

Garden City Lands ALR Block Exclusion Application


RICHMOND



**Musqueam
Indian Band**



**CANADA LANDS COMPANY
SOCIÉTÉ IMMOBILIÈRE DU CANADA**



**Garden City Lands
ALR Exclusion Application**

Binder 1 of 2

Cover Letter

ALC Application Form

Application Summary

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Appendix 2A	City of Richmond Report to Council, December 2007 – Block Application Question & Community Amenity Contribution
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APPLICATION BY LOCAL GOVERNMENT OR COMMISSION PROPOSAL

TYPE OF APPLICATION *(Check appropriate box)*

- ☒ **EXCLUSION**
under Sec. 29(1) of the Agricultural Land Commission Act
- ☐ **INCLUSION**
under Sec. 17(1) of the Agricultural Land Commission Act

R.D./Mun. File No.

Fee Receipt No.

Fee Amount

ALR Base Map No.

ALR Constituent Map No.

Air Photo No.

APPLICANT

City of Richmond, BC, in partnership with the Musquem Indian Band and Canada Lands Corporation.

LAND UNDER APPLICATION

(Show land on ALR map & legal plan and attach Certificate(s) of Title or Title Search Prints)

Title Number	Size of Each Parcel (Ha.)
Section 3, Block 4 North, Range 6 West, New Westminster District, except Plans 5758F, 5759F, 24067, 50488, LMP 43167, 1.84 acre filing 16918, 73628 and LMP 24326 and located at 5555 No.4 Road, Richmond, BC.	55.18

PROPOSAL *(Show on plan or sketch)*

To exclude the subject site from the ALR to allow for comprehensive development with benefits to agriculture, local community, regional community and the Musquem Indian Band, as described in the attached documentation.

CURRENT USE OF LAND UNDER APPLICATION *(Show information on plan or sketch)*

List uses and describe all buildings

Vacant with no improvements.

USES ON ADJACENT LOTS *(Show information on plan or sketch)*

North	Residential
East	Institutional (DND - Armory)
South	Residential
West	Residential

LOCAL PLANNING *(Attach relevant sections of bylaws)*

Community Plan or Rural Land Use Bylaw name and designation:

City Centre Area Plan (makes up part of the Official Community Plan)

Area Plan Designation: 10 City Centre

Zoning Bylaw name and designation:

Zoning & Development Bylaw 5300

Zone: AG1

Uses permitted:

RESIDENTIAL, limited to One-Family Dwelling;

BOARDING & LODGING, limited to two persons per dwelling unit;

HOME OCCUPATION;

AGRICULTURE;

KEEPING & RAISING OF ANIMALS FOR COMMERCIAL PURPOSES;

HORTICULTURE;

PEAT EXTRACTION & PROCESSING;

HORSE RIDING ACADEMY;

ROADSIDE STAND (Classes A and B), provided that the operation is clearly ancillary to a permitted agricultural use;

FARM-BASED WINERY, provided that the operation is ancillary to a permitted agricultural use;

ANIMAL HOSPITAL or CLINIC;

RADIO & TELEVISION TRANSMISSION FACILITIES;

PUBLIC SEWAGE COLLECTION, TREATMENT AND DISPOSAL FACILITIES;

ACCESSORY USES, including one Secondary Suite subject to Section 201.09.

PERMITTED USES – SITE SPECIFIC

The following additional uses are permitted in the Agricultural District (AG1) on a site specific basis only:

CHILD CARE program as a HOME OCCUPATION, limited to a maximum of 30 children in the case of:

Minimum lot size permitted:

Excerpts from City of Richmond, Zoning & Development Bylaw 5300:

1 A dwelling shall not be constructed on a lot of less than 828 m² (8,912.81 ft²) in area.

2 An Animal Petting Farm may not be located on a lot of less than 2 ha (4.942 ac.) in area.

3 Regulations which determine the minimum dimensions and area of a lot which may be created by subdivision will be found in Division 600 of this bylaw.

603 AREAS ZONED AG1, AG2 - The creation by subdivision of a parcel of less than 2 ha (4.942 ac.) in area shall

not be permitted.

Services available or scheduled:

Roads Existing

Water Available at property boundary

Sewage disposal Contained in Richmond Sewer Area: WEST, with service available at property boundary

Others

AUTHORIZATION, COMMENTS AND RECOMMENDATIONS *(Include copies of resolutions)*

Resolution of Board or Council authorizing application:

Comments and Recommendations:

Advisory Planning Commission

Agriculture Advisory Committee

Planning staff

Others

REPORT OF PUBLIC HEARING

Include a record of the hearing date, location, number attended, a synopsis of the comments and a copy of the Public Hearing notice along with a photo of the sign posting on the property. Also include any written submissions along with a photo of the sign posting on the property.

Signature of Responsible Local Government Officer

Date

Appendix 1

**Agricultural Assessment of the CLC Lands, 555 No. 4 Road, Richmond
Dan Schroeter Consulting Inc.**

report

**Agricultural Assessment
of the CLC Lands
555 No.4 Road
Richmond**



report

**Agricultural Assessment
Of the CLC Lands
5555 No.4 Road
Richmond**

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SUMMARY

TERMS OF REFERENCE

This report, prepared for Pottinger Gaherty Environmental Consultants Ltd., is an assessment of the capability, suitability, necessity, and viability of using lands situated at 5555 No. 4 Road in Richmond for agricultural purposes. The property, bounded by Garden City Road, Alderbridge Way, Westminster Highway, and No. 4 Road, is approximately 136 acres in extent and is currently owned by the Canada Land Corporation. Until recently, the lands were owned federally by the Department of Fisheries and Oceans, and used to support radio towers used by the Canadian Coast Guard. Changes in communications technology rendered the towers obsolete and the lands were sold to the Canada Lands Corp as surplus federal lands for redevelopment.

SOILS AND AGRICULTURAL CAPABILITY

The subject property was not covered by the provincial 1:25 000 soils mapping that was carried out in the 1970's. Neither the provincial soils mapping, nor the preceding Canada Land Inventory, has classified the agricultural capability of the subject property.

ALC staff briefly inspected the subject property's soils in 2006 and concluded that the property's soils were similar to the Lulu and Blundell Soils described in the provincial mapping. Lulu soils are very poorly drained, shallow to moderately deep (40-160 cm), moderately decomposed organic deposits. Blundell soils are poor to very poorly drained mineral soils with a shallow (15-40 cm) organic surficial layer. Based on these soils, the ALC concluded that the agricultural capability of the subject property was Class 4 in its unimproved state and Class 3 if improved with needed drainage and irrigation.

Observed peat depths documented in recent geotechnical investigations of the site are consistent with the presence of both Lulu and Blundell soils. However, almost the entire site has peat depths characterized by deeper-peat Lulu soils, with only the western margin having peat depths in line with the description of Blundell soils.

No other investigations of the subject property's soils have been carried out. The ALC's assessment of the unimproved capability of the lands as Class 4 appears to be a generalized one based on undisturbed native soils. Unimproved class 4 lands, by definition, are capable of growing more than just perennial forage for hay or pasture. Given the amount of disturbance on the site and the presence of ponded water along the western margin of the property for much of the year, it is difficult to imagine agricultural use of the site in its current state for more than pasture, suggesting that a Class 5 rating may be more appropriate.

In the absence of more detailed soils investigations, ALC staff's assessment of Class 3 improved capability is accepted. However, assessment of the irrigation and associated water requirements for berry or vegetable production on the subject lands indicates that crop water requirements could only be met through the City's domestic water system. This means that, while a Class 3 rating may be the appropriate rating if the lands were indeed drained and irrigated, achieving that level of improvement for the subject lands is dependent upon incurring water costs that are estimated to be at least an order of magnitude greater than those typically incurred by farmers in the Lower Mainland area. For cranberries, specifically, water costs would likely be several orders of magnitude greater than are typically incurred by other Fraser Valley cranberry producers.

Improvement to Class 3 would also require the past disturbance (filling, antennae cabling) of the site to be ameliorated, even before any needed drainage and irrigation improvements could be carried out. The expense of rehabilitating the site is anticipated to be substantial and well outside the realm of normal agricultural development costs.

SUITED CROPS

The Ministry of Agriculture's **Soil Management Handbook for the Lower Fraser Valley** (1991) indicates no crops as being well suited to the soil types ascribed to the subject lands. However, such soils, if improved by irrigation and drainage, are indicated to be suited (just not well suited) for production of annual legumes, blueberries, cereals, cole crops, corn, perennial forages crops, root crops and shallow rooted annual vegetables. To this list should also be added cranberries, since experience has now shown that cranberries can be successfully established on shallow organic soils.

Regardless of any ongoing agricultural or ALR designation, its location next to the built-up areas of urban Richmond, will always serve to place a very high land value on the subject lands. Cereal and forage crops are extremely low value crops which would be impossible to justify economically. In addition, much cereal production and all forage production in the Lower Mainland is associated with livestock enterprises. Such uses would be unsuited to the urban setting of these lands. Of the suited crops, this leaves a variety of vegetable crops, as well as cranberries and blueberries, as the remaining suited crops with the best chance of being economically viable on the subject lands.

AGRICULTURAL SUITABILITY OF SUBJECT LANDS

The ALC accepts that agricultural suitability, and not just biophysical capability, is a

criterion for defining whether a property should be retained within the ALR. In its service plan (p.13), the Commission indicates that one of its objectives in its goal of preserving agricultural land is that:

The boundaries of the ALR reflect agricultural suitability, the needs of the agricultural industry and long-term community needs and food requirements.

Agricultural suitability is a term oft-discussed but rarely defined. In addition to capability, the concept, as discussed in the agricultural community, seems to incorporate consideration of such factors such as:

- the property's position relative to the ALR boundary and other ALR lands, and a judgment whether its exclusion from the ALR would pose difficulties for agricultural operations on adjacent or nearby ALR lands.
- the property's setting relative to adjacent and nearby land use, and a judgment about the potential for conflicts between potential agricultural use of the property and adjacent or nearby land uses.
- the accessibility of the property, including the ease in moving supplies and products to and from the property, and moving machinery between the property and other farm locations or the headquarters of custom machinery operators.
- if drainage and irrigation improvements are required, a judgment whether it is technically feasible to drain the property and/or technically feasible for sufficient water to be delivered to the property and, if so, whether this can be done within a range of costs regarded as reasonable within some broad agricultural context.
- the condition of the property, whether it has been degraded by past uses, and any work that would be required to restore its native capability.
- any unusual condition of long-term ownership or tenure that would interfere or restrict the property's ability to be developed agriculturally.

Position of the Subject Lands

The subject property is an eastwards extension of the main block of Richmond ALR lands. There are no ALR lands north, west, or south of the subject property. The property to the east of the subject lands is another parcel of largely unused federal Crown land within the ALR that has never been used for agriculture.

The closest piece of agriculturally assessed land is a small holding located approximately a quarter of a kilometer east of the south-east corner of the subject property along Westminster Highway. There are more agriculturally assessed small holdings located further away along Westminster Highway and further south along No. 4 Road. It is not apparent that exclusion of the subject property from the ALR and

development of urban uses on it would pose difficulties for agricultural operations on these lands, none of which are adjacent or even in close proximity to the subject property.

Setting of the Subject Lands

The subject lands are surrounded on three sides by urban development. Thousands of people live and work within sight, hearing, and smelling distance of the subject lands. The proximity of these urban land uses would serve to constrain agricultural activities on the subject lands.

The low value of feed crops and their association with livestock enterprises, makes them unsuitable for this urban setting. But even the crop enterprises considered in this assessment – vegetables, cranberries, and blueberries – produce a variety of odours and noises that the surrounding urban population would view as a nuisance and which would become a source of complaints to the farm operator and various civic authorities. While provincial right to farm legislation would protect any farm operator in his ability to continue use of these procedures, the ill will generated in these situations can and often does lead to threats to the operator's safety and to vandalism of farm property.

Many vegetable crops, as well as blueberries, are preyed upon by bird populations. The use of audible alarms to protect blueberries or vegetables may be constrained because of complaints by urban neighbours. The urban setting, and proximity to surrounding roads, would also effectively negate the ability of a farm operator to use firearms to control duck and geese predation of vegetable crops.

Vegetable and berry farmers routinely report theft of crops situated alongside public access and/or neighbouring residential populations. Though deep ditches surrounding the property would afford some control, access past the ditches would be provided at any established entry point. Complete exclusion fencing and locked gating is the only effective response to this. In addition to the fencing costs themselves, this type of control system increases entry and exit times for a farm operator.

If the site were to be developed for cranberry production, use of the irrigation system for frost protection would create a risk of ice forming on the adjacent roads. A costly vegetative buffer around the property to intercept any spray drift from the irrigation system would be required to minimize icing though is unlikely to completely eliminate it.

Subject Property Access

The subject property is bordered on all sides by major urban arterials with relatively high levels of traffic throughout working hours. This increases the difficulties for potential farm traffic to enter and exit the property. These difficulties include:

- Traffic volumes close to developing urban areas, which will grow with time, will result in increasingly time-consuming and/or increasingly less safe entries and exits, particularly exits by heavily-laden, slow-moving farm traffic.

- The average travel speed differential between slow moving farm vehicles and urban passenger vehicles is a safety concern.
- Initial voluntary right-in, right-out movements and possibly, over time, imposed right-in, right-out movements to increase enter and exit safety and ease. This will result in circuitous travel, higher costs, and additional travel safety concerns.
- The inability of custom operators (for example, custom blueberry harvesters, custom spray applicators) to access the property directly with their machinery during typical working hours, necessitating either the use of flatbed haulers, or access late at night, all of which would serve to substantially increase costs.
- The inability of any farm entity on the subject lands to share machinery with another off-site location without resorting to hauling or late-night movements.
- The constrained ability of any farm entity on the subject lands to establish multiple driveway entry points. The busier the public roads involved, the less inclined the public authority is to provide multiple access points.
- The increased need to use internal farm roads, rather than public roads, to move farm machinery to and from locations on the property. This increases travel times, internal road costs, and can lead to a reduced field ratio on the property.

Irrigation and Drainage Constraints

Because of its urban setting, both the installation of possible irrigation and drainage infrastructure and the operation of that infrastructure will be constrained. Development of available surface water supplies and available ditch storage would not be possible due to the need to retain detention storage in the municipal ditches to reduce the risk of flooding the urban land uses adjacent to the subject property.

Any irrigation on the subject property would have to be based on the City's piped domestic water supply system. The volume of water required for irrigation makes this source an extremely expensive supply relative to typical irrigation costs. For blueberry and vegetable production, the costs of this water supply would be in the order of ten times the amount that farmers typically pay for water supplies. For cranberry production, where it is not even readily apparent that sufficient water could be provided via the City's water system, the costs of required water would be many more times the costs typically incurred by cranberry farmers.

Subject Property Condition

Geotechnical investigations reveal that as much as 2 m of fill has been placed on portions of the subject lands. Limited auguring in filled areas suggests that this fill material is probably not suitable for agricultural use. It appears to be mostly comprised originally of sub-soil materials, possibly from construction excavation. It is mostly silts and sands, with some gravel and brick debris. Metal and plastic debris was also

encountered in this fill area.

Inspection of the ALC application files for the subject property reveals that the ALC approved a 1988 application from the Canadian Coast Guard and FW Scales Trucking to deposit 50,000 m³ of fill on the property to a maximum depth of 1.83 m.

Air photo interpretation shows that the main fill area occurs in the northwest corner of the property where about 6-7 acres shows evidence of past filling. It is possible that filling was preceded by stripping of any in-situ organics, since auger testing in this area did not reveal any peat layer under the fill material. In addition, the northwest margin of the property along Alderbridge Way, as well as all along the eastern margin of the property along No. 4 Road, appears to have been filled, probably by material sidecast during adjacent road and ditch development. This sidecast material, which appears to be mostly comprised of sub-soil materials, extends as far as 80 feet into the property.

Historically, the subject property was used as a base for radio towers operated by the Coast Guard. While the above-ground towers were removed from the subject property many years ago, some of the foundation blocks of the towers and the guy wires that held the towers in place are still on site and will have to be removed prior to any agricultural development. Much more problematic from an agricultural development perspective are the many kilometers of antenna cabling buried throughout the subject property. This cabling would disrupt agricultural development and operations on the site and would have to be removed. Removal is expected to be expensive and may result in considerable soil disturbance.

Service buildings with small yard areas were formerly established in two locations along the western and eastern property boundaries, with driveways from Garden City Way and No. 4 Road, respectively. These areas, occupying perhaps an acre in total, are also filled and some foundations remain in place.

Tenorial Restriction on Subject Lands

The subject property is surplus, vacant federal Crown land. Compared to almost all other ALR lands in Richmond, this puts in place a tenorial condition that substantially inhibits the ability of these lands to move into agricultural use. This condition involves the Musqueam Nation's aboriginal title in the lands and the requirement, dictated by federal Supreme Court rulings, that the holders of such title must be participants in any consultative process aimed at developing land use plans for the lands. The Musqueam do not have a farming history and representatives have said that the band has absolutely no interest in seeing any agricultural development pursued on the subject lands. With this tenorial restriction in place it is difficult to imagine how this property could ever be developed for agricultural use.

Overall Agricultural Suitability of the Subject Lands

The subject lands, because of their setting and past use, are poorly suited for agricultural development. Their urban setting imposes additional constraints and costs not borne by similar lands in more rural or agricultural areas. Development of surface

water supplies and growing season storage within the municipal ditch system would be precluded by the property's proximity to urban uses. As a result, the only available irrigation source for this property would be the City's domestic water system which, if used, would impose extremely high water costs on any farm operation. The former use of the subject lands have left behind substantial fill, surface detritus and thousands of meters of buried antenna cable, all of which would impose unusual reclamation and remediation costs prior to any agricultural development being possible.

All of these constraints, while they may not preclude potential farming on the subject lands, serve to substantially increase the costs and complexity of doing so. However, the subject lands, as surplus, vacant, federal Crown land with unresolved aboriginal title, also have a tenorial aspect to them that substantially, perhaps completely, inhibits their ability to be developed for agricultural use.

For these reasons, the subject property has low suitability for agricultural development.

FOOD SECURITY CONSIDERATIONS

In protecting agricultural land, the ALC is also concerned about the long-term food requirements of the province. This assessment looks at each of the three major crops identified as suited to the soils of the subject property: vegetables (including potatoes), cranberries, and blueberries.

Vegetable Food Requirements

It does not seem reasonable, in the regional context of land availability, to say that the subject lands will be needed in the foreseeable future for vegetable production. Vegetable production in the Lower Mainland region is not constrained by the availability of capable land within the ALR. According to the **Inventory of Agricultural Land Reserves in British Columbia** (Select Standing Committee on Agriculture, 1978) there were some 184,000 acres (77,460 hectares) of agricultural capability Classes 1-3 within the Mainland region's ALR in 1976. Most (though not all) vegetable production occurs within this range of agricultural capability. Only about half of these lands were cultivated in the mid-1970's and, of this half, less than a third was for all horticultural crops (including fruits as well as vegetables), with the rest used for forage and grain production and for pasture. The conclusion is that, in the 1970's at least, there was an enormous untapped potential to expand horticultural production in the Lower Mainland if economic conditions ever dictated the need or opportunity for such an expansion.

While this latter study is dated, this conclusion is still entirely valid today. This is because, while some intensification of agricultural land use has occurred in the intervening three decades, there has been almost no expansion of overall cultivation in the region. With little exception, farmers today are working the same land base as farmers were then.

Also of note are the relatively low amounts of land needed to meet provincial food requirements in horticultural production, according to **Land Productivity in British Columbia** (Select Standing Committee on Agriculture, 1979). This study concluded

that, in 1976, a total of only some 45,000 acres of Class 1-3 lands were needed to produce all of the province's consumption of all of the main horticultural products being produced in BC. While BC's population has increased (by about 75%) since 1976, and consumption patterns, representative yields (which have also risen substantially) and agricultural technology have also all changed, this study at least puts a scale on the magnitude of provincial requirements for horticultural production. Compared to the available provincial land base of about 2.5 million acres of Class 1-3 lands (or even just to the Lower Mainland region's some 184,000 acres of Class 1-3 lands), the land base required to produce maximum provincial horticultural requirements are not large.

If the province needed, or there was opportunity, to increase regional vegetable production in the future, the region has a capable land base on which to do so that is many times what would be required. In addition, it is readily apparent that any such expansion would take place in the locales with lower land prices – and not next to downtown Richmond. Since 1986 at least, vegetable production has been steadily moving out of Richmond. By 2006, the area devoted to these crops in Richmond was less than half of what it was 20 years earlier.

Cranberry and Blueberry Food Requirements

Regional production of cranberries already exceeds total Canadian consumption, let alone just regional or provincial consumption. For blueberries, regional production is about two-thirds of total Canadian consumption. BC and Canada are large net exporters of cranberries and blueberries. There certainly is no compelling rationale for preserving the subject lands for possible future regional or provincial cranberry or blueberry food requirements.

Need for Future Food Production from Subject Lands

This assessment indicates that there is no obvious need to preserve the subject lands to provide for future regional or provincial food requirements for the crops for which it is suited.

AGRICULTURAL VIABILITY

A detailed assessment was undertaken in this study of the current and expected future economic viability of the three crop enterprises that have been identified as potentially suited to the soils of the subject property. This examination was not a pro forma for developing such crop enterprises on the subject lands. Instead, it is based on the economics of establishing such crop enterprises in more conventional, agriculturally-friendly settings in the heartland of the Richmond ALR. The economics prevailing for those, more agriculturally-friendly settings do not suggest viability for expanded vegetable, cranberry or blueberry production. Given this fact, it is even more certain that using the subject lands for these crops would be even less attractive, since the site requires rehabilitation from its prior use and from past soil deposition, and because it is surrounded on three sides by urban uses. As a result, it would face many additional costs not typically incurred by lands in more rural settings.

1.0 INTRODUCTION

1.1 TERMS OF REFERENCE

This report is an assessment of the capability, suitability, necessity, and viability of using lands situated at 5555 No. 4 Road in Richmond for agricultural purposes. The property, bounded by Garden City Road, Alderbridge Way, Westminster Highway, and No. 4 Road, is approximately 136 acres in extent and is currently owned by the Canada Land Corporation. Figure 1 shows the location of the subject lands in the context of the Richmond ALR and farmland-assessed land in the City. This report was prepared in response to a request by Pottinger Gaherty Environmental Consultants Ltd.

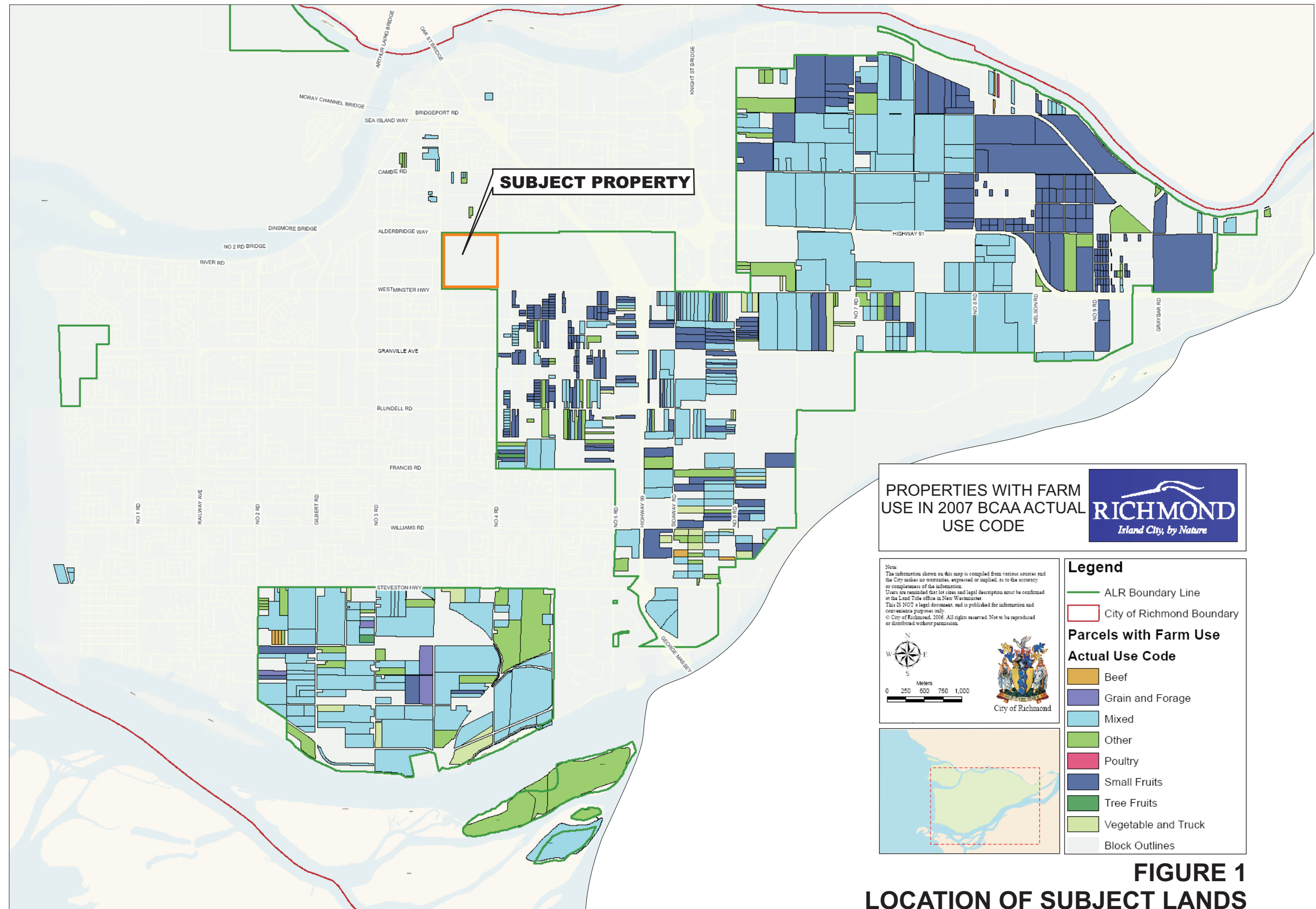
1.2 REPORT CONTENTS

The report summarizes what is currently known or understood about the property's agricultural capability, both in its unimproved state and if it was improved with drainage and irrigation. The report discusses the feasibility of such drainage and irrigation improvements in general terms, and then draws some initial conclusions about the highest and best agricultural use of the property given the crops for which it appears to be most suited.

The subject land's suitability for agriculture is then examined, in the context of a number of factors that affect the properties suitability.

Next, the need to preserve the land is examined in the context of provincial food requirements for the crops which the property is suited to produce.

Lastly, the viability of such crops is then examined, either through examination of specific current and near-term economic prospects for such cropping, based either



on expected prices and available cost of production information, or on more general information about such cropping in Richmond and in the wider Lower Mainland region.

1.3 REPORT AUTHOR

The author of this report is Dan Schroeter, P.Ag. Mr. Schroeter is a consulting agricultural economist with over 30 years of experience in addressing economic issues related to BC agriculture. While Mr. Schroeter consulted other professional expertise as required during the course of this study, he has sole responsibility for the contents of this report.

Trow Associates Inc. provided geotechnical data relied upon in this report, while Pat Brisbin, P.Eg., P.Ag., of Golder Associates provided information on possible drainage and irrigation improvements for the subject property. In this regard, City of Richmond engineering staff provided information to Mr. Brisbin on possible use of City ditches and the City's domestic water supply. iTrans Consulting Inc. provided data on current traffic flows adjacent to the property.

2.0 SOILS AND AGRICULTURAL CAPABILITY

2.1 EXISTING PROVINCIAL MAPPING

The subject property is outside of the westernmost extent of the provincial 1:25 000 soils mapping that was carried out by Herb Luttmerding in the 1970's and documented in RAB Bulletin 18 of the BC Ministry of Environment in 1980.

Lands immediately to the southeast of the subject property are mapped as part of a large unit of Triggs and Lumbum Soils. These are described as deep (greater than 160 cm), moderately to poorly decomposed organic deposits.

Neither the original Canada Land Inventory, nor Mr. Luttmerding, classified the agricultural capability of the subject property.

2.2 ALC STAFF REPORT

ALC Staff Agrologist Trevor Murrie, P.Ag., carried a brief inspection of the subject property's soils in 2006 and concluded that the property's soils were most similar to the Lulu and Blundell Soils described in the Luttmerding report. Luttmerding describes Lulu soils as very poorly drained, shallow to moderately deep (40-160 cm), moderately decomposed organic deposits and Blundell soils as poor to very poorly drained mineral soils with a shallow (15-40 cm) organic layer at the surface.

Mr. Murrie noted that the agricultural capability ratings associated with these soils are Class 4 in their unimproved state and Class 3 if improved with needed drainage and irrigation.

2.3 GEOTECHNICAL INVESTIGATIONS

Trow Associates Inc. carried out a preliminary geotechnical assessment of the subject property. This assessment included sampling of the soil profile at 23 auger holes

located throughout the subject property. Examination of the near surface soils documented by this testing indicates that the subject property is dominantly overlain with a layer of organic soils ranging from 50-120 cm, with average depths of about 90 cm. Peat was not found at two filled sites while a third filled site, showed a 50 cm layer of peat under almost 2 m of fill. Only two sites with no signs of fill deposition showed shallower peat depths than 40 cm. Both of these sites were near the western boundary of the property, closest to Garden City Road.

These peat depths are consistent with the presence of both Lulu and Blundell soils, as suggested by Trevor Murrie. However, almost the entire site has peat depths characterized by Lulu soils, with only the western margin having depths in-line with the description of Blundell soils.

