consent of the issuance of a lease by the North Fraser Harbour Commission to the Company for log booring and sorting purposes, over that portion of water lot 6317 covered by its present lease arrangement, for a one year period commencing October 17, 1972, would be considered and reviewed upon receipt of the appropriate administrative fee.

14. Re: Water Lots on the North Arm of the Fraser River  
(Item 5, Report No. 48, July 31, 1972)

Council on July 31, 1972, was informed that the present policy of the North Fraser Harbour Commissioners is that leases of all water lots under its jurisdiction are granted only to the actual user or occupier of the water lot areas. This means that the Municipality, as the riparian upland property owner, will not be issued leases for water lots, although the Municipality will still be requested to consent to the leasing of the areas involved.

A point was made in Council that this new policy means that the Municipality will no longer be able to collect rentals from the leases of water lots. It was suggested that Council should refuse to grant its consent for the issuance of any leases by the North Fraser Harbour Commissioners until some arrangement is made whereby the Municipality will continue to realize revenue from lease transactions.

Council consequently refused, on July 31, 1972, to approve a request from MacMillan Bloedel Industries Limited for an extension of the sub-lease of Water Lot 6317. The request was tabled pending a review to determine whether there is a way for the Municipality to retain revenue from the leasing of water lots.

Only Water Lots 5770, 5772, 5870 and 6317 are leased by the Municipality from the North Fraser Harbour Commission and in turn are sublet to various users. Per annum total Municipal revenue for these lots is \$5,956.34. The total cost is \$4,902.30, or a surplus of \$1,054.04. Taxes on the four lots in 1972 will total \$2,685.44.

The changes contemplated by the North Fraser Harbour Commission in the manner of leasing water lots will have no effect on the assessed values of these lots nor on the taxes payable by the lessees.

Mr. N. Eastman, Port Manager for the North Fraser Harbour Commission, advised that a riparian upland property owner may, in exchange for consent to use a water lot, charge a fee. The Commissioners in no way are a party to the negotiation, establishment or execution of a fee. This is a matter of concern only to the upland owners and prospective users of water lots.

Mr. Eastman also advises that should the Municipality as an upland riparian property owner decide to withhold its consent for the use of a water lot, such a decision would be honoured by the Commissioners, and a lease would not be issued.

The Assessment Department is concerned with the present method of obtaining up-to-date lease information and will be discussing this problem with the North Fraser Harbour Commission in the immediate future.

The possibility of charging a fee for consents after October 1972 is still being investigated and a further report will be presented to Council in October. A formula may be developed as the result of a study that will include an examination of how other lower mainland municipalities administer or intend to administer this problem.

**RECOMMENDATIONS:**

THAT the sublease of Water Lot 6317 to MacMillan Bloedel Industries Limited be extended from May 15, 1972, through to October 16, 1972, providing that the rates and conditions of the lease be applied to previous leases; and

THAT the request for Municipal consent to authorize the North Fraser Harbour Commissioners to lease this water lot after October 16, 1972, be tabled pending a report to Council from the Manager, to be submitted in October, 1972; and

THAT the North Fraser Harbour Commission be advised accordingly.