

ITEM SUPPLEMENTARY 15
MANAGER'S REPORT NO. 49
COUNCIL MEETING 1982 09 07

RE: TRANSFER OF MUNICIPAL LANDS TO BC TRANSIT AUTHORITY FOR ALRT
MAINTENANCE CENTRE RELATIVE TO PROVISION OF AN ELEVATED ALIGNMENT
BETWEEN GILLEY AVENUE AND RUMBLE STREET

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Planning & Building Inspection be adopted.

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SUPPLEMENTARY REPORT

TO: MUNICIPAL MANAGER
1982 SEPTEMBER 03

FROM: DIRECTOR PLANNING &
BUILDING INSPECTION
OUR FILE: 08.230.1

SUBJECT: TRANSFER OF MUNICIPAL LANDS TO B.C. TRANSIT
FOR A.L.R.T. MAINTENANCE CENTRE RELATIVE
TO PROVISION OF AN ELEVATED ALIGNMENT BETWEEN GILLEY
AVENUE AND RUMBLE STREET

RECOMMENDATIONS:

1. THAT Council authorize the transfer of title on 1983 December 31 of the Municipal lands as shown on the attached Figure 1 to B.C. Transit for the sum of \$1.00 subject to the elevation of the portion of the A.L.R.T. alignment between Gilley Avenue and Rumble Street by B.C. Transit at their cost.
2. THAT the transfer of the Municipal lands be subject to their reverting to the Municipality, at a negotiated price, in the event that they should cease to be required for the A.L.R.T. Maintenance Centre.
3. THAT Council authorize the Mayor and the Municipal Clerk to execute the appropriate documentation and agreements to effect the above recommendations.
4. THAT a copy of this report be forwarded to Mr. M. J. O'Connor, Project Administrator, B.C. Transit, Suite 874, Four Bental Centre, P.O. Box 49297, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1P6.

SUMMARY:

The foregoing recommendations provide for the equitable transfer of Municipal lands which reflects their value to B.C. Transit; provides for revenue to the Municipality through the development of the site by the Transit Authority and the subsequent payment of taxes; and the Municipality thereby contributes to the construction of an elevated A.L.R.T. alignment between Gilley Avenue and Rumble Street.

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The sale of the Municipal lands at a nominal value is supported by an independent appraisal which was undertaken on behalf of the Municipality to estimate the current market value to B.C. Transit. This appraisal concluded that there was a 'nil' value to B.C. Transit as they must undertake a major site rendering program at a cost which will exceed the resultant land value. The value to the Municipality then becomes a consideration. Upon completion of the rendering program the Municipality will be in a position of receiving taxes thereby providing a continuing source of revenue which would not have otherwise been available.

The benefits to both parties have been recognized in the context of the overall A.L.R.T. development in Burnaby. Lands are to be transferred at a nominal value at a specific date after which tax revenues will accrue to the Municipality. B.C. Transit will construct an elevated guideway between Gilley Avenue and Rumble Street at a cost which exceeds their initial baseline contract with Metro Canada Ltd.

The construction of the A.L.R.T. guideway in an elevated condition is an essential objective from a Municipal point of view, and Council has consistently taken this position in discussions concerning the development of A.L.R.T. in Burnaby.

REPORT

A.L.R.T. CONSTRUCTION BETWEEN GILLEY AND RUMBLE

The contract baseline agreed to by B.C. Transit and Metro Canada Ltd. (the A.L.R.T. system contractor) provides for an elevated alignment from Kingsway to Rumble except for a short section between Gilley and Rumble where the A.L.R.T. dips to grade. The Municipal position has consistently been that this portion of the line should be elevated. The Transit Authority's position was that the Municipality should share in the added costs of going to an elevated alignment.

In order to provide a consistency of image for the rapid transit system as well as to leave all options open for future decisions regarding land use, pedestrian circulation and traffic movement at ground level it is essential that the A.L.R.T. alignment be elevated from Kingsway to Rumble. It also seems reasonable that B.C. Transit obtain some recognition of the fact that they would have to assume additional costs beyond their baseline contract. Therefore, the Municipal Manager has reviewed options with B.C. Transit staff resulting in an agreement which incorporates their construction of the elevated system and the disposition of Municipal lands for the Maintenance Centre.