2.4 DRAINAGE AND IRRIGATION CONSIDERATIONS

2.4.1 Drainage

Golder Associates carried out a brief pre-feasibility assessment of the subject property's regional drainage position and concluded that agricultural drainage of the property is feasible and that the costs of drainage improvements would be comparable to other sites with the same soils and which need on-farm pumping systems.

2.4.2 Irrigation

Golder also carried out a brief assessment of the potential to develop irrigation on the subject property. This assessment concluded that it would not be feasible to develop a reliable irrigation supply from available surface water in the ditches surrounding the property. Normally, in more agricultural settings, farmers are able to surcharge the local municipal ditches during the irrigation season to provide for irrigation storage and withdrawals. However, this reduces available detention storage and during severe summer storms, localized flooding may occur as a result. Because such events are infrequent, and any localized flooding is confined to rural lands, this flooding risk is generally regarded as acceptable. This would not be the case for the subject property's setting. Municipal staff confirms that the risk of flooding adjacent urban land use would not be acceptable to the City and therefore surcharging of the available ditch storage would not be permitted in this location.

Pumping water from the Fraser to the subject property is technically infeasible. The use of the municipal ditch system for such a purpose would not be allowed for the reasons described above and it is judged impossible to put the necessary easements in place to establish an alternative ditch or pipeline corridor.

City of Richmond engineering staff advise that piped domestic water supplied by the City of Richmond could provide sufficient amounts of water for irrigation, but the supply would be metered and the farm user charged for the amount used. The costs of irrigating crops like blueberries and vegetables would very high compared to typical irrigation costs, while the costs for supplying the much greater irrigation, harvesting and

frost protection requirements of cranberries would likely be more than an order of magnitude greater than are typically incurred by other Fraser Valley producers. However, it is not even clear whether Richmond's domestic system has the technical ability to meet cranberry frost protection requirements. A detailed investigation of the capacity of the domestic water system and of frost protection requirements would be required to determine if water could be supplied at adequate rates to meet such requirements. Irrigation flow requirements for cranberries are much lower than the crop's frost protection requirements. Water supplied at rates which meet irrigation requirements could be managed by the municipal system and, with on-farm storage, would also provide sufficient water for flood harvesting of cranberries.

Available information on crop water requirements suggests that the average annual gross irrigation water requirement for trickle irrigation systems for blueberries or vegetables in Richmond is equivalent to 7 inches per year. The gross annual irrigation requirement for crops irrigated with sprinkler irrigations is estimated to be equivalent to 11 to 12.5 inches per year, depending on the type of sprinkler irrigation system used.

Using current (2007) City of Richmond rates for water connections, meter rental and water consumption, it is estimated that a connection charge for the supply of irrigation water would be in the range of \$8,000 to \$13,000 and average annual costs for irrigation water would be approximately \$550 per acre for a trickle irrigation system and between approximately \$850 to \$975 per acre for sprinkler irrigation, depending on the type of system used. These annual costs are in the order of ten times more than typical costs of agricultural water supply in the Lower Mainland.

2.5 AGRICULTURAL CAPABILITY

No other investigations of the subject property's soils have been carried out. Mr. Murrie's assessment of the unimproved capability of the lands as Class 4 appears to be a generalized one based on undisturbed native soils. Unimproved class 4 lands, by definition, are capable of growing more than just perennial forage for hay or pasture. Given the amount of disturbance on the site (extensive filling, underground antennae cabling throughout the site), and the presence of ponded water along the western margin of the property for much of the year, it is difficult to imagine widespread agricultural use of the site in its current state for more than forage or pasture. This suggests that Mr. Murrie's unimproved rating of Class 4 may be somewhat optimistic for this site and that the unimproved capability rating of this particular property would more appropriately be categorized as Class 5.

However, it is acknowledged that the improved, rather than unimproved, agricultural capability rating is more germane to any consideration of a site's suitability for agricultural use. Mr. Murrie's assessment suggests that, with needed drainage and irrigation, the subject lands would improve to Class 3. In the absence of more detailed soils investigations, this assessment of improved capability is accepted, though with the proviso that, in addition to drainage and irrigation, extensive fill removal and antennae cabling removal would also be required to restore the site's native capability.

However, Golder's assessment of the irrigation and associated water requirements for berry or vegetable production on the subject lands indicates that crop water requirements could only be met through use of the City's domestic water system. This means that, while a Class 3 rating may be the appropriate rating if the lands were indeed drained and irrigated, achieving that level of improvement for the subject lands is dependent upon incurring water costs that are estimated to be at least an order of magnitude greater than those typically incurred by farmers in the Lower Mainland area.

Improvement to Class 3 would also require site disturbance to be ameliorated, even before any needed drainage and irrigation improvements could be carried out. The expense of completely rehabilitating the site cannot be estimated without considerable additional work, but is anticipated to be substantial. Such expense would also be outside the realm of normal agricultural development costs.

2.6 SUITED CROPS

2.6.1 Land Use and Farming History

Until recently, the lands were owned federally by the Department of Fisheries and Oceans, and used to support radio towers used by the Canadian Coast Guard. Changes in communications technology rendered the towers obsolete and the lands were sold to the Canada Lands Corp as surplus federal lands for redevelopment. Though cleared, all indications are that the subject lands have never been farmed.

2.6.2 Possible Crops

For the soils described by Mr. Murrie, there are no well suited crops according to the Ministry of Agriculture's **Soil Management Handbook for the Lower Fraser Valley** (1991). However, such soils, if improved by needed irrigation and drainage, are suited (just not well suited) for production of annual legumes, blueberries, cereals, cole crops, corn, perennial forage crops, root crops and shallow rooted annual vegetables.

To this list of suited crops should also be added cranberries, since local experience has now shown that cranberries can be successfully established on shallower organic soils and even, in some instances, on mineral soils.

2.6.3 Possible Highest and Best Use Crops

Regardless of any ongoing agricultural or ALC designation, its location next to the built-up areas of urban Richmond, will always serve to place a very high land value on the subject lands. Cereal and forage crops are extremely low value crops which would be impossible to justify economically. In addition, much cereal production and all forage production in the Lower Mainland is associated with livestock production. Such uses would clearly be unsuited to the urban setting of the subject lands.

Of the suited crops, this leaves a variety of vegetable crops, as well as cranberries and blueberries, as the remaining suited crops with the best chance of being economically viable on the subject lands.

3.0 SUITABILITY OF SUBJECT LANDS

3.1 SUITABILITY A CRITERION FOR ALR LANDS

The ALC accepts that agricultural suitability, and not just biophysical capability, is a criterion for defining whether a property should be retained within the ALR. In its service plan (p.13), the Commission indicates that one of its objectives in its goal of preserving agricultural land is that:

The boundaries of the ALR reflect agricultural suitability, the needs of the agricultural industry and long-term community needs and food requirements.

3.2 DEFINITION OF SUITABILITY

Agricultural suitability is a term oft-discussed but rarely defined. In addition to capability, the concept, as discussed in the agricultural community, seems to incorporate consideration of such factors such as:

- the property's position relative to the ALR boundary and other ALR lands, and a judgment whether its exclusion from the ALR would pose difficulties for agricultural operations on adjacent or nearby ALR lands.
- the property's setting relative to adjacent and nearby land use, and a judgment about the potential for conflicts between potential agricultural uses of the property and adjacent or nearby land uses.
- the accessibility of the property, including the ease in moving supplies and products to and from the property, as well as moving farm machinery between

the property and other farm locations or the headquarters of custom machinery operators.

- if drainage and irrigation improvements are required for agricultural development, a judgment whether it is technically feasible to drain the property (that is, whether an outlet is available), and/or technically feasible for sufficient water to be delivered to the property and, if so, whether this can be done within a range of costs generally regarded as reasonable within some broad agricultural context.
- the condition of the property, whether it has been degraded by past uses, and any work that would be required to restore its native capability.
- any unusual condition of long-term ownership or tenure that would interfere or restrict the property's ability to be developed agriculturally.

The above list is not meant to be inclusive of all factors that enter the suitability discussion; however, consideration of the items above are all relevant to any assessment of the agricultural suitability of the subject lands. The following sections address these factors in turn.

3.3 POSITION OF THE SUBJECT LANDS

The subject property is an eastwards extension of the main block of Richmond ALR lands. There are no ALR lands north, west, or south of the subject property. The property to the east of the subject lands is another parcel of federal Crown land within the ALR. This parcel, owned by the Department of National Defence, has also never been used for agriculture.

The closest piece of agriculturally assessed land is a small holding located approximately a quarter of a kilometer east of the south-east corner of the subject property along Westminster Highway (see Figure 1). There are more agriculturally assessed small holdings located further east along Westminster Highway and further south along No. 4 Road. It is not apparent that exclusion of the subject property from the ALR and development of urban uses on the property would pose difficulties for agricultural operations on these lands.

3.4 SETTING OF THE SUBJECT LANDS

The subject lands are surrounded on three sides by urban development. Thousands of people live and work within sight, hearing, and smelling distance of the subject lands. The proximity of these urban land uses would serve to constrain agricultural activities on the subject lands.

3.4.1 Noise and Odour Constraints

Urban populations in the Lower Mainland and elsewhere are very intolerant of noise and odours emanating from farm operations. As outlined in the earlier section on suited

crops, the low value of feed crops and their association with livestock enterprises, makes them unsuitable for this urban setting. But even the crop enterprises considered in this assessment – vegetables, potatoes, cranberries, and blueberries – produce a variety of odours and noises that the surrounding urban population would view as a nuisance and which would become a source of complaints to the farm operator and various civic authorities. These would arise, for example, from the spraying of many odorous pesticides, the application of some fertilizers, and the use of audible alarms for control of predation by birds.

While provincial right to farm legislation would protect any farm operator in his or her ability to continue use of these procedures, the ill will generated in these situations can and often does lead to threats to the operator's safety and to vandalism of farm property.

3.4.2 Constrained Predation Control

Many vegetable crops, as well as blueberries, are preyed upon by bird populations. As indicated above, the use of audible alarms to protect blueberries or vegetables may be constrained because of complaints by urban neighbours. The urban setting, and proximity to surrounding roads, would also effectively negate the ability of a farm operator to use firearms to control duck and geese predation of vegetable crops.

3.4.3 Theft and Vandalism

Vegetable and berry farmers routinely report theft of crops situated alongside public access and/or neighbouring residential populations. Though deep ditches surrounding the property would afford some control, access past the ditches would be provided at any established entry point. It is highly likely that theft of crops from this property would be a much greater problem than in comparable Richmond farms located away from urban areas and with less road frontage. Complete exclusion fencing and locked gating is the only effective response to this. In addition to the fencing costs themselves, this type of control system increases entry and exit times.

Such fencing would also minimize potential vandalism of farm property, except to the fence and gates themselves, and except for objects thrown over the fence into the fields.

3.4.4 Road Icing from Frost Protection System

If the site were to be developed for cranberry production, use of the irrigation system for frost protection would create a risk of ice forming on the adjacent roads. A vegetative buffer around the property to intercept any spray drift from the irrigation system would be required to minimize icing though is unlikely to completely eliminate it.

3.5 SUBJECT PROPERTY ACCESS

The subject property is bordered on all sides by major urban arterials with relatively high levels of traffic throughout working hours. This increases the difficulties for potential farm traffic to enter and exit the property.

The minutes of the ALC meeting held to consider the previous exclusion application for the subject lands indicates that:

The Commission's inspection involved entering and exiting the subject property via one of the two access points from No. 4 Road. These manoeuvres were accomplished without difficulty during peak morning traffic.

It is certainly the case that many farms in Richmond and elsewhere border on busy arterials, including some busier than the four that border the subject property, and farm traffic movement to and from the farm remain possible. But that is not to say that there are not significant access impacts in these types of situations, all of which have an adverse effect on the bottom line of any farm operation on the subject property. These include:

- Traffic volumes close to developing urban areas, which will grow with time, will result in increasingly time-consuming and/or increasingly less safe entries and exits, particularly exits by heavily-laden, slow-moving farm traffic (eg harvest trucks, trucks carrying heavy farm equipment). According to figures provided by iTrans Consulting Inc., the Annual Daily Traffic Volume (AADT) on three of the four surrounding roads is greater than 30,000 vehicles per day (vpd) which is an indication that these roads currently carry heavy traffic volumes. The 2005 volumes were: Alderbridge Way - 35,000 vpd; Westminster Highway - 32,000 vpd; and Garden City Road - 40,000 vpd.
- The average travel speed differential between slow moving farm vehicles and urban passenger vehicles is a safety concern. This can lead to a higher risk for collisions in these corridors.
- Initial voluntary right-in, right-out movements and possibly, over time, imposed right-in, right-out movements to increase enter and exit safety and ease. This will result in considerable circuitous travel and associated higher costs as well as additional safety concerns related to the additional use of high volume public roads.
- The inability of custom operators (for example, custom blueberry harvesters, custom spray applicators) to access the property directly with their machinery during typical working hours, necessitating either the use of flatbed haulers, or access late at night, all of which would serve to substantially increase custom rates for the subject property.

- The inability of any farm entity on the subject lands to share machinery with another off-site location without resorting to truck hauling or late-night movements.
- The constrained ability of any farm entity on the subject lands to establish multiple driveway entry points to the public road system. The busier the public roads involved, the less inclined the public authority is to provide multiple access points.
- The increased need to use internal farm roads, rather than public roads, to move farm machinery to and from work locations on the property. This increases travel times, farm internal road costs, and can lead to a reduced field ratio on the property.

3.6 IRRIGATION AND DRAINAGE CONSTRAINTS

Because of its urban setting, both the installation of possible irrigation and drainage infrastructure and the operation of that infrastructure will be constrained.

Development of available surface water supplies and available ditch storage would not be possible due to the need to retain detention storage in the municipal ditches to reduce the risk of flooding the urban land uses adjacent to the subject property. This has been confirmed with City staff.

Any irrigation on the subject property would therefore have to be based on the City's piped domestic water supply system. The volume of water required for irrigation makes this source an extremely expensive supply relative to typical irrigation costs. For blueberry and vegetable production, the costs of this water supply would be in the order of ten times the amount that farmers typically pay for water supplies. For cranberry production, where it is not even readily apparent that sufficient water could be provided via the City's water system, the costs of required water would be many more times the costs typically incurred by cranberry farmers.

3.7 SUBJECT PROPERTY CONDITION

3.7.1 Fill Deposition

The geotechnical investigations carried out by Trow Associates Inc. reveals that as much as 2 m of fill has been placed on portions of the subject lands. Limited auguring in filled areas suggests that this fill material is probably not suitable for agricultural use. It appears to be mostly comprised originally of sub-soil materials, possibly from construction excavation. It is mostly silts and sands, with some gravel and brick debris. Metal and plastic debris was also encountered at one of two auger holes established in this fill area.

Inspection of the ALC application files for the subject property reveals that the ALC approved a 1988 application from the Canadian Coast Guard and FW Scales Trucking to deposit 50,000 m³ of fill on the property to a maximum depth of 1.83 m.

Air photo interpretation shows that the main fill area occurs in the northwest corner of the property where about 6 acres shows evidence of past filling. It is also possible that filling was preceded by stripping of any in-situ organics, since auger testing in this area did not reveal any remaining peat layer under the fill material.

In addition, the northwest margin of the property along Alderbridge Way, as well as all along the eastern margin of the property along No. 4 Road, appears to have been filled, probably by material sidecast during adjacent road and ditch development. This sidecast material, which appears to be mostly comprised of sub-soil materials, extends as far as 80 feet into the property but averages 50-60 feet in width.

3.7.2 Radio Tower Detritus and Antenna Cabling

Historically, the subject property was used as a base for radio towers operated by the Coast Guard. While the above-ground towers were removed from the subject property many years ago, the foundation blocks of the towers and the guy wires that held the towers in place are still on site and will have to be removed prior to any agricultural development. Much more problematic from an agricultural development perspective are the many kilometers of antenna cabling buried throughout the subject property. This cabling would disrupt agricultural development and operations on the site and would have to be removed. Removal is expected to be extremely expensive and may result in considerable soil disturbance.

Service buildings with small yard areas were formerly established in two locations along the western and eastern property boundaries, with driveways from Garden City Way and No. 4 Road, respectively. These areas, occupying perhaps an acre in total, are also filled and some foundations remain in place.

3.8 TENURIAL RESTRICTION ON SUBJECT LANDS

The subject property is surplus, vacant federal Crown land. Compared to almost all other ALR lands in Richmond, this puts in place a tenurial condition that substantially inhibits the ability of these lands to move into agricultural use. This condition involves the Musqueam Nation's aboriginal title in the lands and the requirement, dictated by federal Supreme Court rulings, that the holders of such title must be participants in any consultative process aimed at developing land use plans for the lands. In this instance, the Canada Land Corporation has partnered with the Musqueam Nation to produce the current land use proposal under consideration. Were this proposal to fail, this partnership would dissolve, and the lands would revert to a status where nothing could happen to the lands without the Musqueam Nation being re-engaged in the planning of any alternative development plans for the property.

The Musqueam do not have a farming history and representatives have said that the band has absolutely no interest in seeing any agricultural development pursued on the subject lands. With this tenurial restriction in place it is difficult to imagine how this property could ever be developed for agricultural use.

3.9 AGRICULTURAL SUITABILITY OF THE SUBJECT LANDS

The subject lands, because of their setting and past use, are poorly suited for agricultural development. Their urban setting imposes additional constraints and costs not borne by similar lands in more rural or agricultural areas. Development of surface water supplies and growing season storage within the municipal ditch system would be precluded by the property's proximity to urban uses. As a result, the only available irrigation source for this property would be the City's domestic water system which, if used, would impose extremely high water costs on any farm operation. The former use of the subject lands have left behind substantial fill, surface detritus and thousands of meters of buried antenna cable, all of which would impose unusual reclamation and remediation costs prior to any agricultural development being possible.

All of these constraints, while they may not preclude potential farming on the subject lands, serve to substantially increase the costs and complexity of doing so. However, the subject lands, as surplus, vacant, federal Crown land, also have a tenurial aspect to them that substantially, perhaps completely, inhibits their ability to be developed for agricultural use.

For these reasons, the subject property has low suitability for agricultural development.

4.0 FOOD SECURITY CONSIDERATIONS

In protecting agricultural land, the ALC is also concerned about the long-term food requirements of the province. This section of the report deals with food security considerations relating to regional and provincial food requirements. This assessment looks at each of the three major crops identified in Section 2.0 as suited to the soils of the subject property: vegetables, cranberries, and blueberries.

4.1 VEGETABLE FOOD REQUIREMENTS

4.1.1 Availability of Alternate Lands

It does not seem reasonable, in the regional context of land availability, to say that the subject lands will be needed in the foreseeable future for vegetable production. Vegetable and potato production in the Lower Mainland region is not constrained by the availability of capable land within the ALR. According to the **Inventory of Agricultural Land Reserves in British Columbia** (Select Standing Committee on Agriculture, 1978) there were some 184,000 acres (77,460 hectares) of agricultural capability Classes 1-3 within the Mainland region's ALR. Most (though not all) vegetable and potato production occurs within this range of agricultural capability. Only about half of these lands were cultivated in the mid-1970's and, of this half, less than a third was for all horticultural crops (including vegetables and potatoes), with the rest used for forage and grain production and for pasture. The conclusion is that, in the 1970's at least, there was an enormous untapped potential to expand horticultural production in the Lower Mainland if economic conditions ever dictated the need or opportunity for such an expansion. While this latter study (of which the present author was the principal author) is dated, this conclusion is still entirely valid today. This is because, while some intensification of agricultural land use has occurred in the intervening three decades, there has been almost no expansion of overall cultivation in the region. With little exception, farmers today are working the same land base as farmers were then. The 1976 Census documents just over 165,000 acres of crops and improved pasture in the Lower

Mainland region while the 2006 Census details approximately 170,000 acres in such uses in the same region, an increase in cultivated lands of just 3% over the thirty year period.

4.1.2 Food Security Considerations

Also of note are the relatively low amounts of land needed to meet provincial food requirements in horticultural production, according to **Land Productivity in British Columbia** (Select Standing Committee on Agriculture, 1979). In this study (for which the present author was again the principal author), an analysis was carried out of the lands required to produce all provincial consumption of fresh product for the portion of the year in which BC farmers can deliver fresh product (including from storage) plus all provincial annual consumption of processed product, for all main fruit and vegetable crops produced in BC. Based on population levels, consumption patterns, representative yields and agricultural technology prevailing in 1976, the following land requirements to meet 100% of this food production were estimated:

- for the 17 main vegetable crops plus potatoes: 37,800 acres of Class 1-3 lands would be needed to produce all associated food requirements.
- for the 11 main fruit and berry crops: 7,300 acres of mostly Class 1-3 lands would be needed to produce all associated food requirements.

Thus, in 1976, a total of only some 45,000 acres of Class 1-3 lands were needed to produce all of the province's consumption of all of the main horticultural products being produced in BC. While BC's population has increased (by about 75%) since 1976, and consumption patterns, representative yields (which have also risen substantially) and agricultural technology have all changed, this study at least puts a scale on the magnitude of provincial food requirements for horticultural production. Compared to the available provincial land base of approximately 2.5 million acres of Class 1-3 lands (or even just to the Lower Mainland region's some 184,000 acres of Class 1-3 lands), the land base required to produce maximum provincial horticultural requirements are not large. If the province needed, or there was opportunity, to increase regional vegetable and potato production in the future, the region has a capable land base on which to do so that is many times what would be required. In addition, it is readily apparent that any such expansion would take place in the locales with lower land prices – and not next to downtown Richmond. Since 1986 at least, vegetable and potato production has been steadily moving out of Richmond. By 2006, the area devoted to these crops in Richmond was less than half of what it was 20 years earlier.

In fairness, it should also be noted that the above-referenced study also suggested that for the province, in 1976, to reach self-sufficiency in all major agricultural commodities that are produced in BC, including all major animal products, almost all of the provincial ALR land would have to be either cultivated or used as range for livestock. However, in this scenario, fully 95% of the total land requirements identified were to produce feed for the livestock products consumed in the province, including a whopping 80% for just beef alone. While this study result has oft been used to support the need to preserve all land

in BC with agricultural capability, the result should also be viewed in the context that BC consumers live next to the Canadian Prairies, which generate one of the largest surpluses of beef production in the world. It make no practical sense to interpret this finding so as to suggest that a parcel of organic soils next to downtown Richmond should be preserved in order to retain an option to grow a low value crop of reed canary grass to support beef production in Richmond. Given the organic soils on the subject property, and its poor drainage regime, this is the only forage crop that is suited to the site.

4.2 CRANBERRY FOOD REQUIREMENTS

BC production of cranberries already exceeds total Canadian consumption. BC and Canada are net exporters of cranberries. For 1976, **Land Productivity in British Columbia** (1979) details land requirements of only some 370 acres to meet 100% of BC's own cranberry food requirements. While population and per capita consumption have increased since then, so have average crop yields. While it is possible that some additional acreage would be required to meet current cranberry consumption, it is clear that total requirements are still only a few hundreds of acres. In 2006, the Census of Agriculture reported that there were 3,750 acres of cranberry production in the Lower Mainland area. There is no shortage of organic soil settings in the Lower Mainland, or elsewhere in BC, on which to expand cranberry production. In addition, these berries can and are now also grown on mineral soils.

The total cranberry acreage in Richmond declined by almost 300 acres over the period 2001 to 2006.

There certainly is no compelling rational for preserving the subject lands for possible future regional or provincial cranberry food requirements.

4.3 BLUEBERRY FOOD REQUIREMENTS

BC production of blueberries is approaching two-thirds of total Canadian consumption. BC and Canada are net exporters of blueberries. For 1976, **Land Productivity in British Columbia** (1979) details land requirements of only some 380 acres to meet 100% of BC's consumption of blueberries. While population, per capita consumption and total consumption have increased since then, so have average crop yields. While it is possible that some additional acreage would be required to meet current self-sufficiency requirements, it is clear that total requirements are still only a few hundreds of acres.

Blueberry production in Richmond had been on a long, slow decline since at least 1986, when recent improved returns resulted in a modest increase in acreage from 2001 to 2006. However, this increase, of only about 170 acres, occurred while acreage grew in the overall Lower Mainland Region by over 4,400 acres. Almost all of the recent major expansion in BC blueberry production was centered further out in the Fraser Valley.

Longer term, it is difficult to imagine expansion of the Richmond blueberry industry. As outlined in the following chapter on viability, retraction is a much more likely option in the near-term future (next 10 years). If future opportunities present themselves to once again expand blueberry production in the province, this expansion is much more likely to occur on lower land cost settings further out in the valley. Blueberries can now be successfully cultivated on either organic or mineral soil settings. There is no lack of capable lands further out in the valley, or elsewhere in BC, that would constrain future production.

Similar to the situation for cranberries, there is no compelling rational for preserving the subject lands for possible future blueberry food security requirements.

4.4 NEED FOR FUTURE FOOD PRODUCTION FROM SUBJECT LANDS

The above assessment indicates that there is no obvious need to preserve the subject lands to provide for future regional or provincial food requirements.

5.0 AGRICULTURAL VIABILITY

5.1 ASSESSMENT OF VIABILITY BASED ON AGRICULTURAL SETTINGS

This section of the report examines the current and expected future economic viability of the three crop enterprises that have been identified in this report as potentially suited to the soils of the subject property. This examination is not a pro forma for developing such crop enterprises on the subject lands. Instead, it is based on the economics of establishing such crop enterprises in more conventional, agriculturally-friendly settings in the heartland of the Richmond ALR.

5.2 VEGETABLES AND POTATOES

5.2.1 Production in Richmond

Historically, the City of Richmond grew a lot of vegetables for the surrounding regional urban markets. However, this production has been inexorably moving out of Richmond to lower-price settings further out in the region. According to the 1986 **Census of Agriculture** (Statistics Canada), 57 farms reported a total of 957 acres of vegetable crops, principally pumpkins, corn, cauliflower, peas, cucumbers, beans, lettuce, carrots and cabbage. Another 712 acres of potatoes (classified as a field crop by the Census) was reported by 17 farms.

By 2001, the Census indicates that only 494 acres of vegetables and 328 acres of potatoes were cultivated in Richmond, less than half of what was being grown only 15 years earlier. The latest Census, conducted in 2006, shows that this decline is continuing for vegetable crops, which are down to 422 acres, though potato production has risen slightly to 340 acres. Table 1 summarizes Richmond vegetable and potato production in recent years.

Table 1: Vegetable and Potato Acreage in Richmond

	Vegetables (ac.)	Potatoes (ac.)	Combined Total (ac.)
1986	957	712	1,669
2001	494	328	822
2006	422	340	762

5.2.2 Regional Production

This decline in Richmond acreage has occurred while vegetable and potato production has been rising or stable in the wider region. For the GVRD as a whole, vegetable and potato production is shown in Table 2. The acreage in production has held quite steady between 12-13,000 acres over the period examined.

Table 2: Vegetable and Potato Acreage in GVRD

	Vegetables (ac.)	Potatoes (ac.)	Combined Total (ac.)
1986	7,753	4,508	12,261
2001	7,845	5,153	12,998
2006	7,474	5,524	12,998

The same largely holds true for an even wider region – the entire Lower Mainland, from the Sunshine Coast to Hope. The acreage in production in this region has been fairly constant at approximately 20,000 acres.

Table 3: Vegetable and Potato Acreage in Lower Mainland Region

	Vegetables (ac.)	Potatoes (ac.)	Combined Total (ac.)
1986	14,730	5,167	19,897
2001	14,135	6,005	20,140
2006	13,315	6,374	19,689

5.2.3 Use of Subject Lands Not Viable

The conclusion flowing from these data is that while overall vegetable and potato acreage is more or less holding constant in the wider region, production in Richmond has not been sustainable. This is largely attributed to the higher cost of agricultural land in Richmond compared to the outlying areas in the region. And this is the situation for all vegetable and potato production in the City, most of which is not facing the urban pressure that the subject lands face. In this context, when lands in the more agricultural portions of Richmond are having problems sustaining vegetable production, it does not seem reasonable to suggest that vegetable or potato production on the subject lands is a viable land use.

5.3 CRANBERRIES

5.3.1 Suited Crop if Sufficient Water can be Developed

The soils (except for disturbed areas) and available scale of the subject lands appear to be suited to production of cranberries. However, the irrigation assessment presented earlier casts some doubt as to whether a water supply sufficient for cranberry production could be developed for the subject lands. It is apparent that available surface waters are insufficient for the water requirements (frost protection, irrigation, harvesting) and that pumping water from the Fraser to the subject property is technically infeasible. The municipal domestic water system could provide sufficient water for irrigation and flood harvesting but it is not apparent whether sufficient flows for frost protection could be developed from municipal sources. Even if it could, the costs of relying on municipal water would be prohibitive, amounting to thousands of dollars per acre annually just for water supply. Existing cranberry growers typically source their water at negligible cost.

The following assessment ignores this possible water constraint and examines the viability of expanding cranberry production in Richmond, presuming sufficient water can be developed within the range of costs normally incurred by cranberry producers

5.3.2 Production in Richmond

Richmond has always been the heart of the BC cranberry industry, with bogs in East Richmond among the first large-scale plantings in BC. In 1976, there were 29 Richmond farms reporting 1,334 acres of cranberry bogs. At the time, this represented virtually the entire BC industry.

5.3.3 Early Success due to Effective Market Regulation

The industry was successful and by the early- to mid-1990's, when demand for cranberry products surged, largely based on consumer perceptions of the health benefits of cranberries, farm returns skyrocketed and established bogs were trading hands well in excess of \$100,000/acre. In BC, the commodity was and is regulated by the BC Cranberry Marketing Commission (BCCMC). Through to the mid-1990's, control of the North American market was largely achieved through the market dominance of Ocean Spray, a grower-owned entity that produces most of the cranberry products sold in North America. Almost all BC producers are Ocean Spray growers.

