

ITEM 1
MANAGER'S REPORT NO. 1
COUNCIL MEETING 1983 01 04

RE: PROPOSED LAND EXCHANGE INVOLVING LANDS REQUIRED FOR THE RIVERWAY GOLF COURSE
AND MUNICIPAL LANDS DESIGNATED FOR AGRICULTURAL USE
(ITEM 1, REPORT NO. 62, 1982 NOVEMBER 08)

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations of the Municipal Solicitor be adopted.

* * * * *

December 17, 1982

TO: MUNICIPAL MANAGER
FROM: SOLICITOR
RE: PROPOSED LAND EXCHANGE INVOLVING LANDS REQUIRED FOR THE RIVERWAY GOLF COURSE AND MUNICIPAL LANDS DESIGNATED FOR AGRICULTURAL USE (ITEM 8, REPORT NO. 46, JULY 7, 1980) (ITEM 1, REPORT NO. 62, NOVEMBER 8, 1982)

RECOMMENDATION:

1. THAT Council authorize the exchange of Municipal lands on the south side of Willard Street which are shown on the attached Figure 1 for those private lands west of Royal Oak Avenue which are shown on the attached Figure 2 as more particularly described in the attached report.
2. THAT the Municipality provide the following services to the Municipal lands involved in the exchange and that the cost of these services be charged to Code 70 of the Land Assembly and Development Fund:
 - (a) construction of a six (6) inch diameter water main on Willard Street from Marine Drive to Stride Avenue and two 2 inch diameter water services and meters;
 - (b) construction of two driveway accesses across the drainage ditch on the south side of Willard Street;
 - (c) preparation of the survey plans required to provide two consolidated parcels as shown on Figure 1.
3. THAT Council authorize the preparation and introduction of a Road Closing Bylaw as shown on the attached Figure 3.
4. THAT Council allow the vendors to continue farming at 8995 Royal Oak Avenue rent free for a period of two years.

MUNICIPAL MANAGER

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R E P O R T

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Council at its meeting of November 8, 1982 received a report prepared in part by both the Director Recreation and Cultural Services and the Director Planning and Building Inspection (Item 1, Report No. 62) and chose not to adopt the recommendations contained therein. The matter was referred back to staff for a further report.

Council's main concern was the fact that we were exchanging 12.1 acres of unimproved agricultural land within the Agricultural Land Reserve for only 3.88 acres of industrial zoned land also situated within the Agricultural Land Reserve. In order to provide Council with some clarification of the value of both parcels of land, we prepared an in-depth appraisal of each property. Due to the lack of comparable sales in Burnaby, we analyzed sales of truck farms in other areas. We arrived at a current market value as of November 22, 1982 as follows:

3.88 acres of unimproved industrial land	\$ 426,800
12.10 acres of unimproved agricultural land	198,500
Difference..	<u>\$ 228,300</u>

(copy attached)

As there was such a difference in the appraised value of each property, we requested an independent appraisal to be prepared by Mr. Dennis Collingwood of Collingwood Appraisals Ltd. On Monday, December 13, 1982 Mr. Collingwood furnished us with an appraisal of each property as of December 6, 1982 as follows:

3.88 acres of unimproved industrial land	\$ 582,000
12.10 acres of unimproved agricultural land	327,500
Difference..	<u>\$ 154,500</u>

(copy attached)

The discrepancy between both appraisals is in part due to the location of comparable sales and listings used in the analysis. We deducted adjustments for time, whereby Mr. Collingwood applied an increase in value for time. Due to the recession we may have been a little cautious in using only the lower range of values. A farmer faced with losing his land, would place a special value on land located in the same area. This value can only be determined by him.

CONCLUSION:

Due to the inability of appraisers to obtain from the market place conclusive evidence of any market trends, we would anticipate as many differing opinions of value as there were appraisals employed. It is obvious that the trans-action as proposed to Council is equitable for the municipality. Therefore, we would reaffirm the recommendation as submitted to Council in Report Item 1, Manager's Report No. 62, Council Meeting November 8, 1982.

