

ITEM SUPPLEMENTARY 19
MANAGER'S REPORT NO. 78
COUNCIL MEETING 85/12/16

RE: SALE OF MUNICIPAL LAND FOR CONSOLIDATION AND DEVELOPMENT
ADJACENT STILL CREEK IN THE STILL CREEK AVENUE, SUMNER AVENUE AREA

MUNICIPAL MANAGER'S RECOMMENDATION:

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

* * * * *

TO: MUNICIPAL MANAGER 1985 DECEMBER 12

FROM: DIRECTOR PLANNING &
BUILDING INSPECTION

SUBJECT: SALE OF MUNICIPAL LAND FOR CONSOLIDATION
AND DEVELOPMENT ADJACENT STILL CREEK IN THE
STILL CREEK AVENUE, SUMNER AVENUE AREA
(REFER TO ATTACHED SKETCHES 1 AND 2)

RECOMMENDATION:

1. THAT Council authorize staff to post portions of Lot 6, east and west 1/2 of Lot 7 and Lot 8, Lots 11 and 12, all of Blk. 1, D.L. 70, Grp. 1, Pl. 1432 for sale pursuant to the Municipal Act subject to the conditions outlined in Section 3.0 of this report.

REPORT

1.0 BACKGROUND:

On 1985 May 21 Council approved, in principle, the sale of lands for inclusion in the development site involved with Rezoning Reference #61/84 (Willingdon Business Park) on the understanding that a later report recommending the terms of the sale would be brought forward.

The purpose of this report is to provide the current status and recommended terms of sale.

2.0 EXISTING SITUATION:

The land involved in this sale represents lots which straddle the Still Creek watercourse. The lots were never developed and none of the abutting roadways in the area were constructed. The watercourse which is defined within a 24.3 m wide right-of-way is on a parcel which is to be owned by the Municipality and is covered by an easement in favour of the Greater Vancouver Sewerage and Drainage District (GVSSD).

In general the land adjacent the creek is low and composed of peat which has poor bearing capacities for development.

For the purposes of discussing the lands, three areas or zones which relate primarily to the conditions identified by the developer's soils engineers have been established (refer to attached sketch #3). These areas have varying amounts of utility for development.

3.0 PROPOSED SALE:

The Legal Department has reviewed the conditions pertinent to the sale and provides the following recommendations:

Area 1: This is a Conservation Area which is protected by covenant for open space and public use. No fill or development is to be permitted.

Value Estimate: \$0.90 per sq. ft. x 18,568 sq. ft. = \$16,711 (subject to confirmation of the lot area by survey calculation).

Area 2: An inland strip of structurally poor bearing soils. This will be used primarily as a rear yard area of the adjacent parcels.

Value Estimate: \$2.00 per sq. ft. x 11,010 sq. ft. = \$22,020.00 (subject to confirmation of the lot area by survey calculation).

Area 3: This is the best inland area and is useable for buildings and paved parking following servicing and preloading.

Value Estimate: \$4.00 per sq. ft. x 3,522 sq. ft. = \$14,088.00 (subject to confirmation of the lot area by survey calculation).

Total Area: 33,100 sp. ft. (subject to confirmation).

Total Value: \$52,819.00 (to be adjusted according to area calculation).

A detailed Appraisal Report by the Legal Department is attached.

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AND DEVELOPMENT ADJACENT STILL CREEK IN THE
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4.0 CONCLUSION:

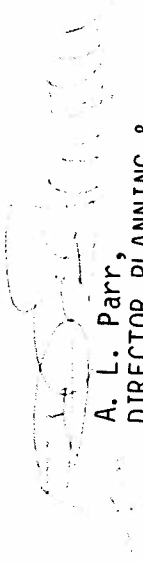
The sale of these properties is subject to the consolidation with adjacent parcels of land as they have very limited utility on their own in terms of access and required minimum lot sizes.

The ratification of the proposal to sell these lots is necessary to meet the requirements for the finalization of the rezoning of this area and to provide a rational land use pattern.