5.3.4 Cranberry Expansion

As demand and prices climbed, and additional growing contracts became available from Ocean Spray, the BCCMC oversaw the expansion of cranberry acreage, both in Richmond, as well as in outlying regions of the Lower Fraser Valley. By 2001, cranberry acreage reached 1,923 acres in Richmond, with an equivalent area now being cultivated in other parts of the Lower Mainland region, principally in Delta and Pitt Meadows.

5.3.5 Loss of Market Control and Resulting Oversupply

However, the high returns to cranberry production proved too great a lure, and independent processors entered the market in competition with Ocean Spray. Expansion of cranberry acreage for Ocean Spray as well as independent handlers, both in BC and in the major US producing states proved to be too rapid, and ever increasing supplies quickly outpaced demand, with the result that cranberry prices plummeted, starting in 1998. By 2000, the industry was in crisis, with almost two-thirds of 1999's record crop in storage and unsold at the beginning of the 2000 harvest season. In BC, farm-gate prices for the 2000 crop were down to only one-fifth of the peak price enjoyed only three years earlier.

5.3.6 Slow Market Recovery

Since then the industry has rallied somewhat, and has successfully worked to grow demand for its products overseas. While this has served to raise the US-denominated price paid by Ocean Spray to BC growers, the rapid increase in the value of the Canadian dollar has resulted in fairly flat returns being received by BC growers over the past several years. Prices have generally remained in the range of \$40-45 per barrel (100 lbs.), a good recovery from the estimated \$17/barrel received in 2000, but still a far cry from the \$70-90/barrel obtained in the mid-1990's.

5.3.7 Retrenchment in the Face of Lower Prices

Based on available cost of production information, prices obtained in the early 2000's were clearly not remunerative. The result has been some retrenchment in the industry (see Table 4). In Richmond, the total area cultivated to cranberries has declined from 1,923 acres in 2001 to 1,626 acres in 2006.

Table 4: Cranberry Acreage in Richmond, GVRD, Lower Mainland Region

	Richmond (ac.)	GVRD (ac.)	Lower Mainland (ac.)
1986	1,334	1,381	1,800
2001	1,923	3,719	3,837
2006	1,626	3,713	3,750

Appendix 1 contains a cranberry cost of production model for representative new cranberry plantings in the Lower Mainland region. This model, derived from a variety of sources, including previous Ministry of Agriculture models, has been updated to 2007 terms.

For any new cranberry development, the prices prevailing in recent years (generally \$40-45/barrel) are still not high enough to provide any return to land investment or initial bog development costs. To long-established producers, which most remaining Richmond producers are, these costs are sunk, largely written off, and probably no longer heavily debt-financed. This allows them to hang on for better days, since current returns more than cover the variable costs they incur by continuing to farm their bogs. At the same time, farmers are working hard to increase yields and to make their

operations more cost-efficient, to be better able to handle today's lower-priced environment.

However, the current price regime, and near-term price prospects, leaves little room for expansion of the industry. Any producer looking to enter the industry, particularly in a higher-price land setting like Richmond, would have to have an extremely optimistic outlook of where cranberry prices are going to go over the next few decades.

5.3.8 Use of Subject Lands Not Viable

If expansion of the cranberry industry is not viable in the more mainstream agricultural areas of Richmond, it is even less so for the subject lands, where water costs are expected to be up to thousands of dollars per acre annually, even if the municipal system could provide for all crop needs. In addition, all of the other constraints and factors outlined in Section 3.0 relative to its urban setting and site degradation due to its past use, would impose considerable additional costs over what would be encountered if the development occurred in a more mainstream agricultural part of Richmond.

The cost of production information clearly indicates that development of the subject lands for cranberry production is not viable. It is estimated that such an operation, even at high assumed yields, would not generate any significant long-term net returns to land unless the long-term average farm gate price was close to double the prices prevailing in recent years. Development of new cranberry operations in Richmond, which would also require the permission of the BCCMB, is not currently viable and will likely remain so for the foreseeable future.

5.4 BLUEBERRIES

5.4.1 Production in Richmond and Wider Region

Richmond also has a long history of blueberry production. By 1986, the industry was well-established with some 970 acres spread over 122 different reporting farms, the largest concentration of plantings in the province. At that time, significant acreages of blueberries were also being produced in Surrey, Pitt Meadows and, to a much lesser extent, in Langley and Matsqui. A total of 2,523 acres was reported in the province, almost all of which was located in the Lower Mainland region.

5.4.2 North American Market is Completely Unregulated

The blueberry market is a North American one, with production widespread in many states and provinces. The market is completely unregulated, in that anyone with a suitable land base may grow and sell the product without permission from any marketing authority. Historically, as occurs in every unregulated farm product, this had led to boom-bust cycles in the industry with production being ramped up during periods of better prices until supplies swamp demand and prices decline, sometimes precipitously.

5.4.3 Unprecedented Expansion – Everywhere Except Richmond

The industry is currently riding an unprecedented expansion due to rapidly increasing consumer demand. This surge in demand, like the one for cranberries in the 1990's, appears to be largely based on consumer perceptions of the health benefits of blueberries. In effect, blueberries are the new cranberries, with reportedly much higher levels of anti-oxidants and without the need for added sugar or sweetening. This surge in demand (with consumption in Canada up almost 140% in the last 10 years) has led to attractive prices for available supplies. In response, growers are in the process of increasing plantings substantially. Plantings in BC have almost doubled in the last ten years, with most of the new plantings occurring on lower-cost lands further out in the Fraser Valley. Plantings in the Abbotsford-Matsqui area have almost tripled in the last ten years from 1,772 acres in 1996 to 2,782 acres in 2001 to 4,798 acres in 2006. GVRD acreage has also increased rapidly, from 3,722 acres in 1996 to 4,339 acres in 2001 to 6,757 acres in 2006. However, because of relatively higher land prices in Richmond, very little of the GVRD expansion has occurred there. Plantings actually declined a bit in Richmond between 1986 and 2001, before recovering somewhat over the next 5 years (Table 5).

Table 4: Blueberry Acreage in Richmond, GVRD, Lower Mainland Region

	Richmond (ac.)	GVRD (ac.)	Lower Mainland (ac.)
1986	970	1,381	2,513
1996	na	3,722	5,507
2001	934	4,339	7,126
2006	1,106	6,757	11,556

Blueberries have now surpassed apples as the most important fruit crop grown in Canada, both in terms of the area under production and the total farm value of the crop grown.

In the US, where most North American blueberries are grown, data on total plantings is not collected. Rather, information on the area harvested is and, for this variable, blueberry acreage has jumped by almost 13,000 acres, or by about 33%, between 2001 and 2006. Analysis of this time-series suggests that around 4,000 acres of new plantings have been added annually in each of 2004, 2005 and 2006. Since blueberry plantings typically do not start to yield until the 3rd season after planting, these statistics may be under-reporting total acreage for 2006 by as much as 8,000 acres.

5.4.4 Likelihood of a Coming Oversupply Situation

New plantings are continuing to be pursued both in BC and in the US. Since well-managed blueberries typically take at least 8 years after planting before reaching full production, it is likely that even if supply catches up to the surge in demand in the next few years that production will continue to grow substantially, well after farmers cease pursuing new plantings. This would lead to a major oversupply situation, resulting in a large price correction and a rapid deterioration in the economics of farming blueberries,

much as occurred in the cranberry market between 1998 and 2000, the effects of which are being felt to the present day.

5.4.5 Predicted Oversupply will Persist

The predicted correction in the blueberry market could well be as severe and will probably persist longer than the recent correction in the cranberry market. This is because the cranberry market has relatively fewer players in it and a high degree of market regulation involved. Cranberry growers and handlers were able to agree on temporary cuts in production at the height of their last market crisis. These production cuts, together with a concerted, cooperative, and ultimately successful effort to develop new markets off-shore, have taken cranberry growers past the worst of their oversupply situation, though prices remain well below where they were in the heydays of the early- to mid-1990's.

The prospects for such collaboration among blueberry growers and handlers, whenever their market correction arrives, are not great. There is no history of regulation in their market, industry players are very secretive and cutthroat in their competitive dealings, and the number of players involved is an order of magnitude or two greater than exists in the cranberry market.

5.4.6 Timing of Predicted Correction

The timing of the predicted correction is very difficult to gauge with any precision. When consumer tastes are changing, as they currently are doing in favour of increased blueberry consumption, it is very difficult to predict how far this shift in consumer tastes will go or how long the process will take. Analysis of frozen blueberry stocks in the US carried over at the beginning of each harvest season (Table 5) suggests that supplies remain tight, indicating that the market is still expanding and in no immediate danger of oversupply.

Table 5: Comparison of Blueberry Stocks in US Cold Storage to US Annual Process Utilization

	Utilized for Process (‘000 lbs.)	Cold Storage, June (‘000 lbs.)	% Annual Process in June Storage
2002	89,150	51,746	58%
2003	83,080	29,733	36%
2004	103,020	34,073	33%
2005	115,070	28,198	25%
2006	129,390	26,785	21%

Ignoring the tenurial restrictions that presently serve to preclude the possibility of agriculture on the subject lands, were a decision taken immediately to develop the lands for blueberry production, the earliest that the lands could be planted would be 2009. This would mean that full production would be reached no earlier than 2017. It is highly likely that the coming market correction in the blueberry market will have occurred or, at

the latest, will be occurring by that time, and it is highly likely that the returns to blueberry production on the subject lands by that time will be substantially negative.

5.4.7 Recent Prices and Net Returns

That said, it is also clear that recent returns to blueberry production in the Fraser Valley have been reasonably attractive. Table 6 reports average prices received by BC blueberry farmers over the past ten years, as reported by Statistics Canada up to 2006, and as estimated for 2007 by relying on estimates from individuals knowledgeable of the industry. Based on these prices, the most recent 5-year and 10-year average producer prices are calculated at the bottom of the table. The prices in the table are the average prices received by farmers and include prices earned from roadside sales, sales to the fresh wholesale market and sales to processors.

Table 6: Average BC Grower Prices for Blueberries

Year	Average Price (\$/lb)
1998	0.67
1999	0.97
2000	0.99
2001	0.71
2002	1.09
2003	1.10
2004	1.05
2005	1.24
2006	1.31
2007 (est. by industry reps)	1.45
5-year average, 2003-2007	1.23
10-year average, 1998-2007	1.06

Though a few farmers produce exclusively for the process market, most farms attempt to maximize production for the higher-priced fresh wholesale market. However, the amount that can be directed there depends on crop quality, which varies from year to year, as well as within any harvest season, based largely on growing and harvesting conditions, but also on farm management considerations. Typically, anywhere from half to three quarters of total production goes to the fresh market, with the remainder to process.

5.4.8 Representative Returns Based on 5-Year Average Price

For a Richmond farmer producing predominantly for the fresh market, averaging 13,000 lbs/acre on a well-managed mature stand (in at least its 8th year after planting), and incurring typical costs of production for an efficient large-scale blueberry operation, the above 5-year average price would deliver returns averaging just over \$2,500/acre. This return is to a net acre of a mature stand only. Looking at the entire required investment over an assumed 50-year life of the stand, including an 8-year establishment period, if this 5-year average price was representative of the average price over the entire life of

the stand, the internal rate of return to total investment would be about 1.8%. This is a real (inflation-discounted) rate of return. This calculation assumes a net field ratio of 80% (eg. that 8 net acres of blueberries can be developed on a 10-acre parcel), and that bare agricultural land in Richmond presently sells for \$70,000/acre.

Because prices over the past 5 years have been very high from an historical perspective, they are not considered a good measure of longer-term prospects for the industry.

5.4.9 Representative Richmond Returns Based on 10-Year Average Price

For the same Richmond producer, the overall average price over the past 10 years would have been about \$1.06/lb., which would have delivered a net return of around \$320/acre on all his mature stands. However, because of losses during the establishment period, the overall internal rate of return to total investment would be negative, if this price was reflective of an average price over an assumed 50-year life of the stand.

5.4.10 Returns Based on Cost of Production Model

The above returns are based on the blueberry cost of production model contained in Appendix 2. This model, derived from a variety of sources, including prior Ministry of Agriculture models, has been updated so that it reflects typical 2007 costs for new, larger-scale blueberry production in Richmond.

The current estimated long-term break-even price for the model producer is estimated at around \$1.09/lb. If blueberry prices declined so as to produce such an overall price, it is estimated that the producer would just meet all of his costs of production except for a return to his starting investment in bare land.

For a mature stand, the estimated break-even point on a cash basis, prior to any capital depreciation (machinery, stand) or interest on investment (machinery, stand, bare land) being deducted, is \$0.98/lb.

5.4.11 Future Viability of Blueberry Farming in Richmond

Existing blueberry producers in Richmond with mature stands of blueberries will continue to make good returns so long as prices remain at or above the levels that have prevailed over the last 5 years. However, the earlier analysis on the rapid expansion in North American planting strongly suggests a coming oversupply situation and major correction in the blueberry market.

When an oversupply situation develops for an agricultural commodity, it cannot be cured until either demand catches up to supply or, more likely, until supply retracts as the weakest and least competitive producers stop producing. Often both factors come into play. Once supply has retracted sufficiently, prices recover to an extent such that remaining producers are willing to stay in the industry.

Producers that leave the market are usually those in the weakest position to stay. New producers with immature stands, producers with high debt financing (including most start-ups), and less efficient producers are typically the first to go. Regionally, producers in lower land price settings will have an advantage over producers in high cost settings like Richmond.

Within Richmond, if average prices fall by more than about 20% from the average price over the last 5 years, existing producers with mature stands will not be able to recover even their variable cash costs of production. When the predicted oversupply situation develops in the industry, the decline in prices is likely to be far greater than this.

If prices persist into the future at such lower levels for any extended period of time, retraction in the local industry seems likely. Well established, small-scale blueberry producers fronting onto roads amenable to direct marketing, and who live on their properties, will fare best as they are able to raise average prices through direct marketing, and because they tend to attribute their land investment to their residential use. Larger-scale, more commercial blueberry plantings, either less advantageously situated or with too large a production volume to consider direct marketing, will be more likely to be forced out of production if the oversupply situation, and concomitant lower prices, continue for an extended period of time. Any start-up producers, particularly those with high debt financing, will be among the first to leave the industry. Any large-scale start-up on the subject lands would be particularly vulnerable.

5.4.12 Use of Subject Lands Not Viable

It is apparent that the costs of producing blueberries on the subject lands would be higher than estimated above for new blueberry production in the more rural parts of Richmond. Irrigation water supply costs would be at least \$450/acre higher than typically incurred by more rural producers, and many other additional costs would be associated with its urban setting and remediation requirements, as outlined in Chapter 3.0.

The use of the subject lands for blueberry production is not expected to be viable in the near-term future because of the oversupply situation and market correction that is predicted to occur. In the longer-term, if opportunities present themselves to once again expand blueberry production in the region, this will occur in lower-priced land settings further out in the Fraser Valley rather than in Richmond.

5.5 VIABILITY OF AGRICULTURAL DEVELOPMENT ON SUBJECT PROPERTY

The assessment of agricultural viability in this chapter is largely based on the current economics of expanding agricultural land use within the more agricultural settings of Richmond. Given that the economics prevailing for those, more agriculturally-friendly settings do not suggest viability for expanded vegetable, cranberry or blueberry production, it is even more certain that using the subject lands for these crops would be even less attractive, since the site requires rehabilitation from its prior use and from past

soil deposition, and because it is surrounded on three sides by urban uses. As a result, it would face many additional costs not typically incurred by lands in more rural settings.

APPENDIX I CRANBERRY COST OF PRODUCTION ENTERPRISE MODEL FOR RICHMOND

Table 1
Cranberry Production and Price Data, 1993-2006

barrels of 100 lbs.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Total US Production	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1	Area Harvested (acres)	29,400	31,100	32,800	34,000	35,700	36,600	37,500	36,600	34,300	37,900	39,400	39,200	39,000	38,900
2	Yield per Acre (barrels of 100 lbs.)	133.3	150.5	127.8	137.4	154.0	148.7	168.9	154.2	156.2	150.0	155.1	157.5	160.1	176.3
3	Total Production (barrels)	3,919,000	4,682,000	4,193,000	4,671,000	5,497,000	5,444,000	6,334,000	5,642,000	5,357,000	5,684,000	6,110,000	6,175,000	6,243,000	6,857,000
4	Total to Fresh Market	199,000	216,000	242,000	236,000	225,000	244,000	357,000	438,000	426,000	370,000	334,000	397,000	347,000	338,500
5	Total Processed	3,619,000	4,415,000	3,858,000	4,330,000	5,072,000	5,157,000	5,977,000	5,040,000	4,357,000	5,307,000	5,776,000	5,770,000	5,896,000	6,413,500
6	Shrinkage/Unused	101,000	51,000	93,000	105,000	200,000	43,000	0	164,000	574,000	7,000	0	8,000	0	105,000
7	Average Price (US\$/barrel)	50.20	49.30	53.40	65.90	63.70	36.60	17.20	17.60	23.80	30.20	31.80	32.90	34.50	37.20
8	Exchange Rate (CAD\$/US\$) per BCMAL	1.29	1.37	1.37	1.36	1.38	1.48	1.49	1.49	1.55	1.57	1.40	1.30	1.21	1.13
9	Average Price (CAD\$/barrel)	64.76	67.54	73.16	89.62	87.91	54.17	25.63	26.22	36.89	47.41	44.52	42.77	41.75	42.04
	Total BC Production	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
														note a	note a
10	Cultivated Area per Statscan (acres)					3,255	3,500	3,600	3,750	4,053	4,000	4,000	4,100	4,100	4,200
11	Bearing Area per Statscan (acres)					2,895	3,200	3,200	3,400	3,600	3,600	3,700	3,860	3,860	3,840
12	Average Yield per Statscan (barrels/acre)					126.4	144.3	154.6	124.5	106.0	194.8	166.0	209.5	183.9	142.1
13	Total Production per BCMAL (barrels)	338,540	552,500	537,910	406,740	411,440	505,000	561,870	467,270	593,970	779,280	852,040	862,050	871,060	
14	Total Production per BCCMC (barrels)										748,060	832,690	852,690	738,920	775,000
15	Marketed Production per Statscan (barrels)					411,460	505,000	556,500	467,000	429,800	779,000	664,000	859,000	753,880	597,000
16	Average Price per Statscan (CAD\$/barrel)					86.86	56.23	29.11	16.27	27.49	30.17	32.08	39.5	36.1	41.21
17	Average Price per BCMAL (CAD\$/barrel)	66.13	65.10	75.60	75.02	87.10	56.23	20.44	16.64	21.27	30.22	45.17	40.50	35.00	

Sources

US production data from National Agricultural Statistics Service, USDA: Noncitrus Fruits and Nuts. Annual

BC production data from BC Ministry of Agriculture & Land, Agri-Food Marketing Centre, Horticulture Products; BC Cranberry Marketing Commission; and, Statistics Canada, Fruit and Vegetable Production. Annual.

Exchange rate from Bank of Canada, as reported by BCMAL

note a: figures in italics are considered provisional

Table 2
North American Cranberry Production in August 31st Inventory, 1994-2006

barrels of 100 lbs.

	A	B	C	D	E	F	G	H	I	J	K	L	M
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1 Inventory Held by Ocean Spray	800,000	1,110,000	1,092,000	1,358,000	1,818,000								<i>note b</i>
2 Inventory Held by Independent Handlers	386,737	541,770	546,136	374,714	797,062								
3 Total Estimated Inventory, August 31st	1,186,737	1,651,770	1,638,136	1,732,714	2,615,062								
4 Inventory, August 31st reported by USCMC					2,105,644	3,053,581	4,273,677	3,662,478	2,514,326	3,083,609	2,988,039	3,262,628	3,035,750
5 Total Sales reported by USCMC					5,180,421						7,194,526	7,237,289	
6 Foreign Sales reported by USCMC					732,612						1,507,612	1,619,310	
7 Foreign Sales as % Total					14%						21%	22%	25%

Source: 1994-1998: John Decas, Decas Cranberry Company, as reported in Cranberries Stressline; 1998-2006: US Cranberry Marketing Committee

note b: figures in italics as quoted by John Savage, Chairman, BCCMC, 2006 AGM

Table 3

Cranberry Enterprise Budget for New Cranberries Plantings in the Lower Mainland Region of BC

Costs and Returns to Cranberry Production, Land Preparation Year to First Full Production Year
(after BCMAF Cranberry Establishment, Fraser Valley, Spring 1999, Aqdex 232-810; prepared by Clint Ellison, P.Ag.)

MODEL BY: Dan Schroeter Consulting Inc.
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All Currency Amounts in 2007 Canadian Dollars Unless Otherwise Specified					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8+
					Land Preparation	Planting Year	Year After Planting	1st Crop	2nd Crop	3rd Crop	4th Crop	Full Production
Crop Income												
1	1999 BCMAF Average Yield (100 lb. barrels)				0	0	0	30	90	140	150	160
2	1999 BCMAF Crop Revenues, based on Avg Price of	\$67 /barrel		exchange rate in 1999	0	0	0	2,995	8,985	13,976	14,975	15,973
3	2007 Assumed Yield for Cranberry Lands	140% of BCMAF, or	224		0	0	0	42	126	196	210	224
4	2007 Cranberry Crop Revenues, based on Avg Price of	\$45 /barrel, and a	1.00	exchange rate in 2007	0	0	0	1,890	5,670	8,820	9,450	10,080
Establishment Costs per BCMAF												
	times	rate	units	1999\$/unit	% Change	2007\$/unit						
5	Plants	1	T/Ac. @	(4,000.00)	-50.0%	(2,000.00)	0	(2,000)	0	0	0	0
6	Clearing, Dyking, Roads & Power		/Ac. @	(5,250.00)	22.0%	(6,405.88)	(6,406)	0	0	0	0	0
7	Drainage		/Ac. @	(2,850.00)	22.0%	(3,477.48)	(3,477)	0	0	0	0	0
8	Irrigation		/Ac. @	(2,100.00)	22.0%	(2,562.35)	(2,562)	0	0	0	0	0
9	Fertilizer		/Ac. @	(600.00)	53.5%	(921.03)	0	(921)	(921)	(921)	(921)	(921)
10	Casoron	2	3.5 kg/Ac. @	(7.37)	22.9%	(9.06)	0	(63)	(63)	(63)	(63)	(63)
11	Poast	2	3.5 l/Ac. @	(7.37)	na	(117.01)	0	(819)	(819)	(819)	(819)	(819)
12	Roundup	0.5	4.5 l/Ac. @	(10.20)	87.7%	(19.15)	0	(43)	(43)	(43)	(43)	(43)
13	Diazinon	3	1.8 l/Ac. @	(14.00)	46.7%	(20.54)	0	0	(111)	(111)	(111)	(111)
14	Parathion	1	0.4 l/Ac. @	(40.80)	na	0.00	0	0	0	0	0	0
15	Bravo	1	2.7 l/Ac. @	(15.84)	-5.4%	(14.98)	0	0	(40)	(40)	(40)	(40)
16	Girdler Control	1	3 billion/Ac. @	(539.00)	17.3%	(632.00)	0	0	(1,896)	(1,896)	(1,896)	(1,896)
17	Pest Monitoring		/Ac. @	(50.00)	22.4%	(50.00)	0	(50)	(50)	(50)	(50)	(50)
18	Fuel Costs		/Ac. @	(165.00)	110.4%	(347.14)	(347)	(347)	(347)	(347)	(347)	(347)
19	Machinery Repair and Maintenance		/Ac. @	(385.00)	19.1%	(458.68)	(459)	(459)	(459)	(459)	(459)	(459)
20	Planting Labour		/Ac. @	(2,000.00)	32.7%	(2,654.05)	0	(2,654)	0	0	0	0
21	Harvest Labour		/bbl. @	(6.25)	-50.0%	(3.13)	0	0	(94)	(281)	(438)	(500)
22	General Labour		/Ac. @	(1,500.00)	32.7%	(1,990.54)	(1,991)	(1,991)	(1,991)	(1,991)	(1,991)	(1,991)
23	Sanding		/Ac. @	(1,000.00)	22.4%	(1,224.15)	0	0	(1,224)	0	(1,224)	0
24	Trucking		/bbl. @	(1.00)	63.5%	(1.63)	0	0	(49)	(147)	(229)	(262)
25	Hive Rental		/Ac. @	(250.00)	22.4%	(250.00)	0	0	(250)	(250)	(250)	(250)
26	Pumping Costs (hydro, diesel)		/Ac. @	(75.00)	37.7%	(103.29)	0	(103)	(103)	(103)	(103)	(103)
27	Crop Insurance		/bbl. @	(2.00)	-33.5%	(1.33)	0	0	(40)	(120)	(186)	(213)
28	Marketing Board		/bbl. @	(0.25)	28.0%	(0.32)	0	0	(10)	(29)	(45)	(51)
29	model rounding errors									(1)		(2)
30	Total Costs per BCMAF, adjusted to 2007\$						(15,242)	(9,450)	(4,907)	(8,510)	(7,670)	(7,991)
Adjustments to BCMAF Budget												
31	Production Costs per BCMAF Budget						(15,242)	(9,450)	(4,907)	(8,510)	(7,670)	(7,991)
32	Double Planting Density							(2,000)				
33	Additional Pumping Costs	/Ac. @		(75)	37.7%	(103.29)	(103)	(103)	(103)	(103)	(103)	(103)
34	Additional Costs Due to Higher Yields on Subject Property		140%			(1,026)	0	0	(77)	(231)	(359)	(410)
35	Delete Depreciable Component of Drainage Costs			(2,000)	22.0%	(2,440.34)	2,440	0	0	0	0	0
36	Delete Irrigation Capital Costs						2,562	0	0	0	0	0
37	Adjusted Establishment Costs (no depreciable capital)						(10,343)	(11,554)	(5,010)	(8,690)	(8,005)	(8,454)
38	Less Crop Income During Establishment						0	0	1,890	5,670	8,820	9,450
39	Net Annual Establishment Margins						(10,343)	(11,554)	(5,010)	(6,800)	(2,335)	366
40	Cumulative Establishment Costs to be Carried						(10,343)	(21,896)	(26,907)	(33,707)	(36,042)	(35,675)
41	Interest on Carried Establishment Costs at a Real Interest of	3.5%			per annum		(362)	(766)	(1,180)	(1,261)	(1,249)	(1,260)
42	Cumulative Interest on Carried Establishment Costs						(362)	(1,128)	(2,070)	(3,250)	(4,511)	(5,760)
43	Add Capital Ownership Costs, Depreciable Items						(946)	(946)	(946)	(946)	(946)	(946)
44	Cumulative Capital Ownership Costs, Depreciable Items						(946)	(1,891)	(2,837)	(3,783)	(4,728)	(5,674)
45	Cumulative Establishment, Capital, and Interest Costs						(11,650)	(24,916)	(31,814)	(40,740)	(45,281)	(47,109)
46	Interest on Cumulative Carried Costs to End of Year 7											
47	Net Return/Year per Net Acre, Commencing in Year 8											(1,737)
48	Net Return/Year per Gross Acre, with a Field Ratio of	80%			of gross							(1,237)
												(990)

Table 3 cont'd

Cranberry Enterprise Budget for New Cranberries Plantings in the Lower Mainland Region of BC

Costs and Returns to Cranberry Production, Land Preparation Year to First Full Production Year
(after BCMAF Cranberry Establishment, Fraser Valley, Spring 1999, Agdex 232-810; prepared by Clint Ellison, P.Ag.)