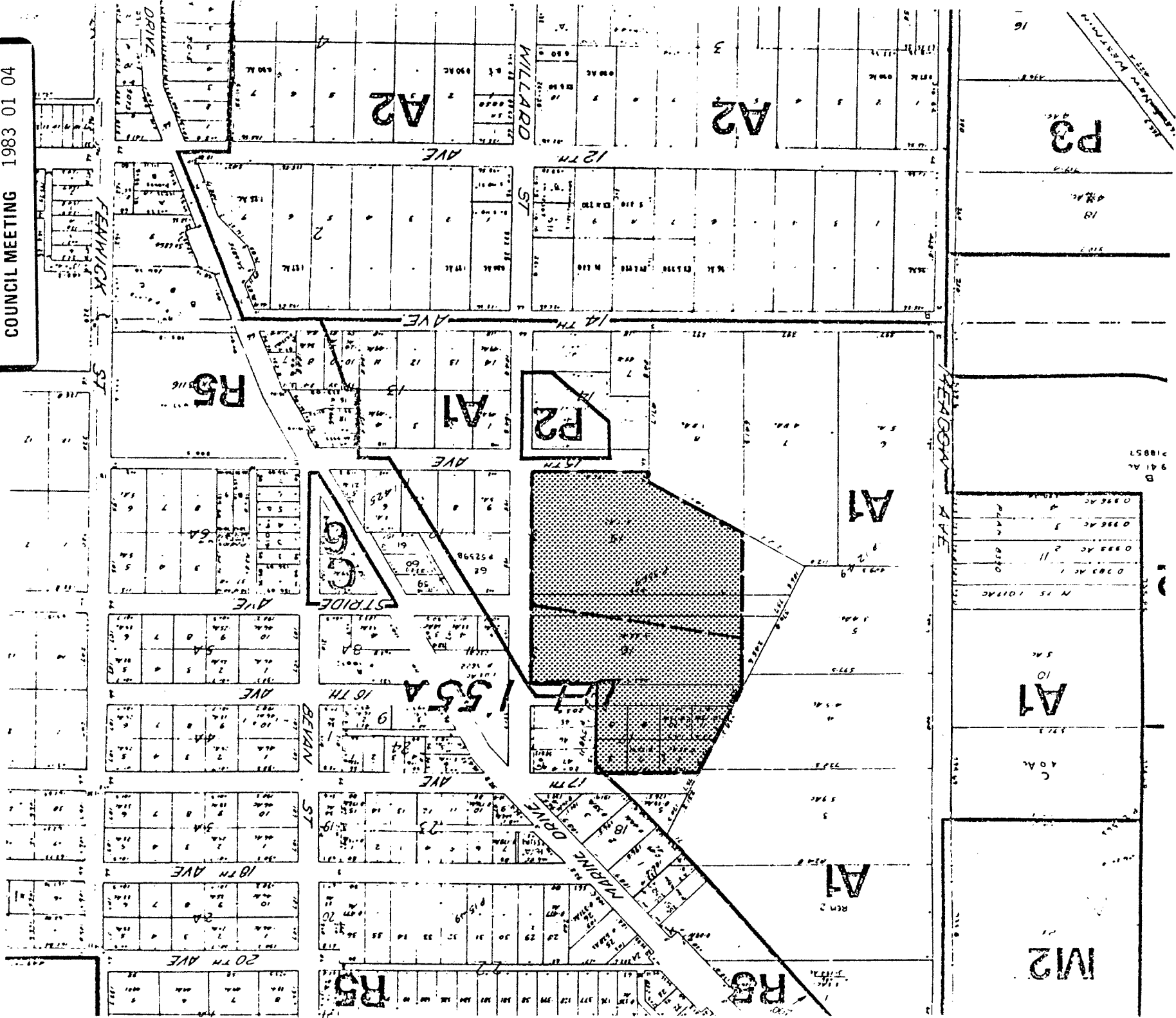
FAEvans/gmc

cc: Director Planning and Building Inspection
Director Recreation and Cultural Services
Treasurer

Attach.