DISPOSITION OF MUNICIPAL LANDS FOR A.L.R.T. MAINTENANCE CENTRE

The question of the location of the A.L.R.T. Maintenance Centre has been reviewed by Council on several occasions, including a joint meeting of the Council and the U.T.A. to discuss alternate sites, resulting in the adoption of a resolution stating that the lands east of the B.C. Hydro railway be made available to the U.T.A. at a cost to be determined by negotiation.

On 1982 April 27 Council received a report advising that the U.T.A. had decided to locate the Maintenance Centre on the subject lands and a further resolution was adopted giving them authority to use this site. To provide Council with the necessary information on the value of these lands an independent appraisal was requested.

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The appraisal establishes the value for the subject lands once they have been rendered and relates this value to the rendering costs which have been provided by the engineering consultants for the project. The net result is a cost well in excess of value when rendered. Therefore, the market value to the U.T.A. is 'nil'. Because of the size of the report copies of the appraisal have been included with the agendas for Council members only.

While it is clear that there is no market value to the U.T.A., the question of the value of these lands to the Municipality needs to be addressed. Theoretically if the Municipality were to carry out a fill program over time in order to place these lands in a condition suitable for industrial use, and established a charge for fill placement, the Municipality would receive an income stream. However, in calculating a total value to the Municipality the hard costs for site rehabilitation would have to be incurred prior to any ongoing fill operation. In addition there would be expenses in undertaking such a program, the time required to complete the program would be a major factor and servicing costs for industrial development would also need to be deducted. Moreover, if we are to relate this theoretical value to the current proposal for the development of the Maintenance Centre, the tax loss to the Municipality over the length of the fill program must be considered.

In a letter dated 1982 July 14 the appraiser has provided his comments on the above program, copies of which have also been included with the agendas for Council members only. The appraiser has emphasized the fact that the situations outlined in his letter are hypothetical. Notwithstanding this fact, he concludes that there is no benefit to undertaking such a program given the potential tax loss to the Municipality over the time necessary to complete a fill program. The tax loss projections are based on land only and do not take into consideration the loss of further revenues which would be generated by U.T.A. improvements, i.e. structures, machinery and the like.

CONCLUSIONS:

For reasons outlined above it has been recommended that the lands be transferred for a nominal value. Notwithstanding this recommendation, B.C. Transit staff has been of the opinion that a commitment should be made by the Municipality to contribute to the added costs of an elevated system.

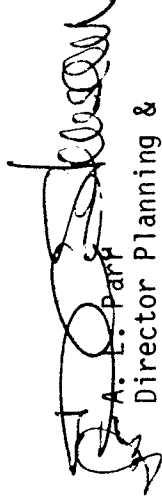
While the Municipality is not in a position to make a contribution through direct payment, the question of future tax revenues gained through the yard site development can be considered. B.C. Transit is undertaking a major site rendering program which will create a viable development site. Once this program is complete and title has been transferred to B.C. Transit, the Municipality would receive taxes on the parcel. To help mitigate the costs associated with an elevated system it seems reasonable to transfer title on 1983 December 31. Accordingly B.C. Transit will be responsible for payment of Municipal taxes commencing 1984 January 01.

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This is an appropriate and realistic date given the complexities involved in effecting a fully consolidated, developed site. Agreement on the final site configuration must be obtained relative to the preservation of the Byrne-Tenth roadway, existing undeveloped road and lane allowances must be closed, servicing aspects must be approved by the Director Engineering, provision must be made for relocating major transmission lines which currently traves the site, and the property must be consolidated and finally rezoned.

The value of the subject Municipal lands to B.C. Transit is nil. Their value to Burnaby is based on a variety of assumptions and, therefore, the relationship of this value and the advantages gained through deferring the land transfer date, to the additional costs to be absorbed by B.C. Transit in providing an elevated system between Gilley and Rumble, is open to interpretation. The proposal to resolve these matters comprehensively is viewed as an equitable solution and staff has no hesitation in recommending the transfer of Municipal lands as outlined herein.



A. L. Pamp

Director Planning &
Building Inspection

PB/tgg

c.c. Director Engineering
Municipal Solicitor
Treasurer