MODEL BY: Dan Schroeter Consulting Inc.
410-1639 West 2nd Ave, Vancouver, V6J 1H3
604.736.9760 danlinda@smartt.com

All Currency Amounts in 2007 Canadian Dollars
Unless Otherwise Specified

		A	B	D	E	F	G	H	I	J	K	L
49 Annual Costs of Depreciable Capital	(net field area of:	100 Acres)										
50 assuming a real rate of interest on investment of:		3.5% per annum										
	units	1999\$/unit	% Change	2007\$/unit \$/unit	Total Capital Cost \$	Useful Life years	Salvage Value \$	Annual Depreciation \$	Interest on Investment \$	Total Capital Ownership Costs \$	Total Capital Ownership Costs/Acre \$/Acre	
50 Depreciable Portion of On-Farm Drainage Works	/Ac. @	(2,000)	22.0%	(2,440)	(244,034)	30	0	(8,134)	(4,271)	(12,405)	(124)	50
51 On-Farm Irrigation Works	/Ac. @	(2,100)	22.0%	(2,562)	(256,235)	20	38,435	(10,890)	(5,157)	(16,047)	(160)	51
52 Additional Off-Farm Irrigation and Drainage Works	/Ac. @	(4,000)	22.0%	(4,881)	(488,067)	30	73,210	(13,829)	(9,822)	(23,651)	(237)	52
53 Buildings per BCMAF	total farm	(90,000)	11.6%	(100,446)	(90,000)	30	0	(3,000)	(1,575)	(4,575)	(46)	53
54 Power Machinery per BCMAF	total farm	(75,000)	27.3%	(95,469)	(75,000)	15	18,750	(3,750)	(1,641)	(5,391)	(54)	54
55 Field and Harvest Equipment per BCMAF	total farm	(193,000)	18.6%	(228,921)	(193,000)	10	19,300	(17,370)	(3,715)	(21,085)	(211)	55
56 Vehicles per BCMAF	total farm	(79,000)	18.3%	(93,474)	(79,000)	5	31,600	(9,480)	(1,936)	(11,416)	(114)	56
57 Annual Costs of Depreciable Capital					(1,425,336)		181,295	(66,453)	(28,116)	(94,569)	(946)	57

Table 4

Establishment Costs, Net Returns, EBITA, & Capital Values of Established Production & Raw Land with Quota, by Average Farm-Gate Price

(for assumptions as stated below)

		A	B	C	D	E	F	G	H	I	
Assumptions:		Long-Term Average	Cumulative Loss	Cumulative Loss	Economic Net Return	Economic Net Return	EBITA	EBITA as % Return to	Value in Year 8+	Present Value of	
		Price per Barrel	Years 1-7 per Net Ac.	Years 1-7 per Gross Ac.	per Net Ac. Year 8+	per Gross Ac. Year 8+	per Net Ac. Year 8+	Capital Year 8+	of a Net Acre With Quota	Raw Land With Quota	
		US\$/barrel	\$total	\$total	\$/year	\$/year	\$/year	%/year	\$	\$	
58	capital & recurrent costs per detailed model	see model									
56	start-up land prep & planting costs excluding raw land	23,980 /Acre									
56	all depreciable capital costs	14,253 /Acre									
56	operating scale (net cranberry field area) of	100 Acres									
56	increase over full production yield per BCMAF	40%									
56	average yield at full production (Year 8+) of:	224 Barrels	1								
56	allowed real return on capital investment other than raw land	3.5% per annum	2								
56	real capitalization rate of	8.0% per annum	3								
56	net field to gross land ratio of	80%	4								
			5								
			6								
			7								
			8								
			9								
			10								
			11								
			12								
			13								
			14								
			15								
			16								
			17								
			18								
			19								
Column Definitions:											
A: expected long-term average farm-gate price											
B&C: all start-up costs other than depreciable capital, plus all recurrent costs including annual capital ownership costs, less crop revenues											
D&E: net return to raw land at full production after allowing for capital replacement and assumed return on all capital other than raw land											
F: earnings before interest, taxes, & amortization (EBITA) at full production											
G: EBITA as % allowance available to both replace and provide a return to all capital other than raw land											
H: present value of net return to a fully established bog, capitalized in perpetuity at assumed capitalization rate											
I: present value of raw land with quota (permission to develop)											

Table 5
Cranberry Production and Price Data, 1993-2006

barrels of 100 lbs.

	1998	1999	2000	2001	2002	2003	2004	2005 (projected)	2007
Overall Farm Input Price Index	118.5	119.0	126.7	132.9	130.9	137.5	131.6	138.9	145.2
Building and Fencing	116.8	123.2	118.6	118.5	121.6	120.9	138.8	134.2	137.5
Power Machinery	133.0	138.5	141.5	151.2	155.4	161.9	164.4	167.1	176.3
Non-Power Machinery	127.5	131.1	134.6	136.7	139.8	144.5	145.9	149.7	155.5
Trucks	141.2	150.1	152.8	158.6	167.0	167.4	166.9	171.1	177.6
Machinery and Motor Vehicle Operatio	114.2	112.8	129.7	138.2	130.1	150.8	149.7	165.3	184.4
Petroleum Products	106.7	100.1	129.7	142.2	118.6	154.1	148.7	178.5	210.6
Maintenance	120.0	122.8	124.9	129.7	133.5	136.6	138.4	140.7	146.3
Crop Production	126.7	122.4	123.1	142.7	140.6	167.1	158.4	161.0	174.1
Fertilizer	130.6	124.1	131.4	169.2	140.1	177.8	167.9	173.2	190.5
Electricity	110.4	110.3	113.0	118.5	127.7	135.3	139.4	141.5	151.9
Custom Work	123.2	126.7	129.6	133.6	137.2	143.1	145.3	148.3	155.1
Hired Farm Labour	115.9	111.0	117.1	123.8	126.0	129.9	136.5	138.3	147.3

Sources

1998-2005 index numbers from Statistics Canada's Farm Input Price Index for Western Canada; 2007 index number projected based on price trends.

APPENDIX 2 BLUEBERRY COST OF PRODUCTION ENTERPRISE MODEL FOR RICHMOND

TABLE 1
ENTERPRISE BUDGET FOR NEW PLANTINGS OF BLUEBERRIES IN RICHMOND, BC

ENTERPRISE: HAND-HARVESTED BLUEBERRIES
OPERATING SCALE: 35 ACRES

MAIN DATA SOURCES: PLANNING FOR PROFIT, AGDEX 235-810 (BCMAFF); 1990 BLUEBERRY MODEL (D.SCHROETER, TALISMAN); PESTICIDE PRICES (B.AVERY, EVERGRO); DRAINAGE & IRRIGATION COSTS (P.BRISBIN,GOLDER); FARMING PRACTICES (P.CHIRSTIE, TALISMAN AND M.SWEENEY, BCMAFF)

MODEL BY: Dan Schroeter Consulting Inc.
410-1639 West 2nd Ave, Vancouver, V6J 1H3
604.736.9760 danlinda@smartt.com

BASE CASE ANNUAL NET RETURN TO OPERATOR MANAGEMENT AND NET LAND INVESTMENT PER ACRE:

BASE CASE ANNUAL NET RETURN TO OPERATOR MANAGEMENT AND NET LAND INVESTMENT PER ACRE, AFTER ALL COSTS INCLUDING STAND DEPRECIATION AND INTEREST ON INVESTMENT
BASE CASE ANNUAL NET RETURN TO OPERATOR MANAGEMENT AND NET LAND INVESTMENT PER ACRE, BEFORE COSTS OF STAND DEPRECIATION AND INTEREST ON INVESTMENT ARE DEDUCTED
BASE CASE ANNUAL NET RETURN TO OPERATOR MANAGEMENT AND NET LAND INVESTMENT PER ACRE, BEFORE ANY CAPITAL DEPRECIATION AND INTEREST ON INVESTMENT ARE DEDUCTED

\$321
\$568
\$1,007

ABOVE RETURNS ARE FOR THE FOLLOWING BASE CASE ASSUMPTIONS AND WILL AUTOMATICALLY RECALCULATE FOR CHANGES IN ASSUMED VALUES (Only Revise Values in Boldface):

Don't Alter These Blacked-Out Cells

BARE LAND:	\$70.00 /AC CLEARED LAND	% INTEREST:	3.5% ON CAPITAL INVESTMENT	CROP AREA:	35.0 ACRES
WAGE RATES:	\$11.00 /HR GENERAL LABOUR		5.5% ON OPERATING CAPITAL	AVG. YIELD:	13,000 LBS/AC AT MATURITY
	\$15.00 /HR SKILLED LABOUR	FUEL COST:	\$1.10 /L GAS OR DIESEL	AVG. PRICE:	\$1.06 /LB; AVERAGE OF ALL SALES
	\$0.65 /LB CONTRACT PICKING		80.0% NET FIELD RATIO		(1998-2007 10-year average)

SENSITIVITY OF BASE CASE ANNUAL NET RETURNS AND NET INVESTMENT TO CHANGES IN BASE CASE ASSUMPTIONS

THE FOLLOWING DATA WILL NOT AUTOMATICALLY RECALCULATE FOR CHANGES IN VALUES FOR BASE CASE VARIABLES OUTLINED ABOVE (EXCEL USERS, USE DATA TABLE FUNCTION IF RECALCULATION IS REQUIRED)

NOTE: Table Ranges are in Grey Blocks Like This:
Column Input Cell References are Indicated in
Upper Right Corner of Block. To Recalculate:

1. Set Boldface Base Case Values Above
2. Revise Boldface Input Values in Tables
3. Highlight Table Ranges One at a Time
4. Recalculate with Data-Table Function

Column Input Cell References are Indicated in Upper Right Corner of Block. To Recalculate: 1. Set Boldface Base Case Values Above 2. Revise Boldface Input Values in Tables 3. Highlight Table Ranges One at a Time 4. Recalculate with Data-Table Function		TABLE 1A NET RETURNS/NET ACRE AND CUMULATIVE NET LAND INVESTMENT BY YEAR OF MATURITY				TABLE 1B % RETURN TO BARE LAND INVESTMENT VS. COST OF BARE LAND		TABLE 1C NET RETURNS/NET ACRE TO MATURE BLUEBERRIES VS. FARM WAGE RATES		TABLE 1D NET RETURNS/NET ACRE TO MATURE BLUEBERRIES VS. CROP YIELD				
		Lbs/Ac	Net Return to Land	Cumulative Net Land Investment see note (a)	Cumulative Investment in Stand see note (b)	D17	Cost/Ac	% IRR	B19	% Change	Net Return	% Change	Lbs/Ac	Net Return
Year														
0	Purchase Bare Land	L18		(70,000)			68,000	-0.43%		1,392	-20%	10400	(345)	
1	Planting			(76,277)	(6,580)		60,000	-0.43%		856	-10%	11700	(12)	
2	1st Harvest		500	(2,252)	(77,952)	(8,557)	70,000	-0.43%	0.0%	321	0%	13000	321	
3	2nd Harvest		1,500	(2,085)	(79,454)	(10,358)	80,000	-0.44%	10.0%	(751)	+10%	14300	654	
4	3rd Harvest		3,500	(1,667)	(80,530)	(11,734)	90,000	-0.44%	20.0%	(1,822)	+20%	15600	987	
5	4th Harvest		6,500	(1,096)	(81,032)	(12,533)	100,000	-0.44%	30.0%	(2,893)	+30%	16900	1,320	
6	5th Harvest		10,000	(448)	(80,882)	(12,680)	TABLE 1E NET RETURNS/NET ACRE TO MATURE BLUEBERRIES VS. ENTERPRISE SCALE		TABLE 1F NET RETURNS/NET ACRE TO MATURE BLUEBERRIES VS. INTEREST RATE		TABLE 1G NET RETURNS/NET ACRE TO MATURE BLUEBERRIES VS. AVERAGE PRICE			
7	6th Harvest		11,000	(192)	(80,477)	(12,570)	Scale (Ac)	Net Return	% Interest	Net Return	Avg. Price	Net Return		
8	7th Harvest		12,000	65	(79,818)	(12,204)	L17		H17		L19			
9	8th and Subsequent Harvests		13,000	321	(78,905)	(11,584)	15.0	52	2.5%	460	0.70	(4,359)		
Approximate Internal Rate of Return To Land Over 50 Yrs		-0.43% = Annual %IRR				25.0	272	3.0%	390	0.90	(1,759)			
(All Operating & Capital Costs incl. Bare Land Investment of:		70,000 /Acre)				35.0	321	3.5%	321	1.10	841			
(a) includes all investment in land, initial blueberry stand planting, and operating losses during blueberry stand establishment. Includes IRR interest on cumulative land investment but subtracts model interest and depreciation on stand establishment (to avoid double counting)						45.0	379	4.0%	251	1.20	2,141			
						55.0	415	4.5%	181	1.40	4,741			
						65.0	438	5.0%	111	1.60	7,341			

(a) includes all investment in land, initial blueberry stand planting, and operating losses during blueberry stand establishment. Includes IRR interest on cumulative land investment but subtracts model interest and depreciation on stand establishment (to avoid double counting)

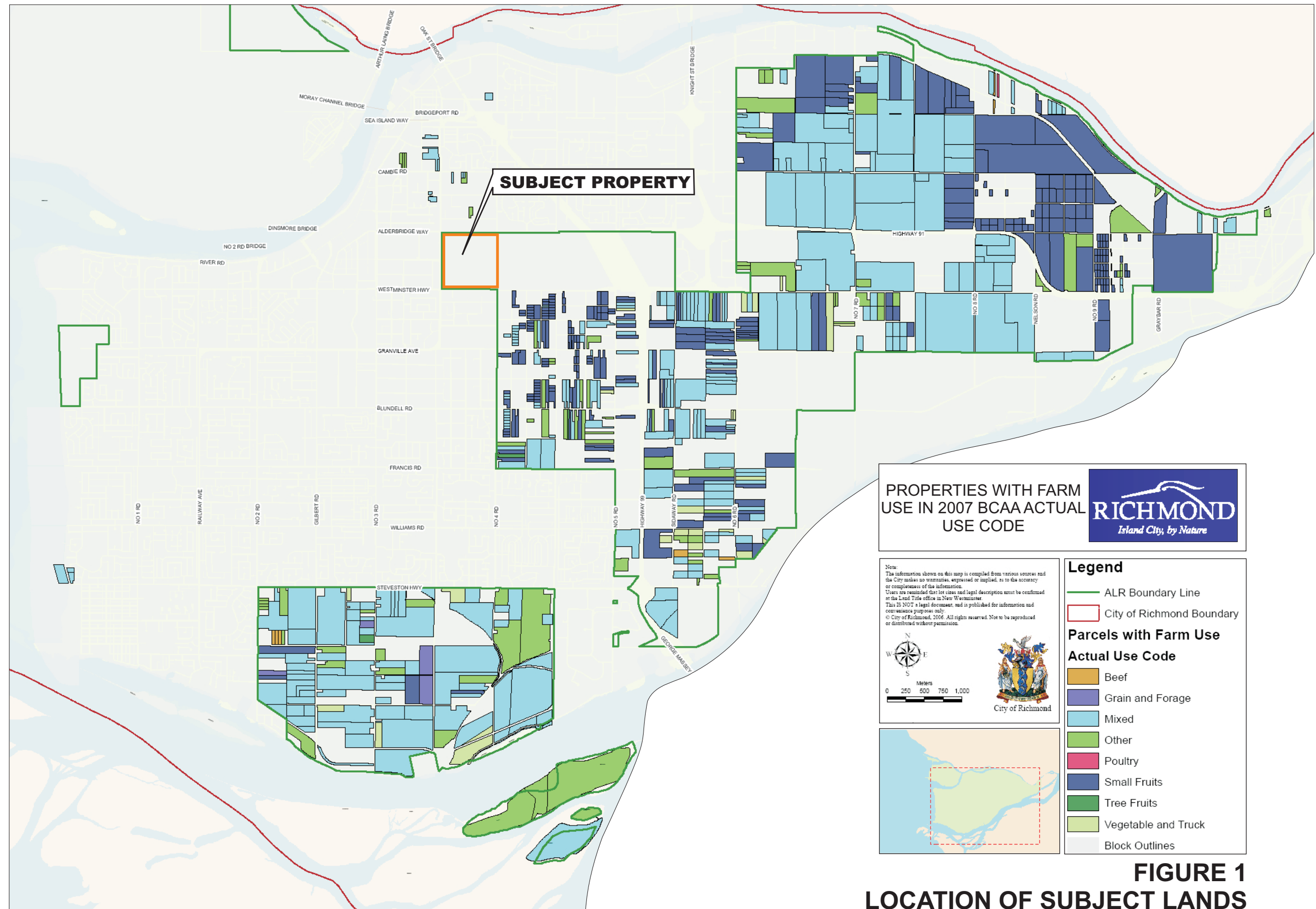
(b) as above but without bare land costs or IRR interest on bare land. Cumulative net costs related to blueberry stand establishment only, including IRR interest on cumulative net investment in stand.

TABLE 3
DETAILED PER ACRE CAPITAL COST DATA FOR BLUEBERRY ESTABLISHMENT IN RICHMOND

1.	2.	3.	4.
LINE			COSTS PER
NUMBER	DESCRIPTION OF OPERATION		ACRE
			(\$/Ac.)
1.	Custom Spraying @/Ac	22.30	22
2.	0.7 l Roundup @	12.96	9
3.	Custom Plowing @/Ac	33.50	34
4.	Custom Disking @/Ac	22.30	22
5.	Custom Planting, 42 hours/Ac @	11.00	462
6.	1500 trees/Ac @	3.50	5,250
7.	Custom Fertilizing & Seeding Cover Crop @/Ac	11.20	11
8.	100 kg 4-20-17 @	0.92	92
9.	grass seed @/Ac	11.20	11
10.	Custom Spraying (3 times/yr) @/Ac	22.30	67
11.	Copper (2 times/yr) 1.5 kg @	7.80	23
12.	Velpar 0.3 kg @	119.41	36
13.	Sawdust 9 units @	60.00	540
TOTAL STAND ESTABLISHMENT COSTS			6,580
TOTAL COSTS FOR A PLANTED FIELD AREA OF:			230,289
		35.0 ACRES	

OPERATING SCALE OF ENTERPRISE: 35.0 ACRES

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
LINE NUMBER	DESCRIPTION OF OPERATION	UNIT	MACHINE	NUMBER OF	MACHINE	TRACTOR	MACHINERY	DEPRECIAT'N	INTEREST ON	LABOUR	LABOUR	TOTAL	
		COST	USED IN	TIMES	USED	OPERATING	OPERATING	COST PER	INVESTMENT	HOURS PER	COST PER	COST PER	
		(\$/unit orAc.)	ACRE	OPERATION	OPERATION	EACH TIME	ACRE	ACRE	ACRE	ACRE	ACRE	ACRE	ACRE
		(\$/unit orAc.)	(\$/Ac.)	(Table 1)	(No.)	(hrs./Ac.)	(\$/Ac.)	(\$/Ac.)	(\$/Ac.)	(\$/Ac.)	(hrs./Ac.)	(\$/Ac.)	(\$/Ac.)
1.	Pruning - see note (a)				1						65.00	715.00	715
2.	Custom Road/Ditch Maintenance	67.00	67.00										67
3.	Rental of Bee Hives 4 @	75.00	300.00										300
4.	Spraying			1,8	9	1.20	127.44	36.72	42.35	25.99	10.80	162.00	394
5.	Captan (4 times/yr) 1.4 kg @ (see note (b))	20.75	116.20										116
6.	Decis 0.05 l @	132.67	6.63										7
7.	Funginex (2 times/yr) 1 l @ (see note (a))	53.07	106.14										106
8.	Topas 0.2 l @	97.10	19.42										19
9.	Velpar 0.3 kg @	119.41	35.82										36
10.	Copper (2 times/yr) 1.5 kg @	7.80	23.40										23
11.	Fertilizer Application			1,6	2	0.80	18.88	2.72	6.81	4.13	8.06	120.90	153
12.	500 kg 4-20-17 @ (see note (a))	0.92	460.00										460
13.	Sawdust (1 in 3 years) 9 units @	60.00	180.00										180
14.	Mowing Grass			1,5	3	1.20	42.48	6.91	17.53	8.82	3.60	54.00	130
15.	Brush Control			1,4	1	1.00	11.80	0.36	3.21	0.93	1.00	15.00	31
16.	Bird Control - AV Alarms			9	1	0.50		0.09	2.93	1.06	0.50	7.50	12
17.	Custom Picking @/lb.	0.650	8,450.00										8,450
18.	Weighing/Use of Boxes & Pails			10,11	1	22.50		16.46	11.61	2.80	22.50	247.50	278
19.	Hauling On-Farm			1,7	1	1.50	17.70	19.14	10.62	5.84	1.50	22.50	76
20.	Handling and Loading			2,3	1	3.00	33.87	3.60	28.04	17.29	3.00	45.00	128
21.	Hauling to Market			12	1	3.00		69.03	57.43	23.39	3.00	45.00	195
22.	Business Transportation			13	1	2.00		24.40	7.65	2.76	2.00	30.00	65
23.	Irrigation Costs (power, maintenance)	100	100.00										
SUBTOTAL			9,864.62				252.17	179.43	188.17	93.01	120.96	1,464.40	12,042
(a) rate for mature plantings assuming yield of		13,000 ; less or nil applied to immature plantings (NB: cell must not contain a formula)											
(b) or similar costing alternative (eg. Cabrio, Lance)													
23.	Buildings, Drainage, Irrigation, Stand Establishment and Other Items (not used on an hourly basis)								267.42	172.35			440
24.	Cash Overhead: Real Estate Taxes												50
25.	Cash Overhead: Miscellaneous (Columns 4+8+9+13 of the Subtotal Line x 5%)												588
26.	Interest on Operating Capital (Columns 4+8+9+13 of the Subtotal Line + Cash Overhead x 6/12 years x operating capital rate)												340
TOTAL COST PER ACRE													13,459
YIELD:		13,000 lbs/Ac @ \$ 1.06 /lb.											
BASE CASE ANNUAL NET RETURN TO OPERATOR MANAGEMENT AND NET LAND INVESTMENT PER ACRE, AFTER ALL COSTS INCLUDING STAND DEPRECIATION AND INTEREST ON INVESTMENT													
BASE CASE ANNUAL NET RETURN TO OPERATOR MANAGEMENT AND NET LAND INVESTMENT PER ACRE, BEFORE COSTS OF STAND DEPRECIATION AND INTEREST ON INVESTMENT ARE DEDUCTED													
BASE CASE ANNUAL NET RETURN TO OPERATOR MANAGEMENT AND NET LAND INVESTMENT PER ACRE, BEFORE ANY DEPRECIATION AND INTEREST ON INVESTMENT ARE DEDUCTED													



Appendix 2A

**City of Richmond Report to Council, December 2007
Community Amenity Contributions**



To: Richmond City Council
From: Cecilia Achiam
Acting Director of Development

Date: December 13, 2007
File: 08-4105-04-02/2007-Vol
01

Re: Garden City Lands

Staff Recommendation

Whereas:

- (a) the City has contemplated the acquisition of the Garden City Lands for a considerable period of time to provide public amenities;
- (b) the Treasury Board of Canada Secretariat has sold and transferred title of the Garden City Lands to the Canada Lands Company (CLC) after CLC and Musqueam negotiated a Joint Venture Agreement between themselves for co-development of their portion of the site to resolve the injunction granted by the courts to the Musqueam;
- (c) the Musqueam Indian Band, the City of Richmond and Canada Lands Company have reached an agreement in the form of a Memorandum of Understanding (MOU), and Purchase & Sale Agreement, to enable the sharing of the lands between the three parties provided that certain conditions are met, including the removal of the land from the Agricultural Land Reserve;
- (d) the period specified in the MOU will expire on December 31, 2007, thereby requiring an extension;
- (e) the MOU and Purchase & Sale Agreement entitles the City to purchase 50% of the Garden City Land if the ALR exclusion is successful;
- (f) Council recognizes the significant opportunity for using the Garden City Lands to address community needs for both the City of Richmond and the Musqueam;
- (g) without the MOU, the City of Richmond has no legal claims to any of the Garden City Lands;
and
- (h) should Musqueam gain ownership of the lands through means other than the MOU, the City may not have any regulatory control over the land use and may not be able to levy property tax.

Therefore be it resolved that:

1. The Mayor and City Clerk be authorized to execute an agreement to extend the Purchase and Sale Agreement for a one-year period ending December 31, 2008, to allow adequate time for the Agricultural Land Reserve (ALR) Exclusion Application process;
2. Staff submit a "Block Application" to the Agricultural Land Commission (ALC) for the exclusion of the properties know as the "Garden City Lands" bounded by Garden City Road, Alderbridge Way, No. 4 Road and Westminster Highway;
3. The proposed concept to create an endowment fund to provide agricultural benefits, including contribution by the City as noted in the staff report, be approved and for the proposed concept to be included in the "Block Application"; and
4. Council endorse Community Wellness and Enabling Healthy Lifestyles, Urban Agriculture, and Showcasing Environmental Sustainability as outlined in the staff report from the Acting Director of Development dated December 13, 2007, as the preferred uses on the City's portion of the Garden City Lands.



Cecilia Achiam, MCIP, BCSLA
Acting Director of Development

CA:blg
Att.

FOR ORIGINATING DEPARTMENT USE ONLY					
ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER	
Finance.....		Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
Law.....		Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
Parks & Rec.....		Y	<input checked="" type="checkbox"/>	N	<input type="checkbox"/>
REVIEWED BY TAG		YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
			<i>1.2</i>		
REVIEWED BY CAO		YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
			<i>1.2</i>		

Staff Report

Origin

This is the second of a series of three reports on the Garden City Lands (**Schedule 1**). The first report was an update on the Garden City Lands process received for information by the General Purposes Committee on September 17, 2007. It provided information on the background of the Memorandum of Understanding (MOU) partners and consultation with the agricultural community (**Attachment 1**). Pursuant to the MOU, the parties have entered into a Purchase and Sale Agreement based on the MOU conditions. The MOU is subsumed into the Purchase and Sale Agreement and both documents are from here on referred to collectively as the "PSA" in the report. The third report will be the application to exclude the Garden City Lands from the Agricultural Land Reserve (ALR), to be submitted to Council in early 2008.

The purpose of this report is to seek Council's:

1. authorization to execute the final extension of the PSA to December 31, 2008;
2. agreement to submit a City-initiated "Block Application" to exclude the Garden City Lands from the Agricultural Land Commission (ALC);
3. endorsement of the proposed concept to create an endowment fund to benefit agriculture in Richmond and to include this proposed concept in the "Block Application"; and
4. clarification of the City's intended uses on the City's portion of the Garden City Lands.

Following Planning Committee's direction on December 4, 2007, the staff memorandum in response to the November 20, 2007, Planning Committee Referral on Garden City Lands is attached to this report (**Attachment 2**). The staff memorandum included a legal opinion regarding the ramifications for the City if it did not complete its obligations pursuant to the PSA.

The following is an unabbreviated copy of the legal opinion provided by Lang Michener LLP in response to the three questions posed within the referral from the Planning Committee:

1. Can COR approach CLC with a request it sell the Lands to COR for \$10,000,000?

Unless factual matters have changed without notice to us, CLC on its own behalf and MIB through a Limited Partnership continue to be owners each as to an undivided 50% interest in the Lands. CLC holds the 50% interest of MIB in trust for MIB.

Any approach in this regard to sell the Lands would require the agreement of both CLC and MIB.

We expect it is unlikely any sale would be considered by CLC and MIB until it is definitively determined whether the Lands will be removed from the ALR. If the Lands are removed from the ALR, we expect the value of the Lands will rise dramatically.

If it is determined that the Lands will not be removed from the ALR, it is

entirely possible that at that time CLC could sell the lands to MIB as we understand that CLC's mandate is to develop land and not hold it long term for investment. This is not an unrealistic scenario as we understand that MIB has recently indicated a willingness to acquire CLC's interest in the Lands.

2. Can COR abandon the application to remove the Lands from the ALR?

Under Section 4.1 of the PSA, it was a condition precedent that COR Council resolve to recommend to the ALC that the Lands be removed from the ALR. This condition precedent was satisfied in connection with the first application to the ALC by CLC, but because there is a new application by COR to the ALC, COR Council must reconsider and resolve to make a recommendation to the ALC. If COR Council does not make this recommendation, the PSA is terminated.

Under Section 4.2 of the PSA, it is a condition precedent that the Lands be released from the ALR.

This condition precedent has not been satisfied.

Section 4.6(a) of the PSA provides that each of CLC and the City will be entitled, by written notice to all other parties to the PSA, to extend from time to time the date for satisfaction of this condition precedent for 1 or more periods of time which will not exceed 2 years in the aggregate.

This period has been extended by the parties for the 1 year expiring December 31, 2007 and can be unilaterally extended by either CLC or COR until December 31, 2008 without the consent of any other party to the PSA.

In our view, COR does not have the legal ability to withdraw its recommendation to remove the Lands from the ALR while the process for satisfaction of this condition precedent is still ongoing.

Pursuant to Section 3.2, COR is required to employ commercial reasonable efforts to expedite and complete the development approval process (part of which was the Council recommendation), and in our view, if COR were to withdraw the recommendation, this could expose COR to allegations of bad faith and a claim for a breach of contract.

If this condition is not satisfied by December 31, 2007 or, if extended to December 31, 2008 and not satisfied, the PSA is at an end.

3. *What happens to the MOU if the PSA terminates as a result of the non-satisfaction of the condition precedent regarding the release of the Lands from the ALR?*

As a general principle of law, unless the parties otherwise specify, a memorandum of understanding or letter of intent "merges" in the subsequent purchase contract. It is, in effect, superseded and no longer exists unless the parties otherwise specify.

Section 4.6. (c) of the PSA provides only Sections 1(22), 1(23) and 2(1) of the MOU continue to be binding on the parties.

Sections 1(22) and 1(23) provide that if certain events do not occur after the Lands are removed from the ALR which are rezoning, increased FAR or approval of OCP amendment, the parties are to meet to renegotiate to give effect to the spirit of the MOU and Section 2(1) provides for a mediation option should the parties reach an impasse.

In our view, the obligation to renegotiate under these Sections only arises where the City has refused to act in rezoning, increasing the FAR or approving the OCP.

Where the PSA is terminated as a result of the failure to have the Lands removed from the ALR because of the actions of the ALC, Sections 1(22) and 1(23) are not relevant and the MOU is expired.

We do not, at this point, have an opinion how a court would decide this issue if there was ever a challenge of this interpretation.

The MOU is drafted in such a way that there are different interpretations possible.

In addition, recent information in the form of a letter from the Treasury Board of Canada Secretariat clarifying its policy position regarding the future of the Garden City Lands site has been attached (**Attachment 3**). The Secretariat noted that, if the Agricultural Land Reserve (ALR) exclusion application is unsuccessful *"the lands are owned by Canada Lands Company (CLC), not the Federal Government, so it will be up to the CLC to develop appropriate management and/or disposal strategies. There is no automatic reversion of these lands to the Federal Government"*.

Analysis

1. Memorandum of Understanding (MOU) and Purchase and Sale Agreement (PSA)

Extension

Staff recommend that Council endorse an extension of the PSA ending December 31, 2008, to continue the spirit of cooperation and good will. Previously, the partners reached consensus to give a one-year extension ending December 31, 2007, to prepare the second submission for exclusion from the ALR. The preparation of background studies for the Garden City Lands is being lead by CLC and is well underway, but will not be completed by December 31, 2007. It is necessary to extend the PSA a second time to accommodate the ALR exclusion application.