W. L. Stirling
W. L. Stirling
MUNICIPAL SOLICITOR

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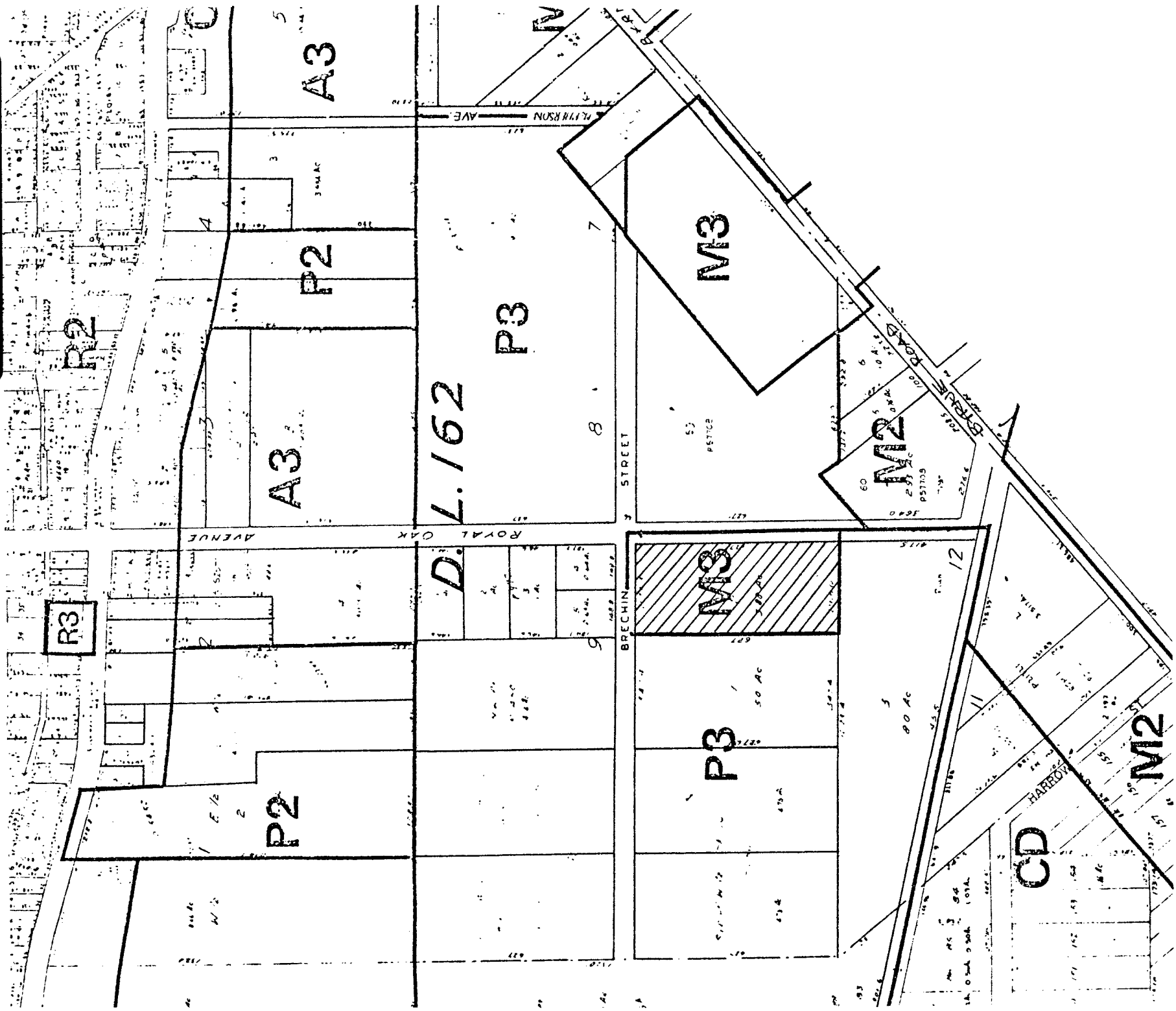


MUNICIPAL LANDS TO BE
 CONSOLIDATED & EXCHANGED.