BR/g1

Att.

cc: Director Engineering
Director Finance

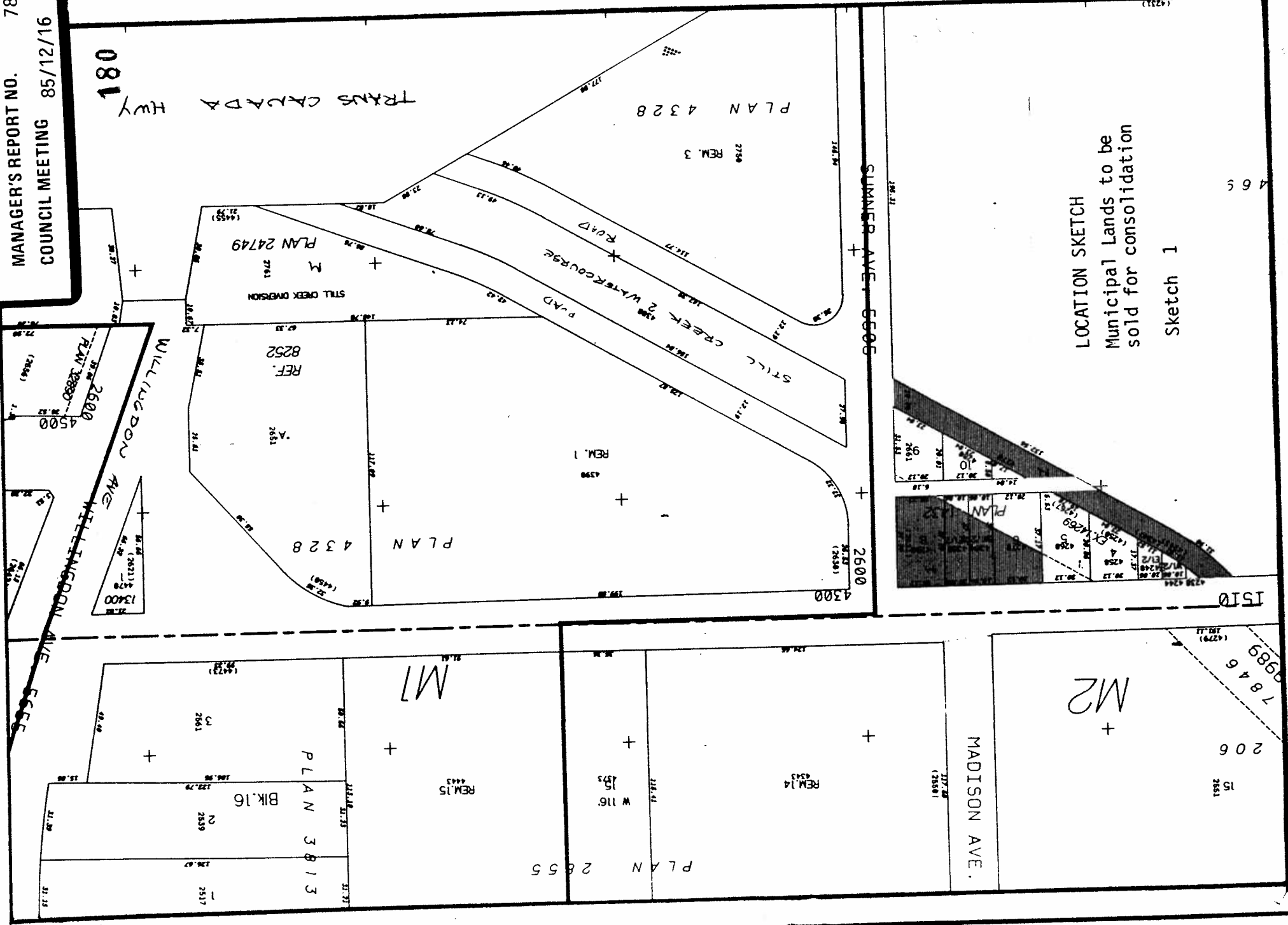


A. L. Parr,
DIRECTOR PLANNING &
BUILDING INSPECTION

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TRANS CANADA HWY



LOCATION SKETCH