Under of the PSA, section 4.6(a) states that either CLC or the City is entitled to extend the agreement. The maximum extension possible is to December 31, 2008.

2. ALR Exclusion Application (Block Application)

Although the City would be the lead applicant in a "Block Application", CLC would retain its role as project manager in directing the work of the consultants to prepare for the application. A summary of the consultant work covering agricultural capability and viability, community needs for both the Musqueam and the City, and urban design context of the Garden City Lands is provided in (**Attachment 4**) for information. The agricultural capability and viability study will examine the types of viable commercial crops suitable to the agricultural capability of the site, the methods and costs for any required improvements, difficulties for farming given the location of the site and financial viability comparisons with producing similar crops in Richmond and in the wider Lower Mainland region. The community needs assessment for the Musqueam will concentrate on the social and economic needs while the Richmond study will deal mainly with open space and public amenity needs. The Urban Design Context report will examine unique attributes of this site based on it location at the edge of City Centre as well as the opportunities and constraints for the future master plan. It is anticipated that the application will be presented to Council in early 2008 for consideration. The application will incorporate findings from all the consultants.

The September 17, 2007, staff report outlined the concerns cited by the Agricultural Land Commission (ALC) in its rejection of the previous ALR exclusion application (**Attachment 1**). More specifically, in the ALC Minutes (Resolution #431/2006), the ALC noted that "It had been expected that the City would advance the argument for community need for the entire proposal, not simply for the park/open space and trade and exhibition centre components."

In consideration of the ALC position, staff recommend that the City apply for a local government initiated ALR Exclusion Application, commonly known as a "Block Application" (**Attachment 5**) for the following reasons:

- The City is the best candidate to represent "community needs" for Richmond¹. Richmond can best articulate its vision for public amenities and alleviate resident concerns about the

¹ The City has completed extensive studies and policies review affecting the site. A partial list includes:
(a) the City Centre Area Plan Study (CCAP) under way, the Council adopted West Cambie Area Plan (WCAP) by Planning and Development Department;

eventual land use on both the Public Land and the development land by taking the lead as “applicant” on behalf of the PSA partners;

- Under the PSA Agreement, the site development will follow municipal regulatory processes including extensive community consultation as part of the amendment to the Richmond Official Community Plan (OCP), Rezoning Application and Development Application processes. Again, the City is in the best position, out of the three partners, to represent this process;
- A “Block Application” requires the City to conduct a Public Hearing PRIOR to submitting the application to the ALC. This will give Richmond residents opportunities to provide direct input to Council at the front of the end of the process; and
- The “Block Application” process will also provide the ALC with the option to rely on the local government public consultation process instead of holding its own public process which would likely be less rigorous and open.

Separate from the City’s role to represent Richmond’s community needs, the City will also be advocating community needs on behalf of the Musqueam as part of the ALR exclusion application. It is important to note that the financial resources from the development of the CLC/Musqueam portion of the Garden City Lands is crucial in enabling the Musqueam to address some of their pressing community needs, including but not limited to, economic sustainability, housing on the Reserve, social programs and services, employment, and cultural and heritage legacy.

Public Consultation for Block Application

Based on previous discussions, staff believe that Council wishes to consult broadly throughout the process. A comprehensive public consultation process, in addition to the requisite Public Hearing for a “Block Application”, will be followed to ensure comprehensive public involvement and outreach to as many Richmond residents as possible. There are three crucial phases for public engagement on the Garden City Lands process.

Phase I: The first phase is the time after Council endorsement of the Block Application but before the Public Hearing. This is the opportunity to inform the public about all facts relating to the Garden City Lands, the partners and the partnership structure, as well as generating ideas for public amenities on the City’s portion of the Lands and principles to guide potential future urban development on the CLC/Musqueam portion of the Garden City Lands.

A series of public engagement activities, including a minimum of three public open houses, are planned to be held at various locations throughout Richmond. The open houses and communication materials will be managed by CLC with comprehensive input from the City. The open houses will be jointly attended by the partners and the consultant team. The purpose

-
- (b) the Parks, Recreation and Cultural Services Master Plan, which includes the community needs assessment 2001 and the Facilities Strategic Plan endorsed by Council, June 25, 2007. Richmond Field Sport Strategy 2001-2011 (reference to improving facilities), Major events Plan 2007-2012 adopted by Council in 2007, (field sports tournaments); and
 - (c) the Richmond Food System Assessment prepared by the Richmond Poverty Response Committee which was received for information by Council and the Richmond Agricultural Advisory Committee February and March of 2007.

of the public engagement will be to inform and consult Richmond residents. The topics will range from factual information about the site, such as the legal ramifications of the PSA; the aspirations for the site, including imageries of the potential development built forms and ideas and images of the open space and community uses for the site; and CLC's development track record throughout the Country and its mandate to leave lasting legacies in each of the communities it works in. This latter aspect will distinguish CLC from private sector developers who would reflect a more prevalent commercial interest in their development plans.

Details on the dates, location and presentation material/discussion topics for these public engagement activities are still being developed and an update will be presented to Council in the near future. The following is a summary of the public engagement activities completed or contemplated to date:

Phase I Public Engagement Activity	Status
The Richmond Community Poll.	Results presented to the General Purposes Committee on September 17, 2007.
Creation of web link on the City website to provide information (e.g., Council reports, Richmond Community Poll results) and notice for public consultation opportunities.	On going.
Media reports and letters to the editor.	On going.
Several open houses at convenient locations other than City Hall; such as shopping malls and community halls in various locations throughout Richmond with interpretation information/services available.	After Council endorsement of Block Application and before Public Hearing (Anticipated to be early in 2008)
Mail-drop to respond to frequently asked questions about the PSA, Garden City Lands and the ALR, as well as encourage residents to actively participate in the public consultation processes on the Garden City Lands.	After Council endorsement of Block Application and before Public Hearing (Anticipated to be early in 2008).
Provide community outreach to meet with specific community organizations/groups upon request (e.g., to date, staff have attended the Richmond Sports Council and have provided an informational package to the Richmond Chamber of Commerce upon their request).	On going.
The requisite development site signs for the Block Application.	To be carried out at the appropriate time.

It is anticipated that the extensive public consultation in Phase I will provide a solid factual foundation for Phase 2 of the public engagement process.

Phase 2: The more formal public consultation process will be the Public Hearing which is part of the Block Application requirement. Given the interest expressed by Richmond residents on Garden City Lands, it is anticipated that the Public Hearing may take several nights and the availability of multiple dates will be announced to the community. While the idea of holding Public Hearings at satellite locations has been considered, it is believed that Council

Chambers at City Hall is the best location for a Public Hearing because of the available audio/visual technologies and seating capacity.

Phase II Public Engagement	Status
The requisite public notices including but not limited to newspaper and written notices for Block Application Public Hearing.	To be carried out at the appropriate time.
City of Richmond Public Hearing.	To be carried out at the appropriate time.

Phase 3: The ALR Exclusion Application is not intended to replace the Master Planning process on the Garden City Lands. If the ALR Exclusion is successful, detailed planning work and comprehensive public consultation with Richmond residents and stakeholders will take place as part of the Master Planning exercise for the site once the exclusion from the ALR is granted. In addition, Richmond Official Community Plan (OCP) Amendment, Rezoning and Development Permit processes, which include all opportunities for public input, will apply.

3. Benefits to Agriculture in Richmond

In preparation for the ALR Exclusion Application, staff have worked closely with the Richmond Agricultural Advisory Committee (RAAC) between March and September 2007 to explore ideas on how best to contribute to Richmond's agricultural community if the Garden City Lands are taken out of the ALR. A variety of options (**Attachment 6**) were discussed, but the RAAC preferred not to decide on any specific projects as part of the discussions to date, to maintain maximum flexibility.

The RAAC endorsed the concept of creating an agricultural endowment fund to benefit agricultural at its May 2007 meeting. The RAAC also provided the opinion that any endowment should be financially substantial so that its impact can be sustained over the long term and must incorporate a flexible delivery mechanism to enable the agricultural community to respond to issues and projects as they arise over time. Staff note that the endowment could be used in a variety of ways including education and research, improvement to soil to increase productivity, production technologies, buying land to add to the ALR if the opportunity arises, and so on.

Agricultural Endowment Fund

Staff have obtained agreement from both CLC and Musqueam to create an agricultural endowment fund of approximately \$10,000,000 to be collected over a 10-year period as a

² The City has completed extensive studies and policies review affecting the site. A partial list includes:
 (d) the City Centre Area Plan Study (CCAP) under way, the Council adopted West Cambic Area Plan (WCAP) by Planning and Development Department;
 (e) the Parks, Recreation and Cultural Services Master Plan, which includes the community needs assessment 2001 and the Facilities Strategic Plan endorsed by Council, June 25, 2007. Richmond Field Sport Strategy 2001-2011 (reference to improving facilities), Major events Plan 2007-2012 adopted by Council in 2007, (field sports tournaments); and
 (f) the Richmond Food System Assessment prepared by the Richmond Poverty Response Committee which was received for information by Council and the Richmond Agricultural Advisory Committee February and March of 2007.

consideration of the rezoning process for the developable portion of the Garden City Lands. The focus of the endowment and the details of an accompanying delivery mechanism can be developed in consultation with the Richmond agricultural community if approval is obtained for exclusion of the Garden City Lands from the ALR. However, an important first step has been achieved by obtaining the support of both the CLC and Musqueam to contribute to the agricultural endowment fund prior to submitting the Block Application. (**Attachment 7**).

If the ALR Exclusion Application is successful, the PSA partners will consult with the Richmond Agricultural Advisory Committee to develop the focus and delivery mechanisms for the endowment and staff will present the outcome to Council for consideration and approval. The RAAC has advised that it wishes to incorporate extensive consultation with the agricultural community regarding the endowment at the appropriate time. Staff believe that further, future consultation is appropriate to ensure that the endowment provide a lasting contribution to the viability and sustainability of farming in Richmond over the long term.

Timing of Endowment Payment and City Contribution

The CLC/Musqueam contribution to the Endowment fund is proposed to be \$2.00/ft² of development and would be paid as development on the site occurs. This will be in addition to other community amenities that are normally expected as considerations for approving a rezoning.

Based on the understanding in the PSA, it is anticipated that the project may generate between 467,830 m² (5,035,500 ft²) to 584,790 m² (6,294,800 ft²) of floor area³ depending on the approved and subsequent built out density on the development sites. Depending on the floor area of the development, the endowment may exceed \$10,000,000. Staff have obtained verbal agreement from CLC that a minimum of \$5,000,000 of the endowment would be paid within five years from receipt of 3rd Reading for rezoning, and a further \$5,000,000 would be paid within 10 years from receipt of 3rd Reading as well. Beyond these guarantees, timing for receipt of funds for the endowment would be determined by market forces.

The RAAC has advised that the Richmond agricultural community would like to realize the full benefit from the Garden City Lands agricultural endowment fund as soon as possible. This would require that the City of Richmond top up the annual income comparable to the interest that a \$10,000,000 endowment would generate in the interim until the full contribution into the endowment is received from CLC/Musqueam. Staff believe that it would be appropriate for the City to commence such contributions once subdivision of the site occurs and the City obtains title to the Public Lands. In a worst case scenario, the maximum total financial contribution from the City would be approximately \$3,750,000 over ten years. It is noted that in the event that exclusion is not successful, no payment would be required from any of the parties.

The City may implement an agricultural endowment funding scheme based on the recently enacted section 905.1 of the Local Government Act (LGA). Under this section of the LGA, Council may enter into development agreements on a site-by-site basis at the time of rezoning.

³ Based on 57.8 ac of net development site (i.e. gross development site of 68 acres less 5% (3.4 acres) of site area for parks less 10% (6.8 acres) for road) x 2.0 F.A.R and 2.5 F.A.R.

In return for an agreement not to downzone the subject lands for the duration of the development agreements (10 years with possible renewal) after the applicant's rezoning has been adopted, Council may rely on terms and conditions in the development agreement under which the developer must provide amenities or cash for amenities. The development agreement would be secured by registration of covenants on title.

Funding Sources for City's Contribution to the Endowment

If the City's contribution to top up the annual endowment income is approved, Finance staff propose that the funding source for the City's contribution be determined as required. The contribution can be funded through either annual surplus appropriation or submissions through the annual operating and/or capital budgets as applicable since the timing for the City's contribution to the endowment fund has not been determined and is subject to a variety of factors including but not limited to the timing for ALR exclusion, rezoning and subdivision of the site.

If Council endorses the proposed concept to provide agricultural benefits staff will include the proposed endowment concept in the "Block Application".

Partnership to Promote Urban Agriculture

In addition to the proposed endowment, staff have been actively pursuing partnership opportunities to promote urban agriculture.

For example, staff are in discussion with Kwantlen University College and its research/outreach arm, the Institute for Sustainable Horticulture (ISH) regarding a possible partnership to establish an Urban Agriculture Research and Education Centre in Richmond. Researchers from ISH are already involved in some of the food security projects at Terra Nova Park such as the Fruit Tree Sharing Program. A portion of the public land on the Garden City site may be an ideal location for demonstration plots as part of the proposed ISH initiatives given its proximity to the Kwantlen University College Richmond Campus and proximity to urban development and residents in City Centre.

The goal of the ISH is to develop a research, teaching and demonstration farm facility for advanced research to promote a viable, sustainable, food production in the urban and urban-rural interface. The programme is envisioned to include formal education (certificates, diploma and degree program in urban agriculture); continuing education (seminars, workshops, conferences, non-credit classes, demonstrations and field days); research (e.g., biologically based pest management, soil fertility/compost management, companion cropping, regional food systems, post production handling, etc.); and outreach and development (e.g., booklets, fact sheets, web site, working with stake holders such as community organizations with interest in food security and green roof technologies. Staff to staff discussions regarding possible projects will continue and progress will be reported to Council in the future.

4. Proposed Public Amenity Uses for Public Consultation

There is considerable potential and community value of 65 acres of open space at the Garden City Lands. The future of the Garden City Lands has been broadly discussed in the community, and the range of community interests has revealed multiple interests for park and open space uses.

The Garden City Lands are critical to the future of a sustainable and livable City because of its location to the city centre.

- a major open space on the east side of City Centre would serve the needs of the surrounding residential and mixed-use neighborhoods within a reasonable distance (800 metres).
- the proximity to the ALR provides the context for the creation of a unique landscape that contains not only public amenity but also a setting to raise awareness of that proximity and the importance of the ALR.
- The Garden City Lands are at the terminus of a linear park and major greenway proposed for Lansdowne Road, connecting to the Olympic Oval and the waterfront, creating a uniquely interconnected and accessible system of major public open spaces.

The detailed Master Plan for the Garden City Lands will be prepared if an ALR Exclusion Application is successful. In the interim, staff recommend that Council clarify its position regarding the type of uses envisioned on the City's portion of the Garden City Lands. Based on discussions to date, staff believe that Council's preference is to provide open space uses rather than buildings and structures on the City's portion of the Garden City Lands

At this stage of planning, staff believe that the most appropriate uses for the Garden City Lands fit into these three purposes:

Community Wellness and Enabling Healthy Lifestyles

As a City committed to maintaining and improving community wellness and healthy lifestyles, the provision of a variety of outdoor public amenities is necessary to serve a growing population. Examples of these amenities include: passive and active parks and open spaces, trails and pedestrian connections, play spaces for all ages and abilities, gathering places for community celebration, and youth oriented activity zones. In addition, a range of outdoor community sport amenities and playing fields is envisioned to provide increased capacity for community use and for tournaments.

Urban Agriculture

The interest for urban agriculture is demonstrated by the demand for community gardens in Richmond. The City has constructed community gardens in four locations across the City and maintains lengthy waitlists for garden plots. The Garden City Lands could be a model for meeting the need for urban agriculture. The Garden City Lands and its location at the

⁴ Based on 57.8 ac of net development site (i.e. gross development site of 68 acres less 5% (3.4 acres) of site area for parks less 10% (6.8 acres) for road) x 2.0 F.A.R and 2.5 F.A.R.

urban/agricultural interface presents a tremendous opportunity to engage the community in awareness building and active programming related to agriculture and food security.

Showcasing Environmental Sustainability

The Garden City Lands could play a significant role in showcasing environmental sustainability. This could both mitigate the impacts of urban development and to integrate environmental resources into urban areas. The size and location of the Garden City Lands could present a unique opportunity to develop another environmental showcase such as the establishment of wetlands for storm water management and habitat, the creation of an urban forest would contribute to improved air quality, alternative energy technologies and improving the city's resilience to climate change.

The Garden City Lands represent a unique opportunity to provide a broad range of public amenities integrated with significant urban agricultural and environmental features.

5. Potential Community Benefits from the Garden City Lands Partnership

If the ALR exclusion is successful, there will be significant benefits to the City. By meeting the City's obligations as stipulated in the PSA, the City will be able to purchase 50% (68 acres) of this strategically located site for \$4,700,000, which is significantly below current market value for park land in the City Centre. Ownership of 68 acres of public open space will go a long way in achieving the park and open space requirement envisioned in the City Centre Area Plan and provide maximum flexibility to address community needs described above. In addition, City jurisdiction will be applicable for the entire site including the CLC/Musqueam portion of the land. In this way, public input on the future development of the entire site will be assured.

It is envisioned that any future development on this site will conform to the principles set out in the City Centre Area Plan Study. The plan envisions a "complete community" based on sustainability practices such as affordable housing, green roofs, LEED certification, community gardens, alternative energy sources (e.g., geothermal district utilities), and Transit Oriented Development that emphasis public transit and high quality pedestrian realm.

Finally, Garden City Lands is not currently contributing to agriculture in Richmond. The establishment of a \$10,000,000 endowment will provide direct benefits to agriculture in Richmond that is not currently possible. City ownership of a portion of the site also opens up partnership opportunities to explore innovations to address food security and urban agriculture.

Financial Impact

City's Contribution

If the ALR exclusion application is successful, the City will be responsible to top up the annual interest earned on the proposed \$10,000,000 endowment for up to ten (10) years. The City's maximum contribution would be \$3,750,000. This amount may be reduced if the real estate market remains strong and the endowment is fully established in less than the anticipated 10-year period.

Opportunity Costs

As noted above, the strategic value of acquiring 68 acres portion of Garden City Lands for less than \$9,000,000 (\$4,700,000 purchase price + maximum agricultural benefit contribution of \$3,750,000) is immense. It is also prudent to consider the consequences of the City not taking any action.

Of the three PSA partners, the City is the only one that does not have legal claims or entitlement to this land. Besides having to purchase additional alternate land to meet our community needs for parks and open space in and around City Centre for much higher costs, the City and its residents risk losing control of future development on the Garden City Lands.

Conclusion

The partnership with CLC and the Musqueam as stipulated in the PSA currently in place provides certainty with respect to process and tenure. This is a once in a life time opportunity for the City to take charge of the Garden City Lands.

The City will be able to acquire a significant portion of the site for public amenities with an emphasis on parks and open space; have regulatory control on how the remainder of the site is developed and to recognize the Musqueam's aboriginal rights to the lands and support their efforts to address some of their pressing community needs. Any deviation from the PSA will put the City's negotiated interest in the Lands in jeopardy. As such, staff recommend the following:

1. The Mayor and City Clerk be authorized to execute an agreement to extend the Purchase and Sale Agreement for a one-year period ending December 31, 2008;
2. Staff submit a "Block Application" to the Agricultural Land Commission (ALC) for the exclusion of 5555 No. 4 Road;
3. The proposed concept to create an endowment fund to provide agricultural benefits and to include the proposed concept in the "Block Application" be endorsed; and
4. That Council clarify the City's intentions and endorse Community Wellness and Enabling Healthy Lifestyles, Urban Agriculture, and Showcasing Environmental Sustainability as the preferred amenity uses for the City's portion of the Garden City Lands.

The opportunity costs for not proceeding with the Garden City Lands is enormous.



Cecilia Aohiam, MCIP, BCSLA
Acting Director of Development
(Local 4122)

CA:blg

Schedule 1: Location Map and Aerial Photo

Attachment 1: Garden City Land Update Report to General Purposes Committee on
September 17, 2007

Attachment 2: Staff Memorandum and attachments on Garden City Lands to December 4, 2007
Planning Committee in response to Planning Committee Referral of November 20,
2007
Agricultural Land Reserve Data

Attachment 3: Letter from Treasury Board dated December 4, 2007

Attachment 4: Update on Consultant Work

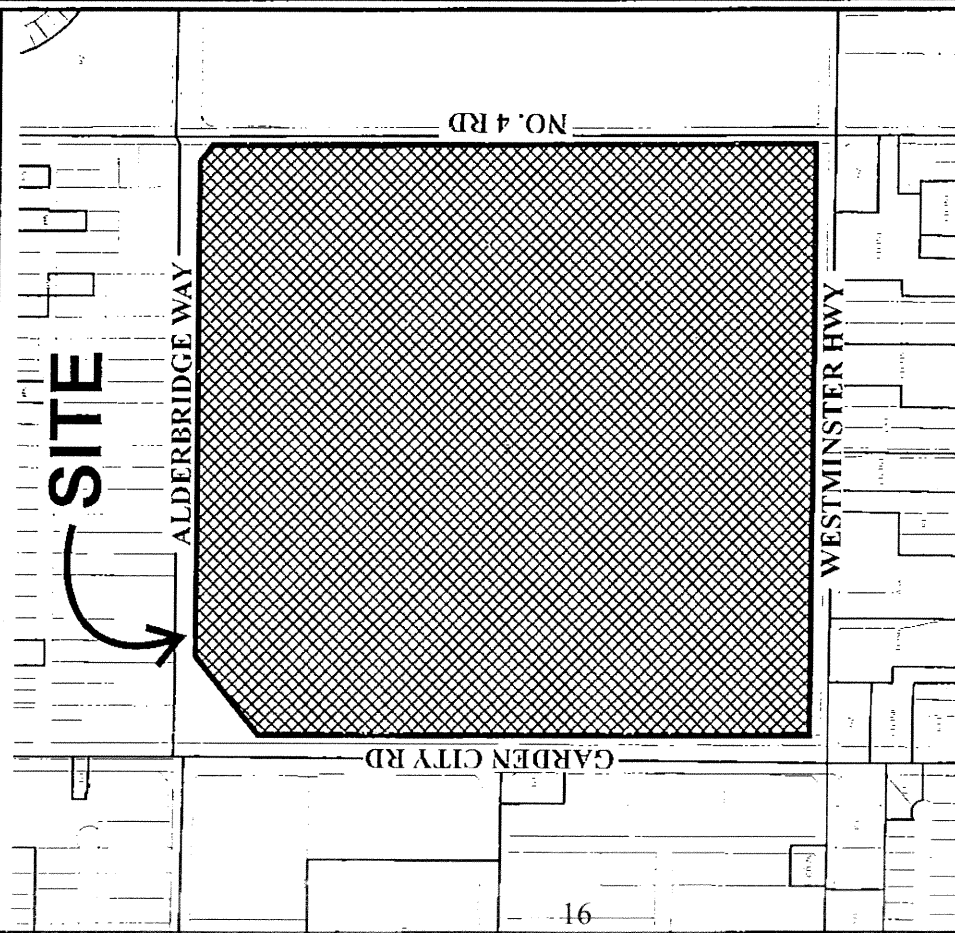
Attachment 5: What is a Block Application?

Attachment 6: Agricultural Benefit Options discussed with Richmond AAC

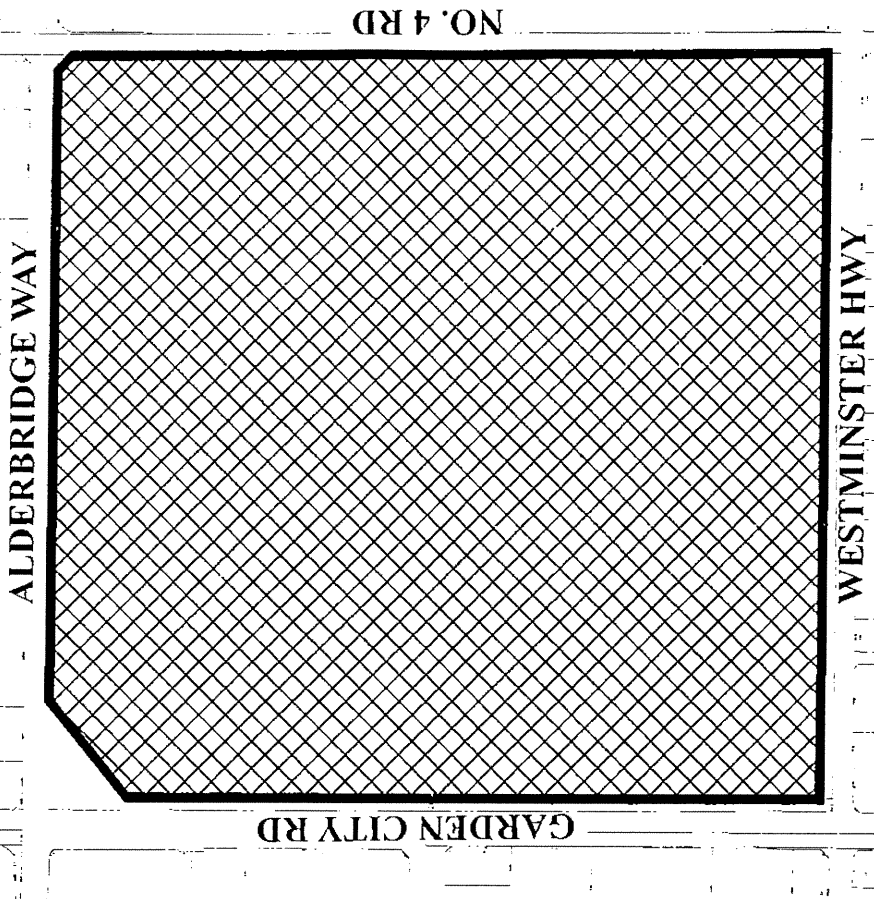
Attachment 7: Letter from Canada Lands Company committing to the amenity contribution



City of Richmond



16



Subject Site

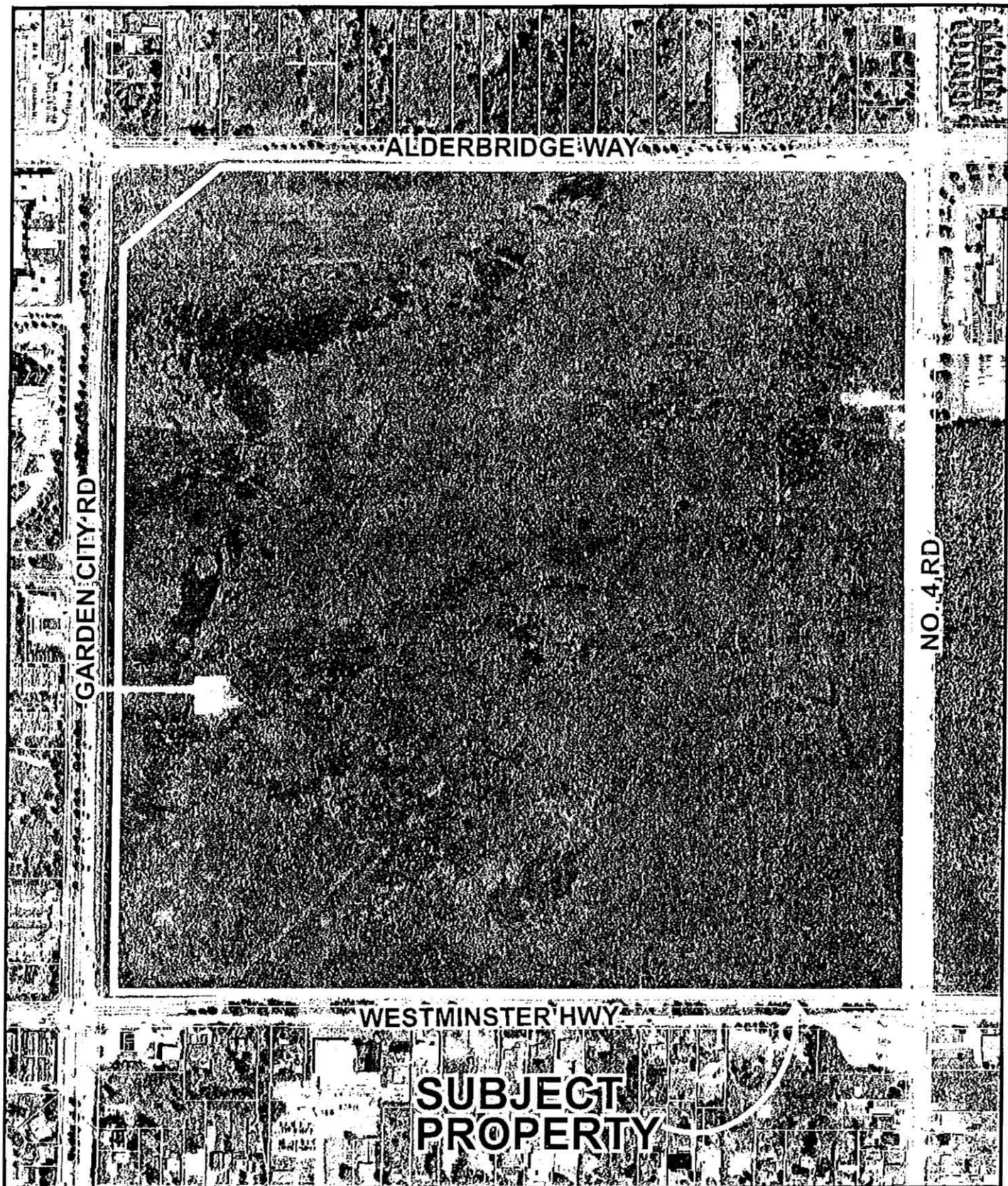
5555 No. 4 Rd (Garden City Land)

Schedule 1

Original Date: 08/30/07

Revision Date:

Note: Dimensions are in METRES



Subject Site

5555 No. 4 Rd (Garden City Land)

17

Original Date: 08/30/07

Amended Date:

Note: Dimensions are in METRES



City of Richmond

Report to Committee

To: General Purposes Committee
From: Wayne Craig
 Acting Director of Development

Date: August 30, 2007
File: 08-4105-04-02/2007-Vol
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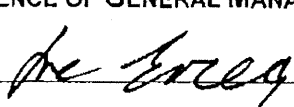
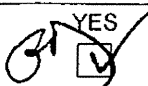
Re: Garden City Land (5555 No. 4 Road) Update

Staff Recommendation

That Council receive this report for information.