FIGURE 1

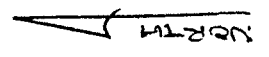
1" = 400' PB
 1982 OCT. 14

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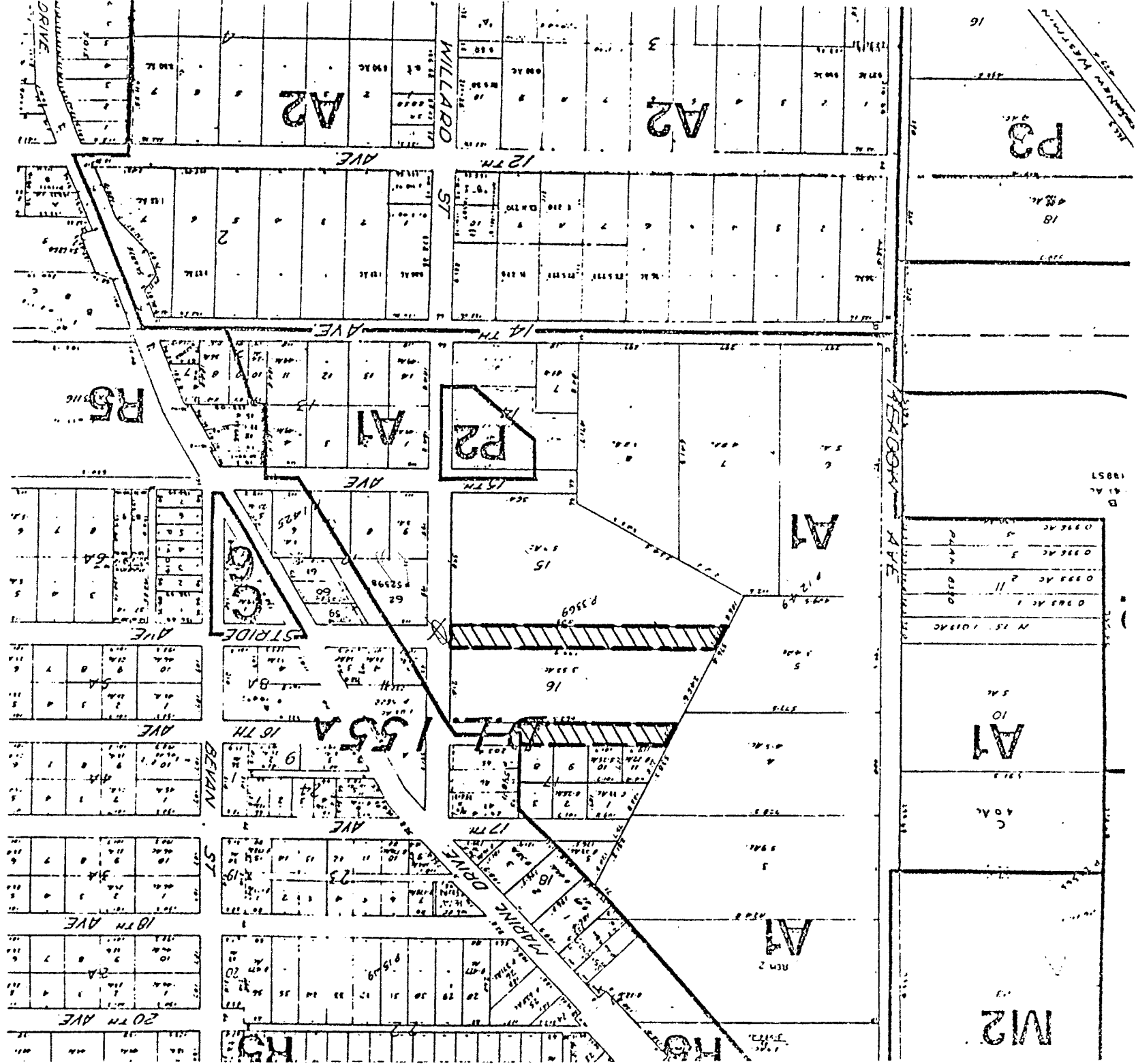


PRIVATE LANDS TO BE
 ACQUIRED VIA EXCHANGE.