 Municipal Lands to be
 sold for consolidation
 Sketch 1



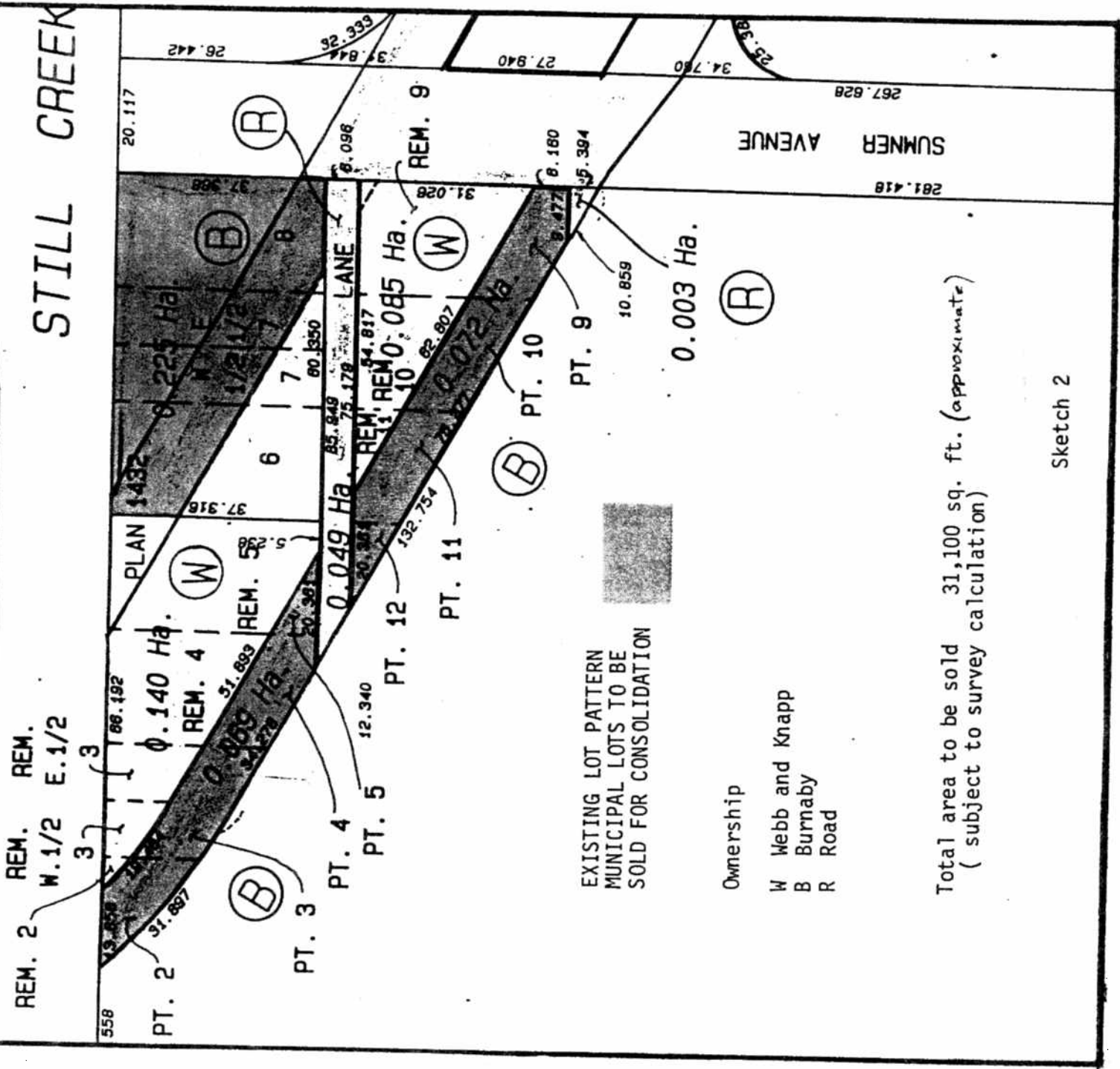
Burnaby Planning Department

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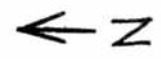
Sheet 1 of 4