 Wayne Craig
 Acting Director of Development

CA:blg
 Att.

FOR ORIGINATING DEPARTMENT USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES  <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

The signing parties to the Memorandum of Understanding (MOU) extended the MOU for Garden City Land to facilitate a forthcoming new Agricultural Land Reserve Exclusion Application.

The purpose of this report is to:

1. Ensure that Council is reacquainted with the background of the MOU and familiar with the MOU partners including the Canada Lands Company (CLC) and the Musqueam First Nation.
2. Give an update on the process and time line of the project and describe the reports that staff will be bringing forward for the balance of 2007;
3. Provide a brief update on the consultation process with the Richmond Agricultural community and the work being completed by the consulting team; and
4. Present preliminary information on the Richmond Community Survey commissioned by CLC on behalf of the MOU partners.

Background

Site History

In 2001, the Department of Fisheries and Oceans (DFO) declared the approximate 136 acres of Garden City Land (at 5555 No. 4 Road) bounded by Garden City Road, Alderbridge Way, No. 4 Road and Westminster Highway surplus, and in November 2003 received Treasury Board approval to transfer the land title to the Canada Lands Company (CLC). This land is considered to be within traditional Musqueam Indian Band territory.

In January 2004, the Musqueam was granted a Court Injunction, preventing the transfer of the land to the City until their long-standing interest in the Garden City Land was satisfactorily recognized and accommodated for. On March 18, 2005, following a period of intense negotiations, the Musqueam First Nation, the City of Richmond and the CLC reached an agreement, sharing the land between the three parties in a landmark Memorandum of Understanding (MOU).

In 2006, CLC made an unsuccessful application to remove it from the Agricultural Land Reserve (ALR). Subsequently, in 2007, the signing partners of the MOU extended the MOU and are in the process of preparing a new ALR Exclusion Application for submission.

Memorandum of Understanding

The MOU is a tri-party agreement that has provisions of two extensions of one year each. The agreement is in the first extension period. The execution of the MOU is subject to the land successfully being taken out of the ALR. If the land remains within the ALR, the MOU becomes invalid and the land will likely become entangled in a lengthy court case/treaty negotiation; neither crown land, nor treaty land is subject to ALR or local zoning regulations and bylaws. Under the MOU:

- 50% of the land would go to the City of Richmond for public use (approximately 68 acres) including parkland, green space and other public amenities such as recreational or cultural facilities and a trade and exhibition centre, and 25% each to the CLC (approximately 34 acres) and Musqueam First Nations (approximately 34 acres) for a joint venture development.
- The City would pay \$4.77 million for its share (approximately 54.5%-72.5% of the site) as valued at the time of the MOU.
- Any development by the CLC and the Musqueam First Nation on the land must go through Provincial and Municipal land use approval processes, integrate with the Official Community Plan (OCP) and comply with City zoning bylaws. This process will enable public and Council to provide further input into the development of the land.

Memorandum of Understanding Partners

The following provides a brief description of CLC and its projects and how the MOU can address some of the community needs of the Musqueam.

1. Canada Lands Company

The Canada Lands Company CLC Limited (CLC) is an independent Crown corporation created by the Federal Government in 1996 with a specific mandate to 'optimize the financial and community value obtained from strategic properties deemed surplus to Federal program purposes'. In carrying out this mandate, CLC purchases properties from the Government of Canada, improves and revitalizes them, and then manages or sells them in order to produce the best possible benefit for both local communities and Canadian taxpayers.

The CLC is currently active in 22 Canadian municipalities. One of their most recent developments in British Columbia is a 153-acre site known as "Garrison Crossing" in Chilliwack (a former military barracks, largely untouched since World War II). Garrison Crossing includes the refurbishment of 235 former military single and multi-family homes on the base, as well as a variety of new single and multi-family units. It will feature sustainable practices, over 8 acres of public open space including a heritage woodlot (2.5 acres) with extensive native species. Furthermore, creative construction methods are incorporated to preserve old growth trees on the site. For example, roads have been built around trees; holes have been drilled under root systems and trees have been relocated.

CLC has worked extensively with the governmental agencies and the community in Chilliwack throughout the planning stage. When completed, Garrison Crossing will be a new community of approximately 1500 residential units planned around a new pedestrian-oriented retail centre (with approximately 90,000 ft² of commercial space to provide local services such as grocery store, drug store, banks and restaurants). A new network of all-weather gravel pathways connecting the residents with the amenities will link the entire neighbourhood. The proposed amenities includes a community recreational facility converted from former military building with an indoor pool, outdoor spray park, picnic areas, children's play area and a new network of all-weather gravel pathways connecting the amenities.

2. Musqueam

For thousands of years, the resources on land, which included the City of Richmond, are part of the traditional territory of the Musqueam people and supported their community. Today, the Musqueam people live on a very small land base that cannot meet their economic, social, cultural, employment, and residential needs. The Garden City Partnership will provide the opportunity to address some of the Musqueam needs and create a lasting legacy.

- **Economic Sustainability:** Create the financial resources to move the Musqueam people from a semi-dependant community to a self-sufficient one that will service the social, health, educational and community programs for generations of Musqueam members
- **Housing:** There is currently over 230 people on the band housing priority list and significant financial resources will be required to address this problem and avoid the negative consequences of over crowding, forced departure from the community, and homelessness.
- **Social Services:** The Musqueam community is challenged by the combination of a growing elder population and a significant increase in the young members of the band. Insufficient resources are available to sustain social, educational, recreational, and health programs for both the elderly and youth.
- **Employment:** The Garden City Land partnership will provide the opportunity for training and direct employment as part of the multi-year development of the property. Jobs in the construction, real estate, urban planning and marketing fields would be examples of the areas where direct employment and training could occur. In addition, there may be the opportunity for Musqueam businesses to participate in the commercial elements created on the site.
- **Culture and Heritage:** Recognizing the historic connection the Musqueam people have with these lands, the opportunity is available to physically present their heritage in the form of traditional art works on the site. There is also the potential for the creation of an interpretive centre to showcase their heritage, traditional arts, and culture to provide a lasting focal point for the expression of their heritage and culture.
- In addition to improving the economic well being of the Musqueam, another lasting legacy is the leadership demonstrated by the representatives of the three levels of Government in creating this historic partnership that will be an example to other first nations on how the relationship between the parties was moved from litigation, mistrust, and conflict to a partnership that brings lasting benefits to all.

Analysis

Consultation with the Richmond Agricultural Community

The previous Agricultural Land Commission (ALC) exclusion application was not supported by the Richmond Agricultural Advisory Committee (RAAC) and rejected by the ALC in 2006 for these reasons:

- it did not address agricultural viability and suitability of the site;
- lack of demonstrable benefit for agricultural viability in Richmond;
- lack of convincing community need arguments; and
- the proposal was inconsistent with preservation of agricultural land.

A multi-disciplinary consulting team with expertise in site planning, agricultural and environmental assessment, civil, soils, geotechnical and transportation engineering, recreational and community needs, economic viability and public consultation has been engaged to prepare the forthcoming ALR exclusion submission. The team has completed field work and are preparing various technical reports on soils, community need for the Musqueam and agricultural viability of the site. In addition, the team is exploring some preliminary land use scenarios based on the MOU for financial feasibility analysis and compatibility with the Council endorsed City Centre Area Plan Study.

The team has also been seeking input from the Richmond agricultural community through the Richmond Agricultural Advisory Committee (RAAC) and the Richmond Farmers Institute (RFI) to formulate a strategy to address benefit for agricultural viability in Richmond. It is anticipated that a new ALR exclusion application will be submitted to Council before the end of 2007. This active consultation with the agricultural community will help shape the strategy to provide agricultural benefits to be incorporated into the forthcoming ALR exclusion application.

The RAAC is adamant that any proposed benefits to agriculture derived from the Garden City Land must not be in-lieu of implementation of projects that are already included in the City's work program, such as those identified in the East Richmond Agricultural Water Supply Study presented to the Public Works and Transportation Committee on June 21, 2006. The Garden City Land ALR Exclusion Application will include provisions for agricultural benefits that are the direct result from developing the Garden City Land.

Next Steps

Staff will be bringing two additional reports to Council in the next few months based on the findings and recommendations from the consultants upon completion of their studies and analysis. The first report will seek Council approval for the City to be the applicant for the ALR Exclusion Application and endorsement of an agricultural benefit package for inclusion into the application after completing the pre-application phase of consultation with the Richmond agricultural community through the RAAC. The second report will be the ALR Exclusion Application submission prepared by the consultant team. The application will address all the issues identified by the ALC outlined earlier in this report.

In addition, CLC intends to conduct community outreach to clarify the MOU and introduce itself and its development track record to Richmond residents throughout the Fall of 2007. Formal public consultation process will be conducted as part of the ALR Exclusion application process.

This table summarizes the proposed timeline of the Garden City Land process for 2007.

TASKS	2007												2008
	J a n	F e b	M a r	A p r	M a y	J u n	J u l	A u g	S e p	O c t	N o v	D e c	?
MOU Team-conduct research and prepare ALR exclusion application													
Pre-Application Consultation with Richmond farming community (RAAC & RFI)			▲	▲	▲		▲	▲	△				
Council Update									▲	△			
Community Outreach												
ALR Exclusion Application & Referral (including stakeholders & public consultation/outreach)												

LEGEND

→ currently on-going process
 future process

▲ task completed
 △ future task

Related Initiatives/Studies Completed or Currently Underway

The following table summarizes some of the key initiatives/studies that are either under way or completed by various sources. Applicable information from these studies and other sources will inform the preparation of the upcoming Garden City Land ALR exclusion application. The Richmond Community Survey is highlighted given its interesting insights into the community's perspective.

Agency	Initiative/Study	Date
City of Richmond	Richmond Agricultural Viability Strategy	February 03
	Parks, Recreation and Cultural Services Facilities Strategic Plan	June 07
	East Richmond Agricultural Water Supply Study	May 06
	Parks, Recreation and Cultural Services Master Plan for 2005-2015	July 07
	City Centre Area Plan Update	Current-concept endorsed by Council (February 6/07)
MOU Partners	Musqueam Community Assessment	Current
	Geotechnical Analysis	Current
	Agricultural & Environmental Assessment	Current
	Land Use Concepts	Current
	Richmond Community Survey	June-August 07

The Richmond Community Survey

This survey of community attitudes in Richmond was commissioned by CLC to understand public views regarding the Garden City Land tri-partite agreement and to place those views within the broader community agenda. Four focus groups were conducted to help develop specific items for the survey prior to it being administered to 508 Richmond residents between July 26-29, 2007, including 106 in the immediate vicinity (the area bounded by No.3 Road, Cambie Road, Highway 99 and Granville Avenue) of Garden City Land, and 402 in the broader community.

These questions were designed to understand the priority issues for Richmond residents and their awareness of issues related to the Garden City Land. Topics included:

- public awareness of the Musqueam injunction and public views on litigation versus negotiations
- general knowledge on the Garden City Land MOU and the MOU partners
- attitudes towards ALR and its application to the Garden City Land
- explore local Richmond issues that are important to the public
- assess public opinion on potential public amenities on the Richmond portion of the Garden City Land; and
- discover public attitudes regarding growth, density, land claims, public amenities and green space

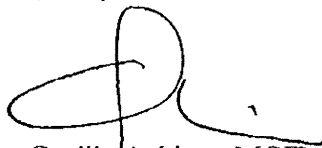
Among other findings, the preliminary results indicates that Richmond residents are moderately in support of the MOU, want to protect green space and have a desire for a range of public amenities to be incorporated on the site. The final results are being compiled now and the consultant will be available to present the completed analysis and findings of the survey at the General Purposes Committee Meeting on September 17, 2007 as part of the presentation of this staff report.

Financial Impact

No impact at this point. Financial impact to the City with respect to the Garden City Land ALR exclusion application will be discussed in a separate report to General Purposes Committee following the September Richmond Agricultural Advisory Committee.

Conclusion

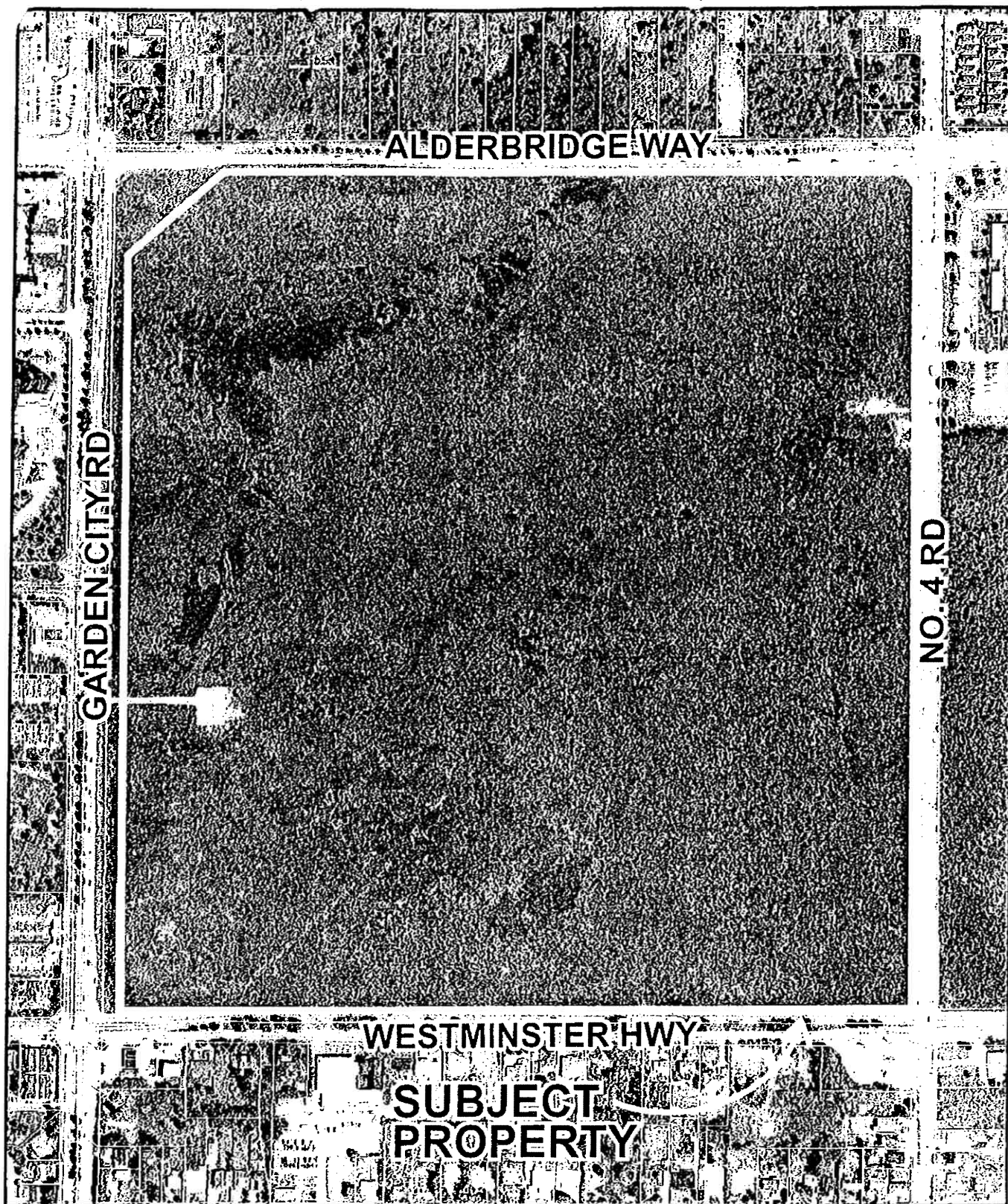
The City's full participation in the Garden City Land to achieve public benefits is predicated on the Memorandum of Understanding (MOU) which is subject to an Agricultural Land Reserve (ALR) exclusion of the Garden City Land.



Cecilia Achiam, MCIP, BCSLA
Senior Coordinator, Major Projects & Development Applications
(Local 4122)

CA:blg

Attachment 1: Location Map and Aerial Photo



Subject Site:
5555 No. 4 Rd (Garden City Land)

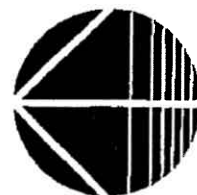
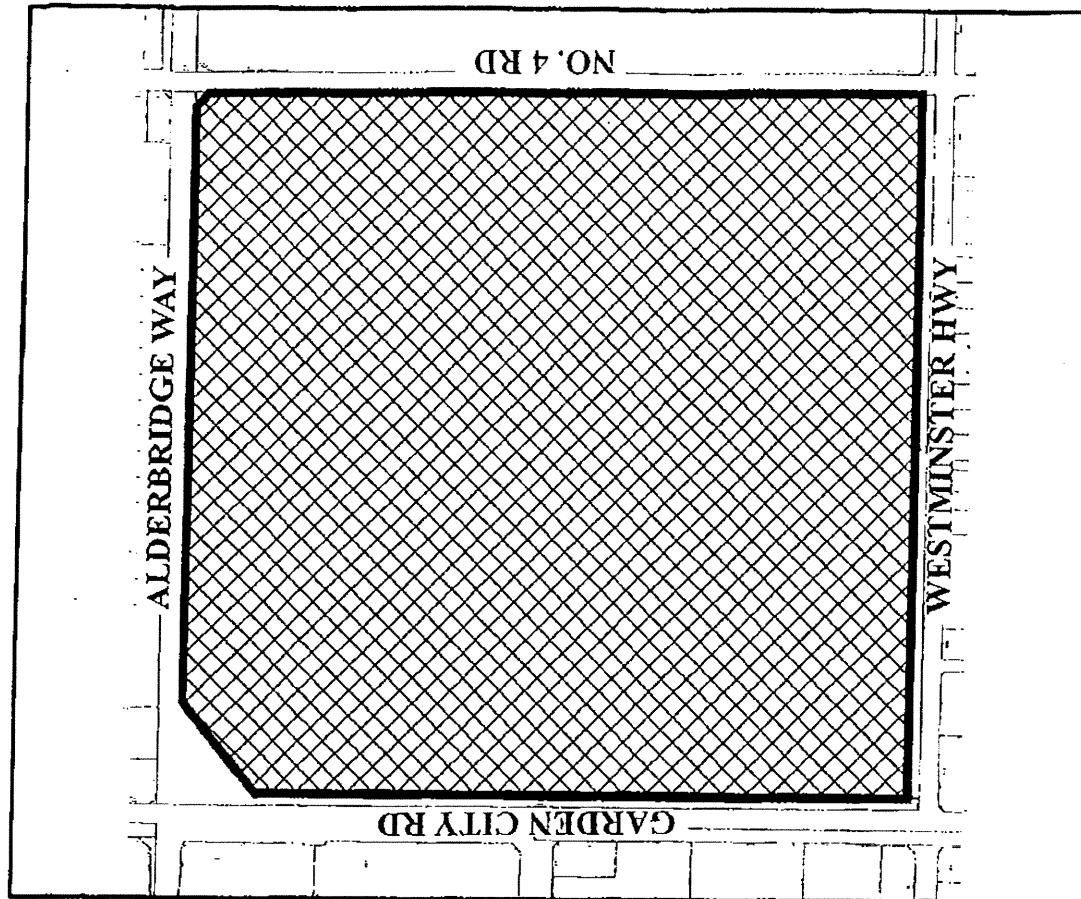
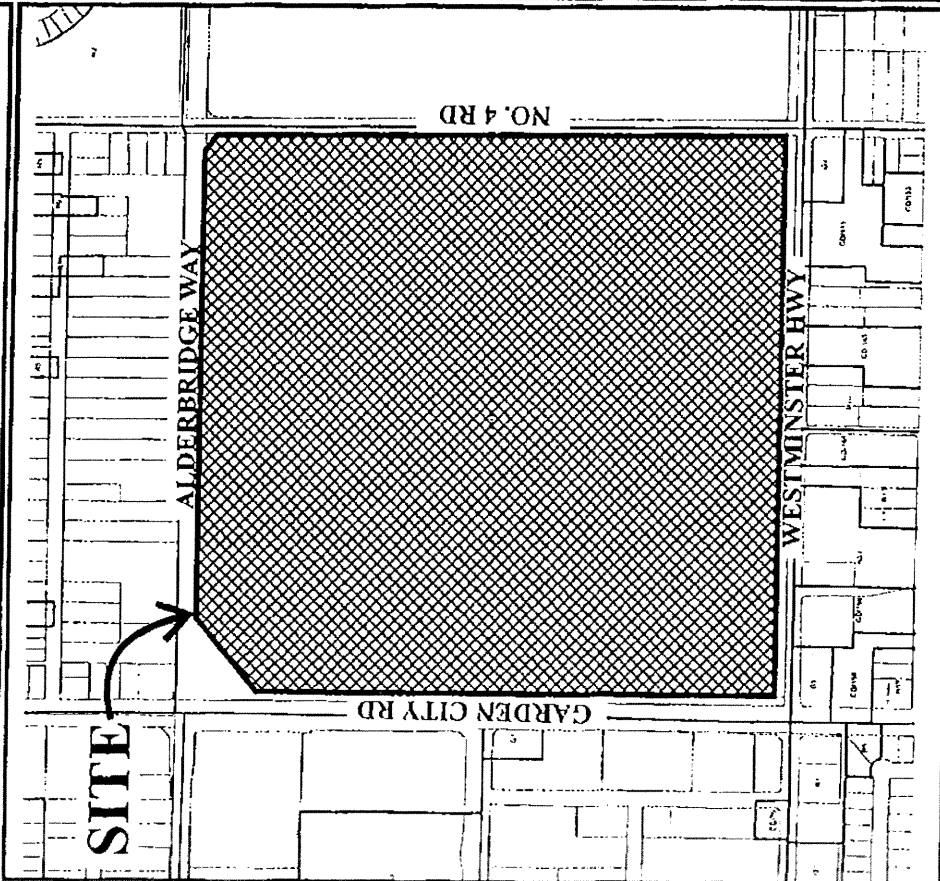
Original Date: 08/30/07

Amended Date:

Note: Dimensions are in METRES



City of Richmond



Subject Site:

5555 No. 4 Rd (Garden City Land)

Original Date: 08/30/07

Revision Date:

Note: Dimensions are in METRES



City of Richmond
Administration

Memorandum

Confidential

To: Planning Committee
From: George Duncan
Chief Administrative Officer
Date: December 4, 2007
File:
Re: Planning Committee Referral on Garden City Lands to Staff of November 20, 2007

On November 20, 2007, Planning Committee adopted the following referral to staff:
That:

- (1) *the following three requests as outlined in the submission by Carol Day, a Delegate at the November 20, 2007 Planning Committee Meeting:*
 - (a) *contact the Canada Lands Company and the Federal Government for the purpose to offer to purchase the entire Garden City lands for 10 million dollars;*
 - (b) *abandon the application to the Agricultural Land Commission (ALC) to remove the Garden City lands from the Agricultural Land reserve (ALR);*
 - (c) *allow the Memorandum of Understanding (MOU) between the Canada Lands Company, the Musqueam and the City of Richmond to expire,*
be referred to outside legal counsel to obtain a legal opinion on the ramifications of Ms. Day's three requests; and
- (2) *staff first learn the cost associated with outside legal opinion before submitting the three requests to outside legal counsel.*

The Law Section of the City's Law & Community Safety Department obtained a quote from an independent law firm as requested. Staff indicate that the quote is based solely on the wording of the referral from Planning Committee with no additional assignments or direction provided. The value of the quote (see attached) from Staples McDonald Stewart is up to approximately \$10,000 or slightly higher or lower depending on access to any pertinent information that is not presently available.

The time frame to complete the work, if retained by the City, is 3-4 weeks from the date of retaining them to prepare the opinion.

In order to assist Committee's discussions on this matter, staff have also included with this memorandum, other pertinent information/documents. These documents, which are also presented as attachments to this memorandum, include copies of:

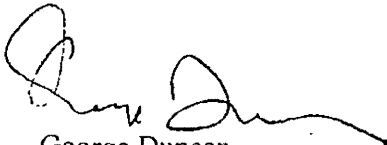
- 1) External legal opinion from Lang Michener LLP (the law firm that does ongoing work for the City on the Garden City Lands file)
 - Tony Knight of Lang Michener LLP represented the City when the results of the MOU negotiations between the City of Richmond, Canada Lands Company (CLC) and the Musqueam Indian Band (MIB) were documented into its present formal MOU format. Staff have from time to time since the signing of the MOU relied on legal guidance from Mr. Knight on the various aspects of managing the implementation of the MOU and to support our ongoing interaction with CLC and MIB, issues analysis, and formulation of advice to Council. The attached external legal opinion is a summation of discussions and legal advice that we have held/received from Mr. Knight from time to time on topics that appear to be most relevant to the information requested in the referral from Planning Committee.

It is clear in the referral that Committee wants outside legal advice on this matter. The purpose of Mr. Knight's work is to assist the ongoing work of the Administration as we prepare to bring the Garden City Lands reports forward this month; however, as he is from an outside law firm and given his familiarity with this matter, I thought Committee may want access to this information in addition to any other legal opinions you may choose to solicit through the referral.

- 2) A letter dated April 24, 2007 addressed to the CAO from Musqueam Legal Counsel asserting Musqueam's position on ownership of the Lands.
- 3) A recent e-mail to Cecilia Achiam, Senior Coordinator - Major Projects and Development Applications, from Musqueam Legal Counsel, possibly sent in reaction to news of the referral and reiterating some of the contents of the letter, but reflecting perhaps a stronger assertion of their position.

Items 2 and 3 above have been provided to familiarize Council with the general attitude and likely intentions of the Musqueam, as it appears that the "what if" factor is an inherent part of the Committee's referral.

The quote from Staples McDonald Stewart is provided in direct response to the referral. Please note that in providing the quote on the cost for external or independent legal services, staff have satisfied the condition of the referral. Therefore, we have not provided a formal staff report and staff recommendation. Accordingly, staff await further direction from Committee on this matter.



George Duncan
Chief Administrative Officer

GD:acs

Wong, May

From: Kathryn Stuart [kstuart@sms.bc.ca]
Sent: Tuesday, 4 December 2007 9:44 AM
To: Curran, Celeste; Wong, May
Subject: Garden City Lands Legal Services

Hello Celeste:

We estimate that a legal opinion on the issues raised by Council at its November 20th, 2007 meeting would cost approximately \$10,000. This is based on the fact that it is not a straight forward contractual question but involves more complex constitutional matters relating to aboriginal title. The amount quoted may be more or less depending on further facts of which we are not now aware.

We would require 3-4 weeks to complete such an opinion.

Please advise if you require our services in this regard.

Regards, Kathryn

Lang Michener LLP
LAWYERS – PATENT & TRADE MARK AGENTS
1500 Royal Centre, 1055 West Georgia Street
P.O. Box 11117, Vancouver, British Columbia, Canada V6E 4N7
Telephone: (604) 689-9111
Facsimile: (604) 685-7084

CONFIDENTIAL MEMORANDUM

TO: George Duncan

FROM: Anthony H.S. Knight
Direct Line: (604) 691-7406
Direct Fax: (604) 893-2360
E-Mail: tknight@lmls.com

DATE: November 22, 2007 **FILE NO.** 57467-0006

RE: ~~Garden City Lands~~ (the "Lands") – Memorandum of Understanding ("MOU") and Purchase Agreement ("PSA") – City of Richmond ("COR") and Musqueam Indian Band ("MIB") – Canada Lands Company CLC Limited ("CLC")

What follows is a summary of certain matters arising under the MOU and PSA.

1. Can COR approach CLC with a request it sell the Lands to COR for \$10,000,000?

Unless factual matters have changed without notice to us, CLC on its own behalf and MIB through a Limited Partnership continue to be owners each as to an undivided 50% interest in the Lands. CLC holds the 50% interest of MIB in trust for MIB.

Any approach in this regard to sell the Lands would require the agreement of both CLC and MIB.

We expect it is unlikely any sale would be considered by CLC and MIB until it is definitively determined whether the Lands will be removed from the ALR. If the Lands are removed from the ALR, we expect the value of the Lands will rise dramatically.

If it is determined that the Lands will not be removed from the ALR, it is entirely possible that at that time CLC could sell the lands to MIB as we understand that CLC's mandate is to develop land and not hold it long term for investment. This is not an unrealistic scenario as we understand that MIB has recently indicated a willingness to acquire CLC's interest in the Lands.

2. Can COR abandon the application to remove the Lands from the ALR?

Under Section 4.1 of the PSA, it was a condition precedent that COR Council resolve to recommend to the ALC that the Lands be removed from the ALR. This condition precedent was satisfied in connection with the first application to the ALC by CLC, but because there is a new application by COR to the ALC, COR Council must reconsider and resolve to make a recommendation to the ALC. If COR Council does not make this recommendation, the PSA is terminated.