FIGURE 2
 1" = 400' PB
 1982 Oct. 14



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PROPOSED ROAD CLOSURES.

FIGURE 3
 1" = 400' PB
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APPRAISAL OF MUNICIPAL LANDS
7500 BLOCK WILLARD STREET

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LEGAL DESCRIPTION:

Lots 1-2-3-8-9-10 and 11 of Block 17 and Block 16 all of District Lot 155A, Group 1, Plan 3369, Plus all internal road allowances.

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EXISTING SITUATION:

Historically this area has been farmed as market gardens by persons of Chinese origin. The Municipalities objective is to preserve this type of land use.

DESCRIPTION OF PROPERTY:

The Municipal lands are situated on the south west side of Willard Street a short distance off Marine Drive. Willard Street is constructed to an interim standard only, on both sides of the road there are drainage ditches.

By consolidating all the lands described above together with road allowances there will be created two 6.05 acre parcels of land. On each parcel a single family residence may be constructed together with the usual farm buildings.

Water is to be provided by the Municipality.

Before this land can be used for cultivation. The Purchaser's will be required to clear the land of light to medium growth, grade and install drain tile, dig ditches over and around the property. The Recreation and Cultural Services Department estimates the cost of this work at around \$78,409 if the debris was burned on site or \$88,400 if hauled away.

For the purpose of this appraisal say \$7,300.00 per acre.

HIGHEST AND BEST USE:

The subject property is currently zoned A2 Agricultural and is located within the Agricultural Land Reserve. In our opinion, the agricultural use represents the highest and best use.

DIRECT SALE COMPARATIVE APPROACH:

This approach implies the principle of substitution whereby a prudent man would not pay more for a property than it would cost to buy an equally desirable substitute, offering the same utility, comparable location, balancing characteristics and equal foreseeable benefits.

In the last two years, only one agricultural land sale took place in the Big Bend area. In order to obtain supportive data we will have to look to the rural areas within easy access to the Vancouver produce markets.

LAND SALES:

Example No. 1

8646 Manderville Avenue	1.947 acre
4828 Marine Drive	1.68 acre
4848 Marine Drive	1.68 acre
Total	5.307 acres

Improvements of insignificant value.
Sold March 1981 for \$302,000

\$56,905.97 acre

Appraisal of Municipal Lands

Example No. 2

34973-34993 Clayburn Road
70 Abbotsford

ALR - 19.2 acres. Sold August 1982 for \$160,000 \$ 8,333.00 acre
Two old houses, 30 x 32 barn, 13 x 20 shed
12 x 11 shed, 16 x 18 garage, 16 x 40 chicken barn
Land suitable for berry or cash crop.

Example No. 3

1876 Mount Lehman Road
70 Abbotsford

ALR - 9.9 acres. Sold September 1982 for \$220,000 \$22,222.00 acre
800 square foot old time home, municipal water.
Under berry cultivation.

Example No. 4

Mercer Road, Matsqui

ALR - 40.48 acres. Sold January 1982 for \$285,000 \$ 7,040.50 acre
Land only good for corn, grass, etc.

Properties Listed For Sale

Example No. 1

41832 Keith Wilson Road
90 Chilliwack

11.4 acres - Price \$90,000 \$ 7,894.73 acre
30 x 40 barn in good condition, house in poor
condition. Land suitable for market garden.

Example No. 2

4383 Duncan Road
90 Chilliwack

ALR - 9.65 acres - Price \$110,000 \$11,399.00 acre

Example No. 3

Lt. C Delair Road
to Abbotsford/Matsqui

ALR - 37 acres - Price \$369,000 \$ 9,972.97 acre
10 acres in raspberries, 5 acres in blueberries,
balance in vegetables.
City water.