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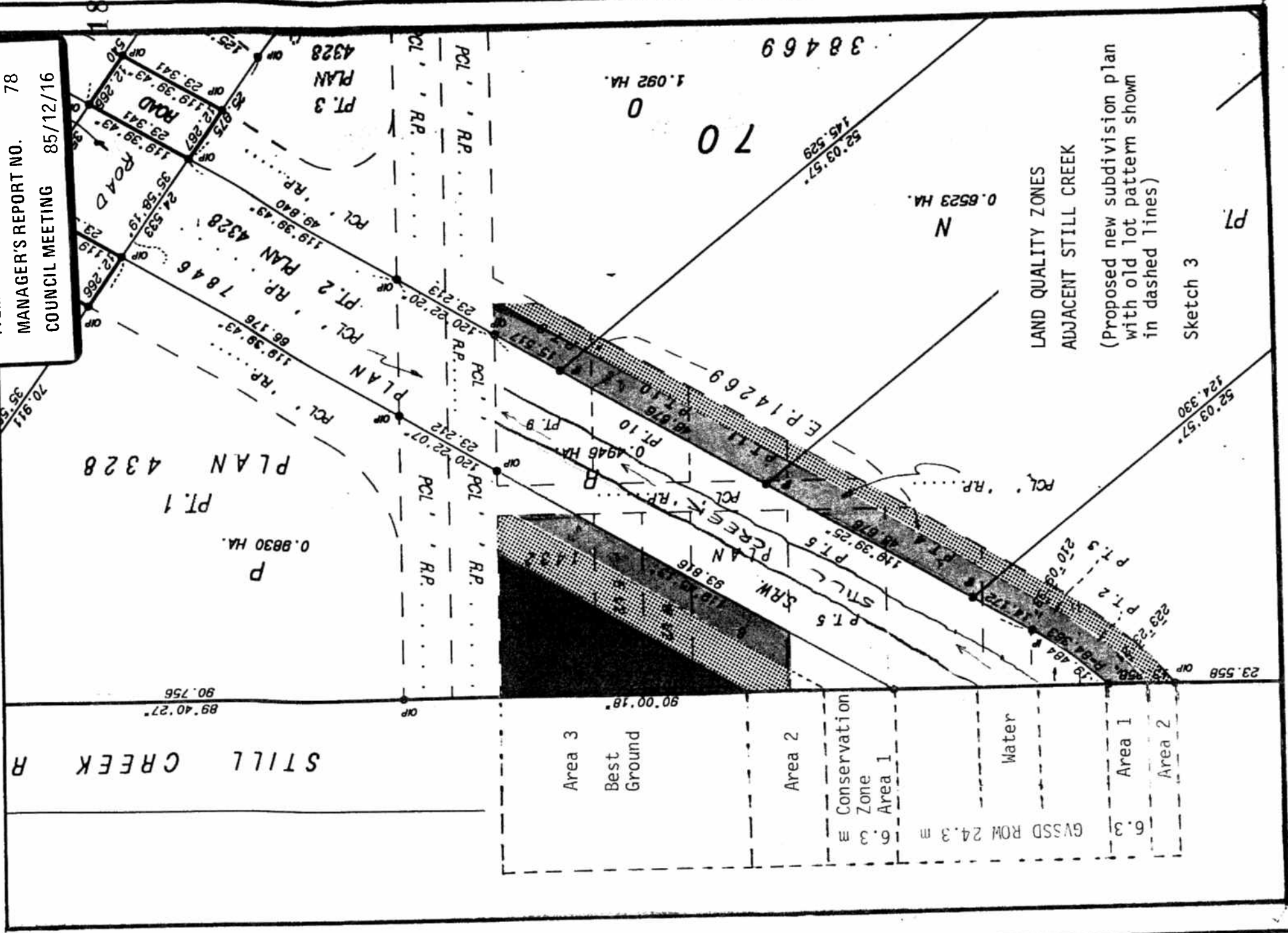
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Burnaby Planning Department