Under Section 4.2 of the PSA, it is a condition precedent that the Lands be released from the ALR.

This condition precedent has not been satisfied.

Section 4.6(a) of the PSA provides that each of CLC and the City will be entitled, by written notice to all other parties to the PSA, to extend from time to time the date for satisfaction of this condition precedent for 1 or more periods of time which will not exceed 2 years in the aggregate.

This period has been extended by the parties for 1 year expiring December 31, 2007 and can be unilaterally extended by either CLC or COR until December 31, 2008 without the consent of any other party to the PSA.

In our view, COR does not have the legal ability to withdraw its recommendation to remove the Lands from the ALR while the process for satisfaction of this condition precedent is still ongoing.

Pursuant to Section 3.2, COR is required to employ commercial reasonable efforts to expedite and complete the development approval process (part of which was the Council recommendation), and in our view, if COR were to withdraw the recommendation, this could expose COR to allegations of bad faith and a claim for a breach of contract.

If this condition is not satisfied by December 31, 2007 or, if extended to December 31, 2008 and not satisfied, the PSA is at an end.

3. What happens to the MOU if the PSA terminates as a result of the non-satisfaction of the condition precedent regarding the release of the Lands from the ALR?

As a general principal of law, unless the parties otherwise specify, a memorandum of understanding or letter of intent "merges" in the subsequent purchase contract. It is, in effect, superseded and no longer exists unless the parties otherwise specify.

Section 4.6(c) of the PSA provides only Sections 1(22), 1(23) and 2(1) of the MOU continue to be binding on the parties.

Sections 1(22) and 1(23) provide that if certain events do not occur after the Lands are removed from the ALR which are rezoning, increased FAR or approval of OCP amendment, the parties are to meet to renegotiate to give effect to the spirit of the MOU and Section 2(1) provides for a mediation option should the parties reach an impasse.

In our view, the obligation to renegotiate under these Sections only arises where the City has refused to act in rezoning, increasing the FAR or approving the OCP.

Where the PSA is terminated as a result of the failure to have the Lands removed from the ALR because of the actions of the ALC, Sections 1(22) and 1(23) are not relevant and the MOU is expired.

We do not, at this point, have an opinion how a court would decide this issue if there was ever a challenge of this interpretation.

The MOU is drafted in such a way that there are different interpretations possible.

4. Additional Comments

(a) If the PSA is terminated and the MOU has expired:

(i) COR has no interest in the Lands and no right to claim any interest in the Lands, including the right to use the Lands for community uses without the agreement of the owner(s) of the Lands;

(ii) we do not know what course of action MIB will take in the future with respect to the Lands, but MIB has indicated it will assert an interest in the Lands through any remedy available to it; and

(iii) pursuant to the PSA, there is a No Development Covenant registered against title to the Lands. It provides that there is to be no development of the Lands unless COR is assured of its 50% interest of the Lands. If the PSA terminated as a result of COR Council's failure to recommend to the ALC that the Lands be removed from the ALR, this Covenant must be discharged from title to the Lands pursuant to the PSA.

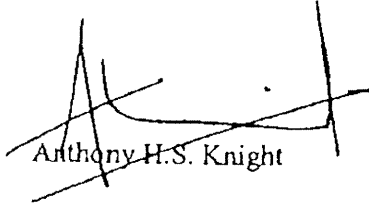
(iv) with respect to MIB:

(A) MIB might acquire the Lands from CLC (see our comments in paragraph 1 above).

(B) we are aware of a general desire of aboriginal groups to have land they have acquired included in their reserves, and there is a Federal process to accomplish this. If Lands were to attain reserve status, COR would have no jurisdiction regarding development of the Lands.

(C) If MIB were to acquire all of the Lands, they could negotiate with the Province to have the Lands removed from the ALR. We expect MIB has a greater chance of doing this than COR.

We would be please to discuss this memorandum with you further.


Anthony H.S. Knight





MUSQUEAM INDIAN BAND

6735 SALISH DRIVE
VANCOUVER, B.C.
CANADA V6N 4C4
TELEPHONE: 604 263-3261
FAX: 604 263-4212

City of Richmond
6911 No 3 Road,
Richmond
BC V6Y 2C4
Attn. Mr. George Duncan,
Chief Administrative Officer

Canada Lands Company,
Suite 200 Burrard Street,
Vancouver
BC V6C 2X8
Attn. Mr. Doug Kester, Vice President, Real Estate, Western Region

By hand

April 24, 2007

Dear Sirs,

Garden City Lands

I am writing to clarify the position of the Musqueam Indian Band regarding the application being made to the Agriculture Land Commission for exclusion of the Garden City Lands from the Agricultural Land Reserve.

As the result of the negotiations leading to the signing of the Memorandum of Understanding on March 18 2005 and after hearing presentations about the available grounds for exclusion (including community needs) from City officers, the Band supported the application made by Richmond and Canada Lands for exclusion. On a without prejudice basis, the Band is still willing to cooperate in another application for exclusion using, primarily, the community needs grounds for exclusion. Musqueam considers that a strong case can be made for exclusion on such grounds given the Band's traditional ownership of the Lands and its current socio-economic circumstances.

070001\LT\Garden City - April 24, 2007

Please take note that the MOU and Musqueam's cooperation in making the application for exclusion are without prejudice to its legal rights, all of which are expressly preserved. In particular and without limiting Musqueam's legal rights and remedies, Musqueam's position is that it has Aboriginal title to the Lands and that the Lands are "Lands reserved for the Indians" for the purposes of section 91(24) of the *Constitution Act 1867* and so within exclusive federal jurisdiction. I also point out that, without limiting the Crown's fiduciary obligations to the Band, Canada Lands is expressly holding the Lands in trust for the Band as to a 50% undivided interest pursuant to the terms of the MOU and the Joint Venture Agreement between the Band and Canada Lands.

Yours truly,

Kenneth McGregor
Chief Administrative Officer



Achiam, Cecilia

From: Jim Reynolds [jreynolds@ratcliff.com]
Sent: Monday, 26 November 2007 11:06 AM
To: Achiam, Cecilia; Gwennie Cheung; Megan Halkett; bandmanager@musqueam.bc.ca; Caroline Cooper; dkester@clc.ca; Howie.Charters@colliers.com; kmithcell@farris.com; Marcia Smith; npottinger@pggroup.com; rfasan@clc.ca; Townsend, Ted; Jim Reynolds
Subject: RE: Canada Lands Clips
Attachments: ltr to City of Rmd & Canada Lands Co - Apr 24 07.pdf

Nov. 26, 2007

Cecilia,

Thank you for your messages below. The terms of reference for the outside Counsel are, of course, within the discretion of the City. However, I suggest that you might want to request that he or she consider the constitutional issues relating to the ability of the Province to apply land use control legislation (such as the *Agricultural Land Commission Act* - the "Act") to Aboriginal title lands.

The attached letter dated April 24, 2007 from the Musqueam Band Manager, Ken McGregor, that was hand delivered to Mr. George Duncan at a meeting on that date, sets out the Musqueam position regarding the application of the Act as follows:

"Please take note that the MOU and Musqueam's cooperation in making the application for exclusion are without prejudice to its legal rights, all of which are expressly preserved. In particular and without limiting Musqueam's legal rights and remedies, Musqueam's position is that it has Aboriginal title to the Lands and that the Lands are "Lands reserved for the Indians" for the purposes of section 91(24) of the *Constitution Act 1867* and so within exclusive federal jurisdiction. "

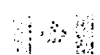
In support of this position, Musqueam relies, without limitation, upon the decision of the Supreme Court of Canada in *Delgamuukw* [1997] 3 S.C.R. 1010 at paras. 172-183. I also note that the decision of the B.C. Supreme Court released last week in *Tsilhqot'in Nation v. British Columbia* 2007 BCSC 1700 held at paras. 1001 to 1049 that provincial legislation such as the *Forestry Act* controlling the use of land cannot apply to lands to which a first nation has Aboriginal title.

In both the above cases, as in numerous other cases, the courts urged the parties to negotiate in good faith a reasonable arrangement to reconcile the different interests. That is precisely what the parties did in negotiating the Garden City Memorandum of Understanding. Musqueam has repeatedly confirmed that its preference is to negotiate rather than litigate and the Garden City MOU (as well as the recently announced Agreement with the Province over other lands) is proof that it is sincere in this regard. However, as set out above, the MOU and the application to the Commission are without prejudice to the Band's legal rights and it fully reserves all those rights.

If the outside counsel retained by the City would like to discuss Musqueam's position, I would be pleased to assist.

Regards,
Jim

Jim Reynolds,
General Counsel,
Musqueam Indian Band



Department of Finance and
Treasury Board of Canada Secretariat

Ministère des Finances et
Secrétariat du Conseil du Trésor du Canada

Mr. Randy Fasan
Director, Urban Design and Planning
Canada Lands Company CLC Limited
666 Burrard St.
Suite 1850-Park Place
Vancouver, BC
V6C 2N8

4 December 2007

Dear Mr. Fasan

Further to our recent discussion regarding the property known as the Garden City Site, in Richmond, British Columbia, this is to confirm the Treasury Board Secretariat policy position regarding the future of these lands.

The Treasury Board (TB) Policy on the Management of Real Property (the Policy) and its related Directive on the Sale or Transfer of Surplus Real Property (Disposal Directive) dictate the accountabilities of Deputy Ministers, when considering real property management decisions and related transactions.

With respect to the Garden City site in Richmond, the sale to Canada Lands Company CLC Limited (CLC) was concluded in accordance with the requirements set out in the Disposal Directive. Title to these lands was transferred to CLC in fee simple and is no longer the property of Her Majesty in Right of Canada ie Federal Real Property.

I understand that there has been some confusion regarding the future of these lands if CLC, and its partners the City of Richmond and the Musqueam Indian Band, are not successful in having these lands removed from the Agricultural Land Reserve Designation.

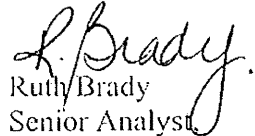
The bottom line is that the lands are owned by CLC, not the federal government, so it will be up to CLC to develop appropriate management and/or disposal strategies. There is no automatic reversion of these lands to the federal government.

The Policy, dictates that federal Ministers can only acquire lands in support of mandated programs of their departments. Should a federal department consider the purchasing these lands from CLC at some point in the future, it would need to have identified the new investment requirement in its Long Term Capital Plan or Investment Plan with clear links to its program mandate.

To date, we are not aware of any department identifying such a requirement, so unless there is documented evidence by a department the contrary, I suggest any reference to re-acquisition by the federal government should be removed from correspondence.

I trust this helps clarify the situation.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Brady".

Ruth Brady

Senior Analyst

Real Property and Materiel Policy Division

Treasury Board Secretariat

Update on Consultant Work:

Canada Lands Company (CLC) is leading a multiple discipline team with expertise in design site master plan, agriculture and environmental assessment, civil, soils, geotechnical and transportation engineering, recreational and community needs assessment, economic viability and public consultation.

The following are key pieces of work currently underway. The findings will inform the ALR exclusion application by responding to the issues previously raised by the Agricultural Land Commission.

Agriculture Capability and Viability

Pottinger Gaherty Environmental Consultants Ltd. is the lead consulting finalizing a report to assess the agricultural soil capability feasibility and suitability of the Garden City Lands. The findings will form part of the ALR Exclusion Application submission.

The report will summarize what is currently known or understood about the property's agricultural capability, both in its unimproved state and if it was improved with drainage and irrigation, discusses the feasibility of such improvements in general terms, and draws some initial conclusions about the highest and best agricultural use of the property given the crops for which it appears to be most suited.

The viability of using the property for such crops will then examine economic prospects for such cropping, based either on expected prices and available cost of production information in comparison with such cropping in Richmond and in the wider Lower Mainland region.

Additionally, the need for this land to grow such crops will examine in the context of current and expected future market realities, self-sufficiency needs, and the availability of alternate land in the region and will summarize the additional difficulties imposed on the potential agricultural use of this property by virtue of its location beside existing urban uses.

Community Needs

Professional Environmental Recreation Consultants Ltd. is preparing the Community needs assessments for the Musqueam and the City of Richmond. The Musqueam community needs concentrates on social and economic needs, whereas the Richmond study emphasizes open space and public amenity needs. Full details will be provided in the draft ALR Exclusion Application.

If the ALR exclusion is successful, approximately 50% of the Garden City Lands will be acquired by the City for public amenities to address a wide range of community needs in Richmond including provisions of green space, playing fields, community facilities and urban agriculture. The partial list of community needs, in no particular order of priority, identified by various studies noted in the footnote include: major open space, playing fields, community gardens, urban agriculture to address food security, village greens, and a trade and exhibition centre. The public consultation process would likely generate additional public amenity uses. Details on the types

and priority for the various community amenities will be determined at a later date with full public consultation and Council input if the ALR Exclusion is successful.

The consultant report on the Musqueam community needs is being finalized and details will be incorporated into the ALR Exclusion Application.

Urban Planning Context

Hotson Bakker Boniface Haden Architects is preparing a report summarizing its review of the urban design and planning context of the site. The findings will examine the development context in light of the City Centre Area Plan and the interface with adjacent sites.

Block Application

Legislative Background

In accordance with the Agricultural Land Commission Act, applications for exclusion of land from the Agricultural Land Reserve can be submitted by either the “owner” (Section 30) or “local government” (Section 29).

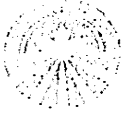
A local government initiated application for exclusion of land within the local governments jurisdiction is often referred to as ‘block applications’.

The main differences for the Garden City Lands application are the requirements (ALC Regulation 171/2002 Parts 6 and 7) under the regulations around notice and a Public Hearing. The application process route as summarized below:

Applicant	Owner-CLC	Local Government -City of Richmond
Applicable Agricultural Land Commission Act	Section 30	Section 29
Public Notice Requirement	Place notices on the property, in the local paper and advise adjacent land owners of its intent for the property	Hold a Public Hearing prior to the submission of the application to the Commission
Process	Must first goes through an internal local government process before forwarding the application to the Commission	Must hold a Public Hearing before submitting the application to the Commission
Commission's Decision Process	Same for both	

Options to Provide Benefits to Agriculture if Garden City Lands are excluded from ALR

	OPTIONS	DESCRIPTION	PROS/CONS
1	SIGNIFICANT ENDOWMENT WITHOUT ANY STRUCTURE ATTACHED		
		<input type="checkbox"/> Richmond Agricultural Community select a single legacy project and spend the entire amount	<input type="checkbox"/> No long term management needs <input type="checkbox"/> Significant legacy project to create immediate agricultural benefit (Taking care of NOW)
2	LAND PURCHASE		
	a) Purchase land within ALR	<input type="checkbox"/> MOU partners to purchase existing ALR land in Richmond that is under utilized for farming and the City take ownership of the land and agree to rent it out for farming in perpetuity	<input type="checkbox"/> Suitable land for purchase not easily identifiable <input type="checkbox"/> Cannot quantify "agricultural benefit" given that the land is already in ALR <input type="checkbox"/> The rent generated from the lease would be significantly less than other forms of investments thereby limiting the ability for meaningful financial contribute to other projects to promote agricultural viability
	b) Purchase land to add to ALR	<input type="checkbox"/> MOU partners to purchase land in Richmond to add to ALR	<input type="checkbox"/> Non-ALR land cost in Richmond is significantly higher than ALR land. Therefore, the additional acreage feasible for purchase and suitable for farming is limited
3	VARIATION ON THE FRAMEWORK AND FUNDING MECHANISM UNDER DISCUSSION WITH RAAC SINCE MARCH 2007		
	a) Substantial endowment + setting up a non-profit organization	<input type="checkbox"/> MOU partners to provide a substantial endowment for agricultural benefits <input type="checkbox"/> The City offers to manage the investment <input type="checkbox"/> Set up an independent, non-profit organization with its own staff to administer projects deemed to benefit agriculture in Richmond	<input type="checkbox"/> Selection of projects and management of a substantial endowment may be too great a burden on volunteers in the agricultural community <input type="checkbox"/> Provide a sustained income stream which would allow for flexibility to deal with agricultural issues now and in the future
	b) Reduce land requiring ALR exclusion + a reduced endowment	<input type="checkbox"/> Retain a portion of the Public Land in the ALR and incorporate public amenities that can be accommodated with the ALR+ MOU partners to provide a substantial endowment for agricultural benefits	<input type="checkbox"/> Reduce land affected by ALR exclusion and put the land into active agricultural production <input type="checkbox"/> The endowment will still provide flexibility for providing agricultural benefits over the long term <input type="checkbox"/> Endowment will still require management by an appointed entity. The City may be a logical choice to provide the fiscal and investment management for the endowment. <input type="checkbox"/> No immediate decision required for project selection or structuring a non-profit organization to administer either the endowment or projects.



CANADA LANDS COMPANY
 SOCIÉTÉ IMMOBILIÈRE DU CANADA

November 28, 2007

Ms. Cecilia Achiam
 City of Richmond
 6911 No. 3 Road
 Richmond, British Columbia
 V6Y 2C1

Dear Cecilia:

Subject: Garden City Lands

Further to our many recent discussions this letter will confirm the following Canada Lands Company and its Joint Venture Partner (Musqueam) ("the JV") commitments:

1. To significantly enhance the upcoming re-application to the Agricultural Land Commission to exclude the above lands from the ALR, the JV endorses the City of Richmond making a "Block Application" as provided for under the Act;
2. If the application for the exclusion of the above lands from the Agricultural Land Reserve is successful and subject to the City delivering on its promised interest contribution to this commitment, the JV agrees to establish an endowment fund* to provide agricultural benefits to the agricultural community of Richmond as a condition of rezoning.

*Note: at a density of 2.0 FAR, a \$2.00 per buildable square foot "amenity contribution" would result in approximately \$10 million of funding.

We trust this is sufficient for your purposes at this time and look forward to working with you on this challenging and potentially very exciting project.

Yours truly,

CANADA LANDS COMPANY CLC LIMITED

Doug Kester
 Vice President, Real Estate, Western Region

DK/rf

Cc: R. Fasan, Canada Lands Company
 Ken McGregor, Musqueam Indian Band
 Howie Charters, Colliers International

Appendix 2B

Agricultural Advisory Committee Report

Appendix 3

**Garden City Lands, Urban Design Review of the Planning Context
Hotson Bakker Boniface Haden**



Garden City Lands

Urban Design Review of the Planning Context

February 14, 2008

HOLSON
SACKS
BONIFACE
HADEN

architects + urbanists

Garden City Lands
Urban Design Review of the Planning Context

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February 14, 2008



Introduction

1.1 Purpose

This report reviews the broad urban design and planning context of the Garden City Lands property including the implication of land use issues embedded in the March 18, 2005 Memorandum of Understanding (MOU) for the property and its surroundings. This review looks at the unique potential of the site in the context of its history, its citywide and regional planning context, its adjacencies to existing and future surrounding land-uses, and its potential to accommodate future needs and opportunities.

1.2 Report Contents

This report frames the Garden City Lands within the context of the surrounding and regional planning frameworks. It reviews the land use and open space opportunities embedded in the MOU and places these within the larger planning and urban design context of Richmond and the region. It also summarizes the community needs that have been identified for both the City of Richmond and the Musqueam outlined in Appendices 4A and 4B. The authors have also had the opportunity to review Appendix 1- Agricultural Viability.

Based on this understanding, the report outlines the benefits and opportunities of the long-term transformation of the Garden City Lands into a vibrant and healthy mixed-use community and its benefit to the long term growth of Richmond, the needs of the surrounding community, the needs of the MOU partners, and regional agricultural needs.

1.3 Report Authors

The authors of this report are Hotson Bakker Boniface Haden Architects + Urbanistes. They are urban designers, planners, and architects with 35 years of experience in urban design and community building in the Lower Mainland and B.C.

1.4 Summary of Findings

Following the assessment of the urban context that frames the future of the Garden City Lands relative to long-term regional objectives as well as local and immediately adjacent land use considerations, we conclude that exclusion of the Garden City Lands and the fulfillment of the agreements set out in the MOU are necessary:

- to meet the projected long term population growth of the region and Richmond's obligations to effectively manage its share of this regional growth;
- to allow Richmond's City Centre Area Plan Concept, designed to accommodate this growth, to become a working reality and effective tool;
- to establish a strong and meaningful eastern boundary to Richmond's City Centre;
- to provide the necessary and distinctive major open space required for a dense and healthy compact city centre;
- to appropriately and effectively locate density to support the transit oriented development strategy within the City Centre Area Plan;
- to meet the community needs identified by the City of Richmond;
- to meet the community needs identified by Musqueam;
- to contribute to the agricultural needs, health and well being of the City of Richmond.

In addition, given the large size and openness of the site, there is a unique opportunity to master plan and create a model sustainable community that would be unique in Richmond and contribute to the urban diversity and richness of the city's downtown. To arrive at a meaningful master plan, the MOU ensures that the interests of the community and the stakeholders will be engaged in a complete public process that would commence following the successful exclusion from the ALR.

The 136 acre Garden City Lands in Richmond are located between Garden City Road (to the west), No. 4 Rd (to the east), Alderbridge Way (to the north), and Westminster Highway (to the south). These lands are also located within traditional Musqueam Indian Band territory and have been owned by the federal government since 1903. The lands are currently within the Agricultural Land Reserve (ALR) and account for just over one percent of Richmond's total ALR land.

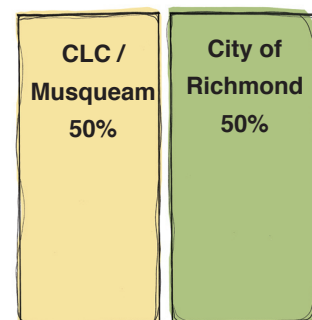
In 2001, the Department of Fisheries and Oceans (DFO), the most recent federal owners, declared the land surplus and in November 2002 received Treasury Board approval to transfer the land title through a sale to Canada Lands Company. The Musqueam Indian Band intervened in the transfer, went to the law courts and in January 2004 was granted an injunction preventing the sale by the federal Crown. The courts ruled no transfer of Crown title could take place until the long-standing interests of the Musqueam Indian Band in the lands were satisfactorily recognized and accommodated - a requirement flowing from the Supreme Court of Canada case law and from the Constitution of Canada.

On March 18, 2005, following a period of federally mediated negotiation, the Musqueam Indian Band, the City of Richmond and Canada Lands Company reached a ground breaking agreement (the MOU), sharing the land between the three parties. On the strength of this agreement, the Musqueam withdrew its court action and Canada Lands Company purchased the site from the Crown for \$9.54 million and took title to the lands.

2.1 Terms of the M.O.U.:

The Memorandum of Understanding between the Musqueam Indian Band, the City of Richmond, and Canada Lands Company, provides a framework to ensure that the interests of those parties will be met regarding the future of the Garden City Lands.

- Minimum fifty percent (about 68 acres) of the land will go to the City of Richmond for parkland, green space and public amenities. The City would pay \$4.77 million for its fifty percent share.
- Canada Lands Company and Musqueam will retain twenty five per cent each for a joint venture development.
- Any development by Canada Lands Company and Musqueam on the land must go through provincial and municipal land use approval processes, integrate with the City of Richmond Official Community Plan and comply with city zoning bylaws.
- Additional green spaces for neighbourhood park use up to 5% of the development land will be incorporated into the development lands to comply with Richmond Official Community Plan requirements.
- A range of density of an average between 2.0 FAR and 2.5 FAR is envisaged for the development lands (50% of the site area).
- Removal of the land from the ALR is only the first of a number of legislated steps that have to be successfully completed before the land can be shared according to the terms of the agreement. Should the removal be successfully completed, the site will require an OCP amendment, rezoning, and individual development permits affording broad public input throughout a long term transformation of the lands.



The MOU permits the City of Richmond to purchase 50% of the land, while 50% of the land will become developable by CLC and the Musqueam into a complete community.

If the land remains within the ALR, the legal agreements will expire on December 31, 2008. Without these agreements, the beneficial claim Richmond has on the land will no longer exist. The future status of the lands will again be one of uncertainty with a very high likelihood that the Musqueam will either begin new negotiations with Canada Lands Company inside or outside of the treaty process or if necessary, return to the court to have it reinstate the legal protection of their claims of aboriginal rights and title to the Garden City Lands.

2.2 Location

The 136 acre site, shown in the aerial photographs below, is located between Garden City Rd, No. 4 Rd., Alderbridge Way and Westminster Highway. It will be within a ten minute walk from the new Canada Line rapid transit system now under construction along No. 3 Road to the west. As evident in the aerial photographs, active urban development is occurring on three sides of the site. The new West Cambie Neighbourhood is located to the north and Department of National Defense Lands, which are within the ALR, are located to the east.

The site is surrounded by major thoroughfares on all four sides following Richmond's existing 800m grid. These serve as major vehicular and goods movement corridors to, from and through the city.



The Garden City Lands site, identified above in red is at the eastern periphery of the CCAP. The photos at left (approximately 9 years old) show the Garden City Lands, in this case identified as the "Coast Guard Transmitter Site," as well as the federally owned Department of National Defence Site, in relationship to the adjacent uses to the west (top) and to the east (bottom).



2.3 Regional Growth Context

Metro Vancouver has seen enormous and rapid growth over the recent past. Based on work undertaken by Urban Futures and work undertaken by experts regarding trends in demographics and development locally, regionally, nationally and globally, this trend is seen to continue with an average annual population addition of 30,000 people. A total population growth in Metro Vancouver is envisaged by Urban Futures (Projecting Community Change in Richmond City Centre Report, August 14, 2007) from approximately 2.3 million today to over 4 million people in 2060.

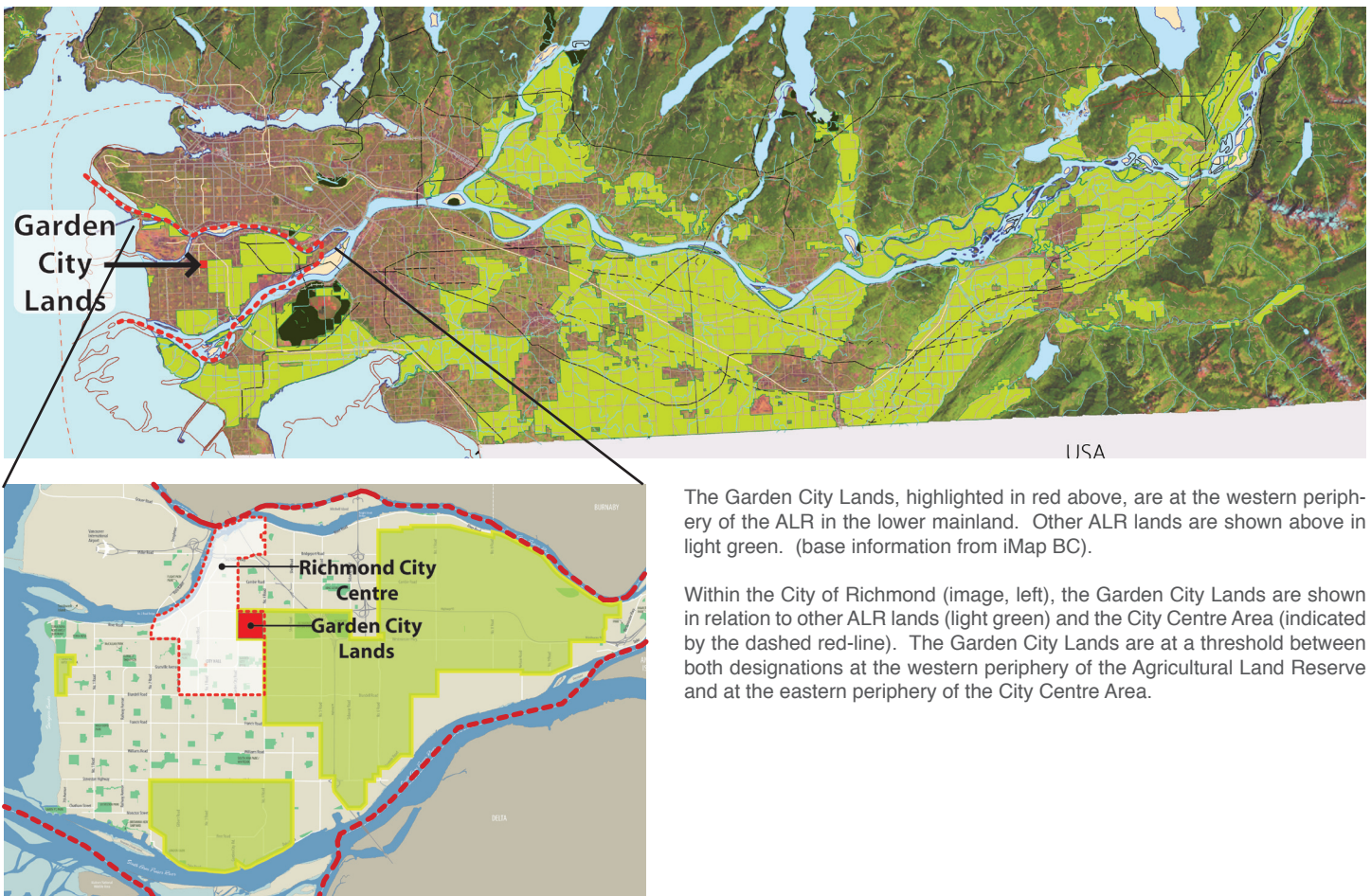
This anticipated regional growth has led the City of Richmond to be proactive in planning for accommodating its share of this future growth. The concentration of this growth is planned to occur within the City Centre Area Plan. The City Centre Area Plan was approved in principle in February 2007.