Example No. 4

3810 - 168 Street
40 Cloverdale

ALR - 18.55 acres - Price \$340,000 \$18,867.92 acre
Equipment shed, cool room, washing area, artesian
well, 5 bedroom home.
Good market garden, vegetable sales stand.

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Example No. 5

7496 Gibson Road
90 Chilliwick

ALR - 70.06 acres - Price \$495,000
Good market garden soil.

\$ 6,785.71 acre

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ADJUSTMENTS:

In order to determine the real estate market for farm values over the last two years we contacted a number of real estate sales persons. We ascertained that farm values dropped by as much as 50% from this time two years ago. Agricultural lands closer to urban areas increase in value by around \$10,000 per acre.

Example No. 1

Vacant land in full production, as the property consists of three parcels, three residences can be constructed. Each requiring say 8,000 square feet of land or approximately 0.55 acres, leaving a net area for agricultural use of 4.757 acres.

Required Adjustments

Adjustment on	#302,000.00
Residential Land Value	Less 150,000.00
Agricultural Land Component	152,000.00
Less 40% Time Adjustment	91,200.00
\$60,8000 or	
Less \$7,300 for land clearing, etc.	19,171.74 per acre
Indicated value of Agricultural Municipal Land	\$ 8,829.09 per acre

Example No. 2

Property improved with two houses and miscellaneous buildings.

Adjustments on	\$ 8,333.00 per acre
Location	Plus 10,000.00
Improvements	Less 2,000.00
Land Condition	Less 7,300.00
Indicated value of Municipal Land	\$ 9,033.00 per acre

Example No. 3

800 square foot home, municipal water under production

Adjustments on	\$22,222.22 per acre
Location	Plus 10,000.00
Improvements	Less 2,000.00
Mature Berry Cultivation	Less 15,000.00 acre
Land Condition	Less 7,300.00
Indicated value of Municipal Land	\$ 7,922.20 per acre

Example No. 4

Vacant land

Adjustments to	\$ 7,040.50 acre
Not Under Cultivation	Less 2,000.00
Location	Plus 10,000.00
Land Condition	Less 7,300.00
Indicated value of Municipal Land	\$ 7,740.50 per acre

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Adjusted Values of Sold Properties - Arrayed

\$7,740.50 - \$7,922.20 - \$8,829.09 - \$9,033.00

Arithmetical Mean Median
 \$ 8,375.64/acre
 \$ 8,381.20/acre

Properties Listed for Sale - Adjustments

Example No. 1

Adjustments to Location	Plus	\$ 7,894.73
Improvements	Less	10,000.00
Land Condition	Less	1,500.00
Indicated value of Municipal Lands	Less	7,300.00
		\$ 9,094.73 per acre

Example No. 2

Adjustments to Location	Plus	\$11,399.00
Land Condition	Less	10,000.00
Indicated Value of Municipal Land	Less	7,300.00
		\$14,099.00 per acre

Example No. 3

Adjustments to Location	Plus	\$ 9,972.97
Productive Crop	Less	10,000.00
Land Condition	Less	7,500.00
Indicated value of Municipal Land	Less	7,300.00
		\$ 5,172.92

Example No. 4

Adjustments to Location	Plus	\$18,867.92
Buildings	Less	5,000.00
Land Condition	Less	2,500.00
	Less	7,500.00

Location adjusted to reflect the advantage of a retail sales stand and proximity to local trade.

Indicated Value of Municipal Land \$13,867.92

Example No. 5

Adjustments to Location	Plus	\$ 6,785.71
Land Condition	Less	10,000.00
Indicated Value of Municipal Land	Less	7,300.00
		\$ 9,485.71

Adjusted Listings - Arrayed

\$5,172.92 - \$9,094.73 - \$9,485.71 - \$13,867.92 - \$14,099.00

Arithmetical Mean Median
 \$ 9,486.00/acre
 \$10,344.00/acre

Appraisal of Municipal Lands

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Consiliation of the Final Estimate of Value

The proximity of Sale No. 1 to the subject property clearly indicates that property values within an urban area and used for agricultural purposes is worth considerably more than comparable properties in the outlying rural areas. Also to be noted is the additional value attributed to land having access to a well travelled highway which would permit a roadside retail stall. Sales 2, 3 and 4 when adjusted, support an indicated agricultural land value of say \$8,400.00 per acre.