PROPOSED SALE OF LAND
 STILL CREEK AREA

SKETCH 3

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THE CORPORATION OF THE DISTRICT OF BURNABY

INTER OFFICE MEMORANDUM

TO: DIRECTOR PLANNING & BUILDING INSPECTION DATE: DEC. 10/85

FROM: MUNICIPAL SOLICITOR

RE: SALE OF MUNICIPAL PROPERTY REZONING REFERENCE 61/84 PORTIONS OF LOT 6, EAST AND WEST 1/2 OF LOT 7 AND LOT 8, LOTS 11 AND 12, ALL OF BLOCK 1, D.L. 70, GROUP 1, PLAN 1432, WEBB & KNAPP

APPRAISAL REPORT & NEGOTIATIONS

On May 21, 1985, Council approved in principle the sale of the above captioned municipal properties on the understanding that a further report outlining the details and recommended terms be submitted at a future date. Accordingly, the Legal Department undertook an appraisal of the subject property. The following pages contain the said appraisal and consequent recommendation of the terms of the sale.

APPRAISAL REPORT

This report assumes that the property is zoned CD (M5).

The subject properties lie in Burnaby's Central Valley Area west of Willingdon Avenue and north of Highway 1. They are presently addressed 4270, 4278, 4284, 4288 and 4298 Still Creek St., situated on the south west corner of Still Creek St. and Sumner Avenue and are on the periphery of the Still Creek Watercourse. The area is presently undeveloped and partially forested. It is proposed that the subject properties become a part of a commercial/industrial development to be named Willingdon Business Park. The soil in this area is composed primarily of peat over silt. Soils reports indicate that the majority of the subject site does not have any load bearing capability since the depth of the peat and silt conglomeration ranges from 50' to 80' along an approximate 100' corridor either side of Still Creek. Construction of even automobile parking would require sheet piling or pile support decking.

Two geotechnical engineering consultants, Hardy and Associates Ltd. and McLeod Geotechnical Ltd., advise that the soil conditions in the Central Valley area around Still Creek are perhaps the worst in the Vancouver Region for construction of any type.

When complete, the proposed subdivision will comprise sixteen building sites ranging from 1 acre to 4.15 acres for a total area of 28.53 acres. Development of each site will require the guidance of a geotechnical engineer.

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SUBJECT SITE AREA

The total area of the subject lots is approximately 39,397 sq.ft. It is proposed that approximately 33,100 sq.ft. be sold and 6,975 sq.ft. become part of the Still Creek Linear Park System and watercourse. See attached Figure 1.

ASSESSMENTS

4236 Still Creek St. Lot 11 and 12, Block 1, D.L. 70, Exp. Pl. 14269, Plan 1432.	Land	\$ 16,200
4278 Still Creek St. Lot 6, Block 1, D.L. 70, Plan 1432	Land	\$ 6,300
4284 Still Creek St. West 1/2 of Lot 7, Block 1, D.L. 70, Plan 1432	Land	\$ 4,400
4288 Still Creek Street East 1/2 of Lot 7, Block 1, D.L. 70, Plan 1432	Land	\$ 4,400
4298 Still Creek Street Lot 8, Block 1, D.L. 70, Plan 1432	Land	\$ <u>11,700</u>
Total Assessments		\$ 43,000

1. COMPARABLE SALES DATA

The following comparable market data was used in estimating the current market value of full serviced CD (M5) zoned sites in the Central Burnaby area.

Sale 1

Legal Description:
Lot Size:
Zoning:
Price/date:
Price/acre/sq.ft.:

Lot 52, D.L. 70, Pl. 65869
1.75 Acres
CD (M5)
\$711,000; 10/84
\$406,286 per acre; \$9.33
per sq.ft.
Located in the Willingdon
Green Business Park. Good
comparable property
offering same utility.
Slightly inferior
location.

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Sale 2

Legal Description:
 Lot Size:
 Zoning:
 Price/date:
 Price/acre/sq.ft.:

Lot 54, D.L. 70, Pl. 65869
 2 Acres
 CD (M5)
 \$740,520; 7/83
 \$370,260 per acre; \$8.50
 per sq.ft.

Remarks:

Located in the Willingdon
 Green Business Park. Good
 comparable property
 offering same utility.
 Upward adjustment
 necessary for date of
 sale.

In addition, there are presently two offers to purchase sites within the subject subdivision for \$10.40 per sq.ft. Final purchase is subject to rezoning.

Based on these two sales and two offers to complete we estimate the subject property to have a current fully serviced market value of \$10.00 per sq.ft. or \$12,427,668.

2. ESTIMATED VALUE OF UNSERVICED LAND

Estimated value fully serviced \$12,427,668

Discounted at 10% per annum for two years to allow for construction period.

\$10,270,800

Less:

Hard Costs:

Servicing \$ 3,000,000
 Engineering Design (7%) 210,000
 Survey & Legal 15,000

Soft Costs:

Financing 10% per annum for 2 years 645,000
 Real Estate Commission (2.5%) 244,000
 Development Profit (12%) 1,232,496

\$ 4,924,304

or \$172,600 per acre
 \$3.96 per sq.ft.
 rounded to \$4.00 per sq.ft.

3. APPLICATION OF APPRAISED VALUE TO THE THREE SEPARATE AREAS
WITHIN THE SUBJECT PROPERTIES

We have identified three different areas within the subject property wherein three separate values apply. Area 1 is a 20' Environmental Setback Area an environmentally sensitive area that must remain in its natural state. No construction of any sort is allowed in this area. Area 2 is an area of very poor soils conditions whereby the depth of peat overburden is estimated to be 50' - 80' deep. This area has been identified by soils engineers to be inadequate for construction. Because of the poor soils conditions even parking lots would require extensive piling. The soils engineers do not recommend preloading the area for any purpose because of anticipated lateral movement. Area 3 is that part of the subject site that offers normal or full utility.

The attached Figure 2 outlines the three areas. Their values have been calculated as follows:

AREA 1

We have treated this area as a conservation area which offers no development potential. This area will also form part of the Still Creek Linear Parkway. It comprises approximately 18,568 sq.ft. The municipality has purchased several properties that are considered special environmental areas and that do not have development potential. We believe it is fair to compare Area 1 with such properties and consider a nominal value of \$0.90 per sq.ft. to be fair and reasonable. Therefore, estimated value of Area 1:

$$\$0.90 \text{ per sq.ft.} \times 18,568 \text{ sq.ft.*} = \$16,711.20$$

AREA 2

Area 2, comprising approximately 11,010 sq.ft., is constrained by structurally unsound soils conditions which impair the full utility of this portion. Considerable expense would be incurred to realize any building potential. Because of the unstable soil conditions, the utility of the whole parcel is reduced. Hence, while there isn't any comparable sales data, we are of the opinion that this portion of the subject property has a value of approximately half that of the surrounding full utility land. Therefore, estimated value of Area 2:

$$\$2.00 \text{ per sq.ft.} \times 11,010 \text{ sq.ft.*} = \$22,020.00$$

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AREA 3

This area, comprising approximately 3,522 sq.ft., falls within the full utility zone and hence is considered to have the full raw land value as calculated above (Sec. 2). Therefore, estimated value of Area 3:

\$4.00 per sq.ft. x 3,522 sq.ft.* - \$14,088.00

*All areas subject to survey calculations.

CONCLUSION

Given the disparate utility of each of the three areas within the subject site we conclude that the values as calculated are fair and reasonable and the Legal Department is prepared to support a recommendation that the parcels be sold, subject to posting, for consolidation into the Willingdon Business Park for approximately \$52,819, the precise selling price to be fixed after survey.



Patricia W. Fliieger
Municipal Solicitor

DS:mc