Properties listed for sale offer alternative options to a prospective purchaser, price is subject to negotiation. But the median value of \$9,486 does serve to indicate the upper range of values.

Appraised Value of Unimproved Agricultural Land ~~is~~ \$8,400.00

In addition to the agricultural land value, its proximity to an urban area adds to the value an amount equivalent to two residential building lots each having an area of 8,000 square feet, (total 0.3673 acres). Value per lot \$50,000.00.

Value of 12.10 acres of uncleared agricultural land subdivided into two 6.05 acre parcels.

Two single family residential lots
Agricultural Land 11.7327 acres
@\$8,400.00/acre

\$100,000.00

\$ 98,554.68

Total Value of Municipal Land as of
November 22, 1982

\$198,500.00

PROPOSED ACQUISITION

8995 ROYAL OAK AVENUE

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LEGAL DESCRIPTION:

Lot 2, Block A, District Lot 162, Plan 7195

DESCRIPTION OF PROPERTY:

Situated on the southwest corner of Brechin Street and Royal Oak Avenue in close proximity to Byrne Road and its industrial influence.

The total area of the parcel is 3.88 acres. Only a very small portion of the property is not under intensive cultivation. There is a small house on the property. Services - municipal water, electricity, telephone.

ZONING:

The property is currently zoned M3, Industrial, though it is situated within the Agricultural Land Reserve.

HIGHEST AND BEST USE:

The property is currently zoned M3 as such represents the highest and best use in terms of dollars.

VALUATION:

The following comparable sales are in areas with the same soil conditions, namely treatable peat, requiring all construction foundations to be on piles. Land must be filled above the flood plane, cost of fill around \$25,000.00 per acre in place.

INDUSTRIAL LAND SALES:

Example No. 1.

6792 Fraser Park Drive
Sold October 1981 - \$194,000 acre
9 acre parcel, partly filled
Flanking Lowland Industrial Park
\$ 4.45 sq. ft.

Example No. 2

5550 Byrne Road
Sold February 1981 - \$160,000 acre
5 acre parcel, filled to require grade
\$ 3.67 sq. ft.

Example No. 3

5670 Byrne Road
Sold May 1981 - \$189,000 acre
3.83 acres, filled to required grade
\$ 4.34 sq. ft.

Example No. 4

4788 Byrne Road
Sold November 1980 - \$154,049 acre
5.68 acres, unfilled land close to Lowland Drive, southwest corner of Byrne & Hugh Drive
\$ 3.536 sq. ft.

Proposed Acquisition

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ADJUSTMENTS:

Example No. 1

Adjustment \$ to	
Fill	\$194,000.00 acre
Date: October 1981	Less 20,000.00
Less 12%	23,280.00
Indicated Value	\$150,720.00 per acre

Example No. 2

Adjustments to	
Fill	\$160,000.00 acre
Date: February 1981	Less 25,000.00
Less 20%	32,000.00
Indicated Value	\$103,000.00 per acre

Example No. 3

Adjustments to	
Fill	\$189,000.00 acre
Date: May 1981	Less 25,000.00
Less 18%	34,020.00
Indicated Value	\$129,980.00 per acre

Example No. 4

Adjustments to	
Date: November 1980	\$154,049.00 acre
Less 24%	36,971.76
Indicated Value	\$117,077.24 per acre

Adjusted Values - Arrayed

\$103,00.00 - \$117,077.00 - \$129,980.00 - \$150,720.00

Median	\$123,528.62
Arithmetical Mean	\$125,194.25

Conciliation of the Final Estimate of Value

Activity in the industrial market is almost none existent. It would, therefore, be prudent to apply the lower range of value.

Appraised value of the subject property as of 1982 November 22:

\$110,000.00 per acre or \$426,800.00