3.0

Richmond Planning Context

The Garden City site is located in a unique boundary condition between edges of both the ALR and urban growth areas as indicated in the following plans.

Given the context of the Garden City Lands as a property on the threshold of both the ALR and the City of Richmond's City Centre Area Plan, there is a need to consider the implications of removal from the ALR both in terms of sustainable urban development and urban/agricultural interfacing.



The Garden City Lands, highlighted in red above, are at the western periphery of the ALR in the lower mainland. Other ALR lands are shown above in light green. (base information from iMap BC).

Within the City of Richmond (image, left), the Garden City Lands are shown in relation to other ALR lands (light green) and the City Centre Area (indicated by the dashed red-line). The Garden City Lands are at a threshold between both designations at the western periphery of the Agricultural Land Reserve and at the eastern periphery of the City Centre Area.

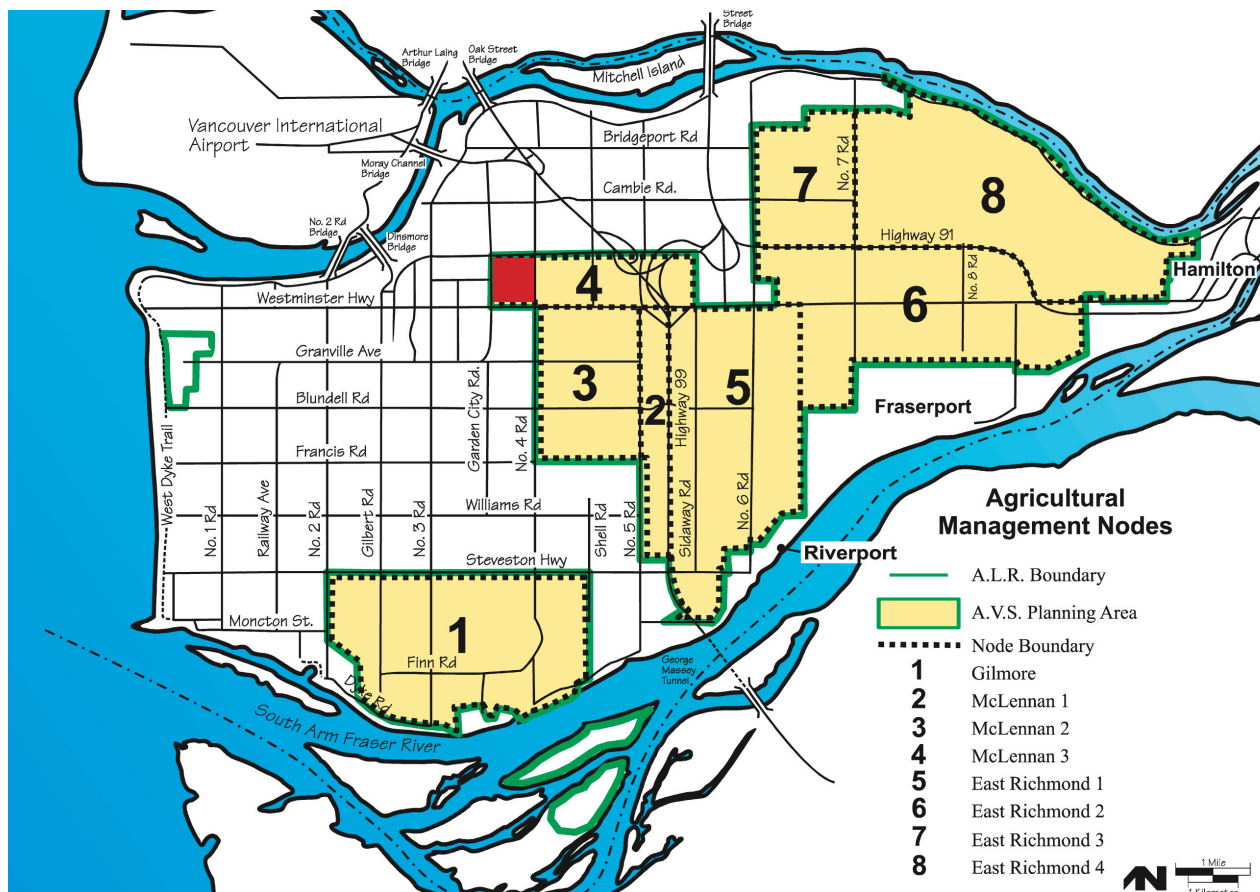
The Garden City Lands are uniquely situated at the threshold of urban and rural uses. Its inclusion and proximity to both the ALR and the City Centre Area- as well as the planning potential for the site itself- suggests an opportunity to effectively manage the urban / agricultural interface for the long-term benefit of both the City Centre and the ALR.

3.1 Agricultural Context

At a regional scale, the Garden City Lands are located at the western periphery of the Lower Mainland region of Agricultural Land Reserve, which extends as far east as Hope. Specifically, the Garden City Lands are situated within the “McLennan 3 Agricultural Management Node” identified in the City of Richmond’s Agricultural Viability Study of May 2003. This node, comprised of four parcels of ALR land, has a high water table and is not currently (nor historically) being used as agricultural land. The 2003 study provided three recommendations for the McLennan 3 neighbourhood:

- 1) having it totally farmed,
- 2) maximizing benefits to agriculture and farming if used for non-farm land uses,
- 3) consider city ownership of the land.

While removal of the Garden City Lands from the ALR as per the MOU will not lead to the first recommendation of 1) “having it totally farmed,” removal would facilitate meeting the second and third recommendation of the Agricultural Viability Study: 2) an agricultural benefits package is being presented as part of this application; and 3) removal of the land from the ALR would result in 50% ownership by the city. The 55 hectares (136 acres) of the Garden City Lands constitutes only 1.1% of the total ALR land in Richmond.



The 2003 Agricultural Viability Study identified the Garden City Lands (shaded in red above) as part of the McLennan 3 Agricultural Node- identified as area “4” in the City of Richmond image above. The McLennan 3 Agricultural Node was identified as being considered for non-farm uses.

Of the remaining three parcels that comprise the McLennan 3 Agricultural Node, two are owned and managed by the City of Richmond for the Richmond Nature Park. The other parcel is owned and managed by the Department of National Defence. None of these other three parcels are being considered for removal from the ALR. In fact, given the city's 50% involvement in the Garden City Lands, there is an opportunity to manage the interface between the Garden City Lands and agricultural land to the east.

In light of the ownership and functions of these adjacent ALR lands, the site is isolated from actual productive ALR land. As indicated in Appendix 1 (Agricultural Viability), this creates multiple challenges for considering active farming on these lands due to potential conflicts such as transportation conflicts with farm vehicles and pest control conflicts (eg bird cannons, pesticide use, theft/vandalism, etc.) with surrounding urban residential areas.

The movement of commercial farm equipment along these streets may cause conflicts with other users, limiting the transportation network of the city. Streets east of Highway 99 and far from the city centre, where the majority of the ALR land in Richmond is located, have significantly fewer transportation / traffic constraints. As the Garden City Lands have never been used for agricultural purposes, devoting these lands to agricultural uses now would mean introducing urban / agricultural transportation conflicts to the City Centre.

Significantly, the Garden City Lands have never been farmed and, consequently, removal does not result in a loss of agricultural production. Though exclusion does mean, obviously, that there will be a minor loss in ALR land within the reserve (only 1.1% of the total ALR land in Richmond), the long term protection of the ALR may actually be strengthened by this exclusion. It is intended that the exclusion of the Garden City Lands be mitigated through a benefits package to the ALR- as well as less tangible, positive contributions to the future of agriculture in the region such as urban agriculture opportunities on site. The exclusion application is accompanied by a \$10 million dollar endowment fund that will contribute to the long-term viability and protection of Agriculture Land in the city and the region. The City of Richmond will provide the equivalent of full interest on the \$10 million for up to a 10 year period while the endowment is being collected.

3.2 Local Context: Richmond City Centre Area Plan (CCAP)

Based on the regional growth envisaged for Metro Vancouver identified in section 2.3, the City of Richmond has been proactive in developing its City Centre Area Plan for managing and concentrating its share of regional growth. The 136 acres that make up the Garden City Lands are at a threshold- located at the western periphery of the ALR but at the eastern periphery of the City Centre Area Plan. The CCAP boundary is designed to contain the majority of Richmond's growth from 40,000 residents until "final build-out" of 120,000 residents over the next 100 years. The plan's vision builds on the City's goal of becoming the "most appealing, livable, and well-managed community in Canada." The plan reflects the City of Richmond's active involvement in planning for growth in its City Centre and to manage its impact and ensure long term sustainability (environmental, social, and economic).

In order to achieve the vision, the City Centre Area plan is based on "Smart Growth" goals applied to a multi-layered framework of existing conditions, including the planned route of the Canada Line, existing parks and open space, aircraft noise areas, available areas for housing growth, and other factors. There are four key Smart Growth goals adopted in the City Centre Area Plan:

- 1- Build Community: An inclusive community designed to support the needs of a diverse and changing urban population;
- 2- Build Green: embracing sustainability and developing a culture that uniquely supports and celebrates Richmond as an island city by nature;
- 3- Build Economic Vitality: A comprehensively planned business environment that builds on Richmond's unique combination of economic and lifestyle opportunities;
- 4- Build a Legacy: A premier urban riverfront community and international destination that enhances life for all Richmond residents, businesses, and visitors.



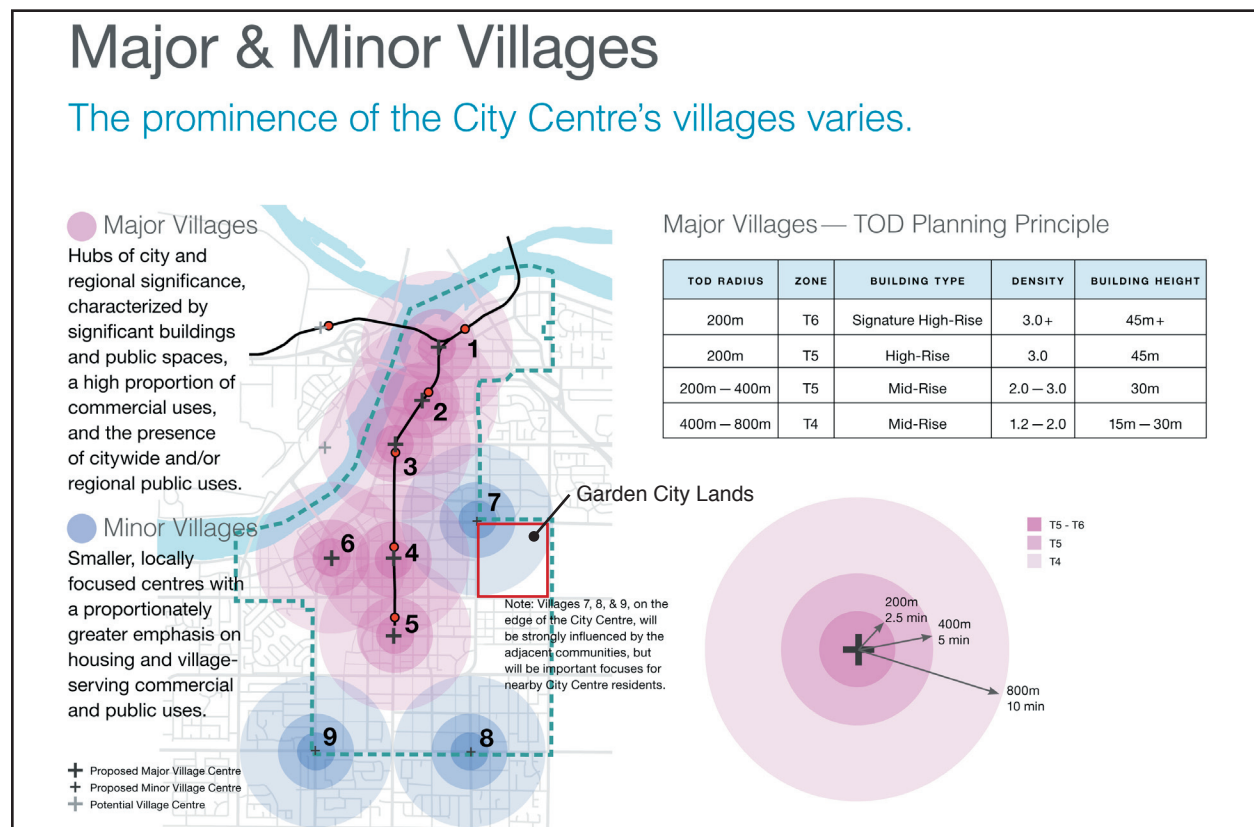
Richmond City Centre, including the Garden City Lands, are identified to contain most of Richmond's population growth until "build-out," meaning less pressures on outlying areas such as farmland and industry. Image from the CCAP update Open House 4 presentation materials: *Richmond's Growing Downtown – City Centre Population Growth - July 14 to 27, 2007*

Transit Villages

Transit oriented development is fundamental to the development of Richmond's City Centre. A key organizing principle to the CCAP is a hierarchical network of nine "major and minor villages" organized around transit. These villages will contribute to greater choice in mobility, including the choice of moving about the city without a car. In this framework, six "major villages" are centered around future Canada Line stations and are expected to contain a high proportion of commercial uses and citywide or even regional public uses.

The three identified "Minor Villages" have a greater emphasis on housing and local services. They are generally "bus-link villages" which link into Canada Line and other regional transit services through local buses. The Garden City Lands, though not specifically identified to any future use in the current draft of the CCAP, are adjacent to the "Alexandra / West Cambie Neighbourhood" transit node with the "village" centred at the intersection of Garden City Road and Alderbridge Highway at the northwest corner of the subject site. The Garden City Lands logically fit within this village framework and development of the site will support the success of this village. Urban uses capable of supporting transit service on at least a portion of the Garden City Lands are logical and important for long term growth within the CCAP.

The majority of the 136 acre site is within a 10 minute walk from the village centre. Based on the MOU and the range of potential densities that have been identified, the site could accommodate a population of up to 10 to 12 thousand people (12.5 - 15% of the City Centre's planned growth) within a walkable community close to transit. In addition, and as previously noted, the westerly boundaries of the site are also within a 10 minute walk to the new Canada Line rapid transit system.



The structure of City Centre Area Plan is based on a network of transit villages, as shown in this excerpt of an open house display panel. The location for village "7" is at the intersection of Alderbridge Way and Garden City Road, the corner of the Garden City Lands site. Image from Open House 3: CCAP CONCEPT – March 1 to 16, 2007

The ability of this site to accommodate substantial residential growth is important as well relative to the long term sustainability of the CCAP's job and employment strategies. The ability to accommodate growth here will reduce pressure on existing commercial and industrial sites elsewhere which generate employment within the City Centre

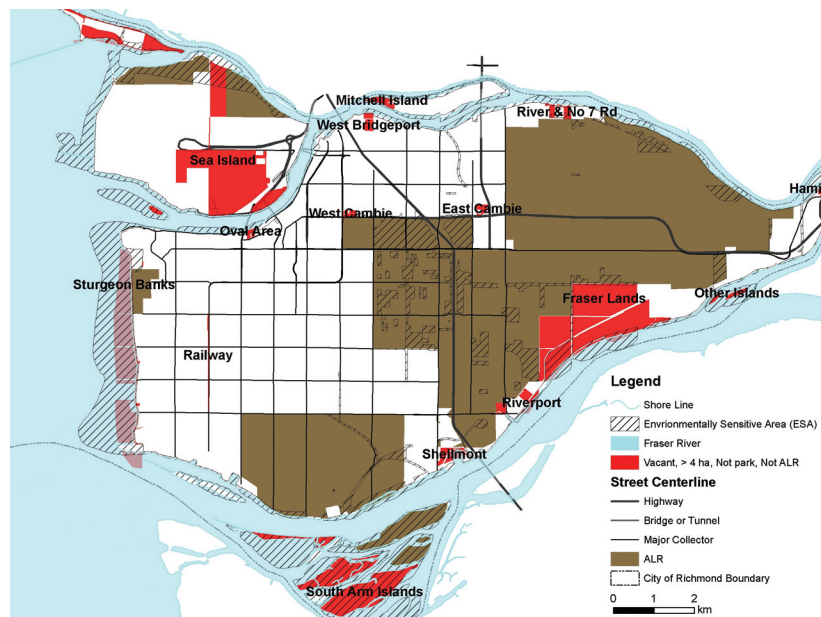
Open Spaces and Amenities

Open spaces and amenities are a critical component to insuring a healthy and livable compact urban community. The CCAP requires that 3.25 acres/1000 people be provided within the downtown. In order to accommodate the 120,000 residents in the City Centre, an additional 200 acres of open space will be required. Based on the MOU, the Garden City Lands provide the opportunity to provide up to 68 acres of the necessary open space.

Relative to the open space framework of the CCAP and its linkages, the Garden City Lands are well placed geographically to provide both major open space needs and village open space needs. They are also very accessible within the transportation framework of the CCAP.

Large sites of this magnitude are not available within Richmond City Centre. Based on the BCAA, there are approximately 1,108 properties in all of Richmond that are vacant and outside the ALR. Most of these are small and some of these are already currently parkland. After eliminating areas less than 4Ha (10 acres) or already identified as parks, there are 42 lots or aggregations of lots larger than 4 Ha (10 acres) in 15 regions of the city but none in the CCAP area.

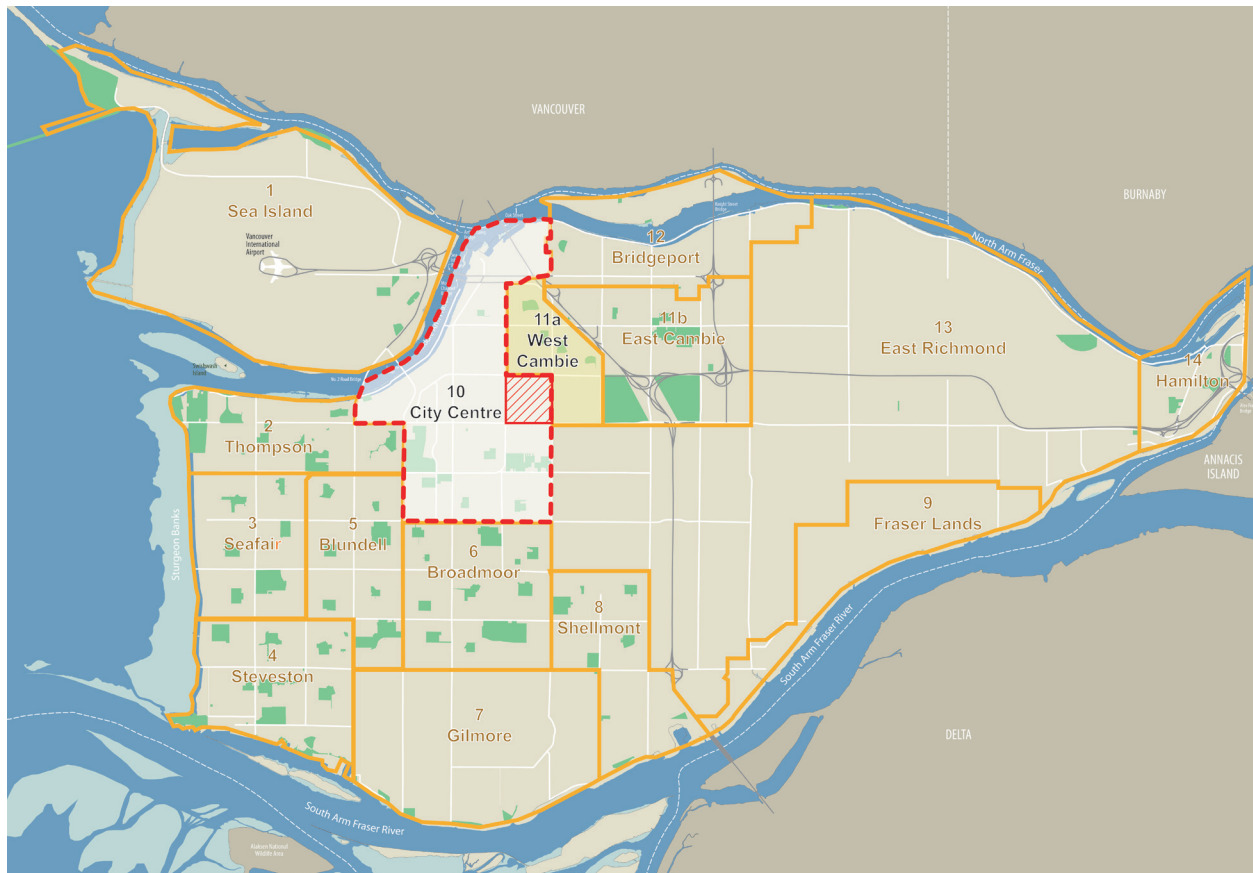
Based on the values for land identified in the MOU, the strategic location and the scale, the Garden City Lands present a unique opportunity to realize the City Centre's open space needs.



The diagram above indicates vacant land greater than 4 hectares in area that is neither park nor part of the ALR. None of these sites are located within the City Centre Area.

3.3 Land Use Adjacencies Relative to the OCP

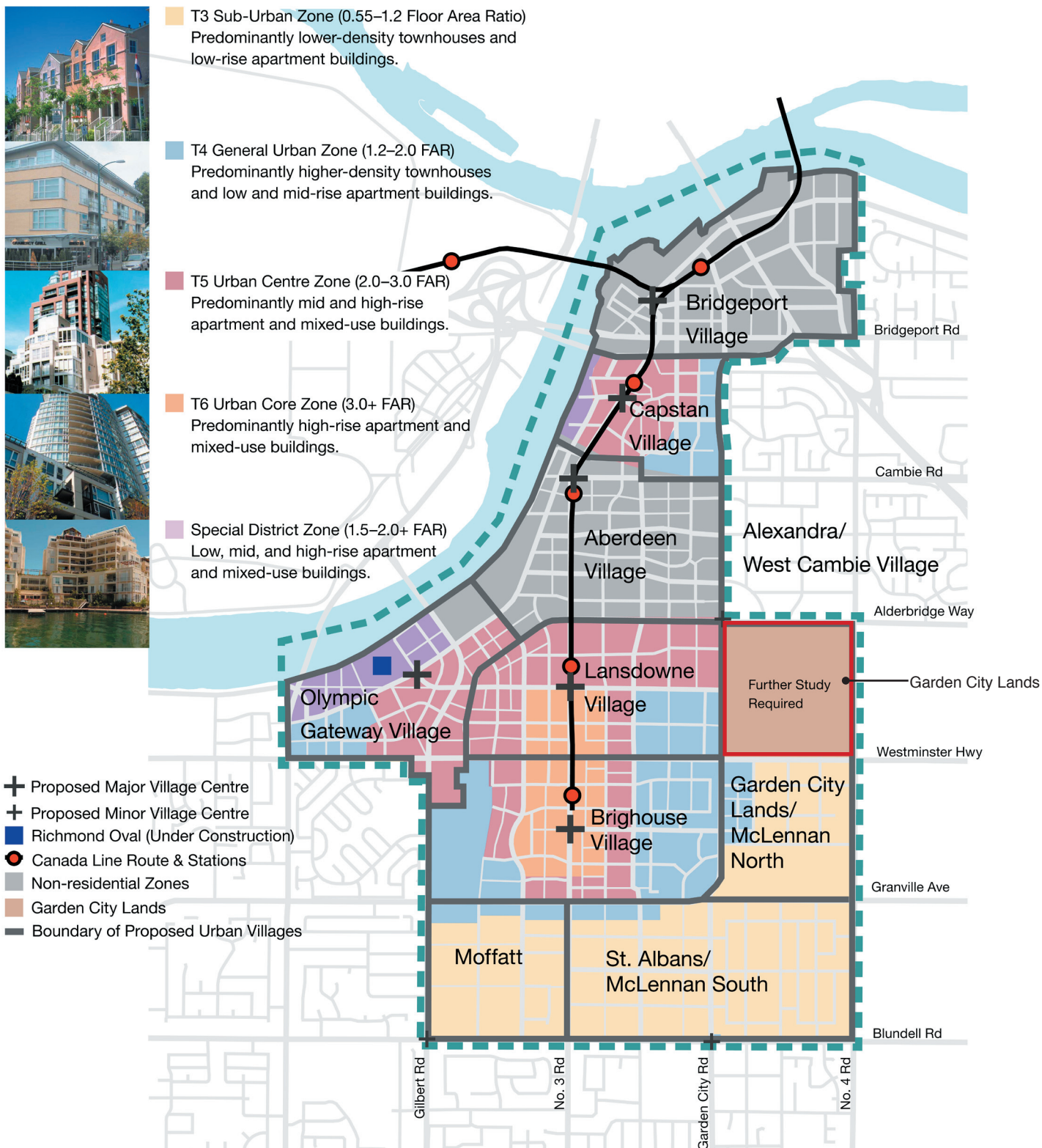
While the transit-oriented development concept provides rationale for urban densities on the Garden City Lands, another key consideration related to future use is interfacing with adjacent land-uses relative to the OCP. Given that the Garden City Lands are at a threshold of urban (CCAP) and rural (ALR) uses, the adjacencies to the site are varied: three neighbouring areas to the north, south, and west are identified for considerable urban densification, including a mixture of uses; the neighbouring site to the east is identified as part of the ALR, albeit federal Crown land used by National Defence for its program purposes. Further ALR land to the east is also currently used as Richmond Nature Park.



The Garden City Lands, indicated with the red hatch in the image above, are adjacent to the west and south by the City Centre area, which is described in the City Centre Area Plan (CCAP). The CCAP (identified by the red-dashed border in the image above) identifies suburban, general urban, and urban core densities adjacent to the Garden City Lands.

To the north and east, adjacent land use is guided by the West Cambie Area Plan (highlighted in light yellow in the image above), which includes plans for a mixed-use and medium density residential neighbourhood to the north of the Garden City Lands and a “park / school” use around the existing armoury to the east on what is currently the Department of National Defense property as well as ALR land.

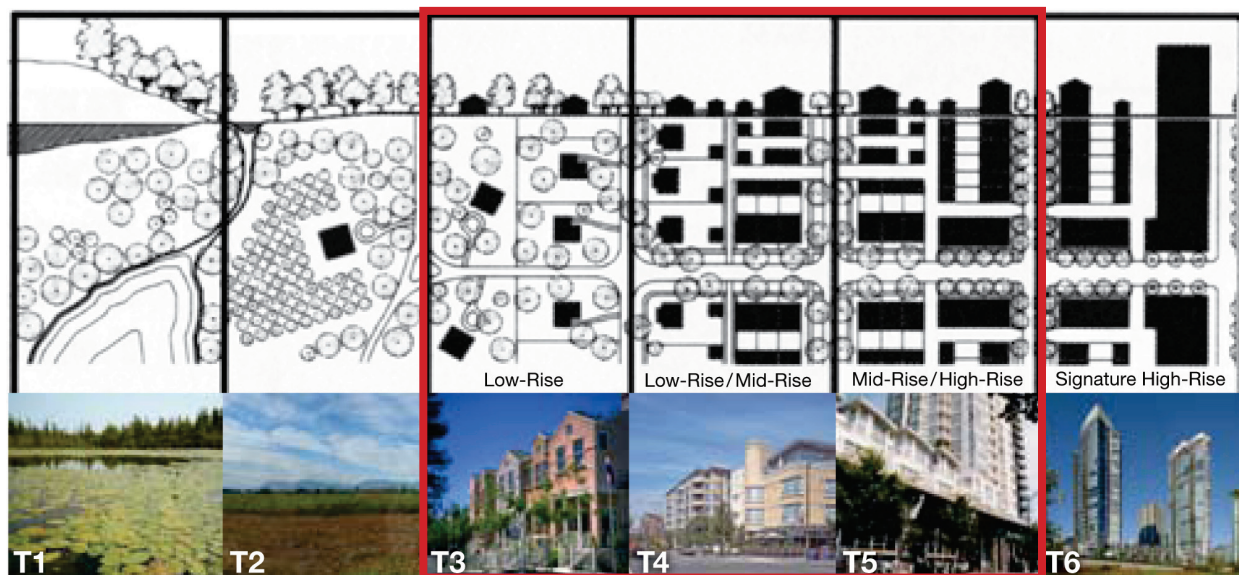
from the Official Community Plan Key Map



The CCAP identifies suburban, general urban, and urban core densities adjacent to the Garden City Lands, which have been highlighted in red. It also identifies the location of urban transect zones.

Image from Open House 3: CCAP CONCEPT – March 1 to 16, 2007

The City Centre Area Plan proposes a hierarchy of transect zones. These are based on Charles Bohl's and Elizabeth Plater-Zyberk's "Rural-to-Urban Transect," which suggests a model for a planning framework related to the organization of density within an urban / rural environment. Floor Area Ratios may be up to 3.0 in these areas. Zones immediately adjacent to the Garden City Lands range from T2 Rural Zone to the east of the site to T5 Urban Centre Zone to the west of the site. Commercial uses are proposed directly to the north, just outside of the City Centre Area boundary. Areas to the south of Garden City Lands are outlined in the City Centre Area Plan as transect zones "T3- Suburban Uses" with lower density with townhouses and apartments and "T4-General Urban" with high-density townhouses and mid-rise apartment buildings. To the west of Garden City Lands, projected densities are higher, including the T4 zone along with T5-Urban Core Zone with predominantly high-rise apartments and mixed use buildings.



The urban transect illustrates varying building forms pertaining to each density area as set out by the City Centre Area Plan. Four transect levels (T3 to T6) are considered for Richmond's downtown. Based on this urban transect zone model, a mix between T3 and T5 would likely be possible to be developed on the 50% development lands identified in the MOU.

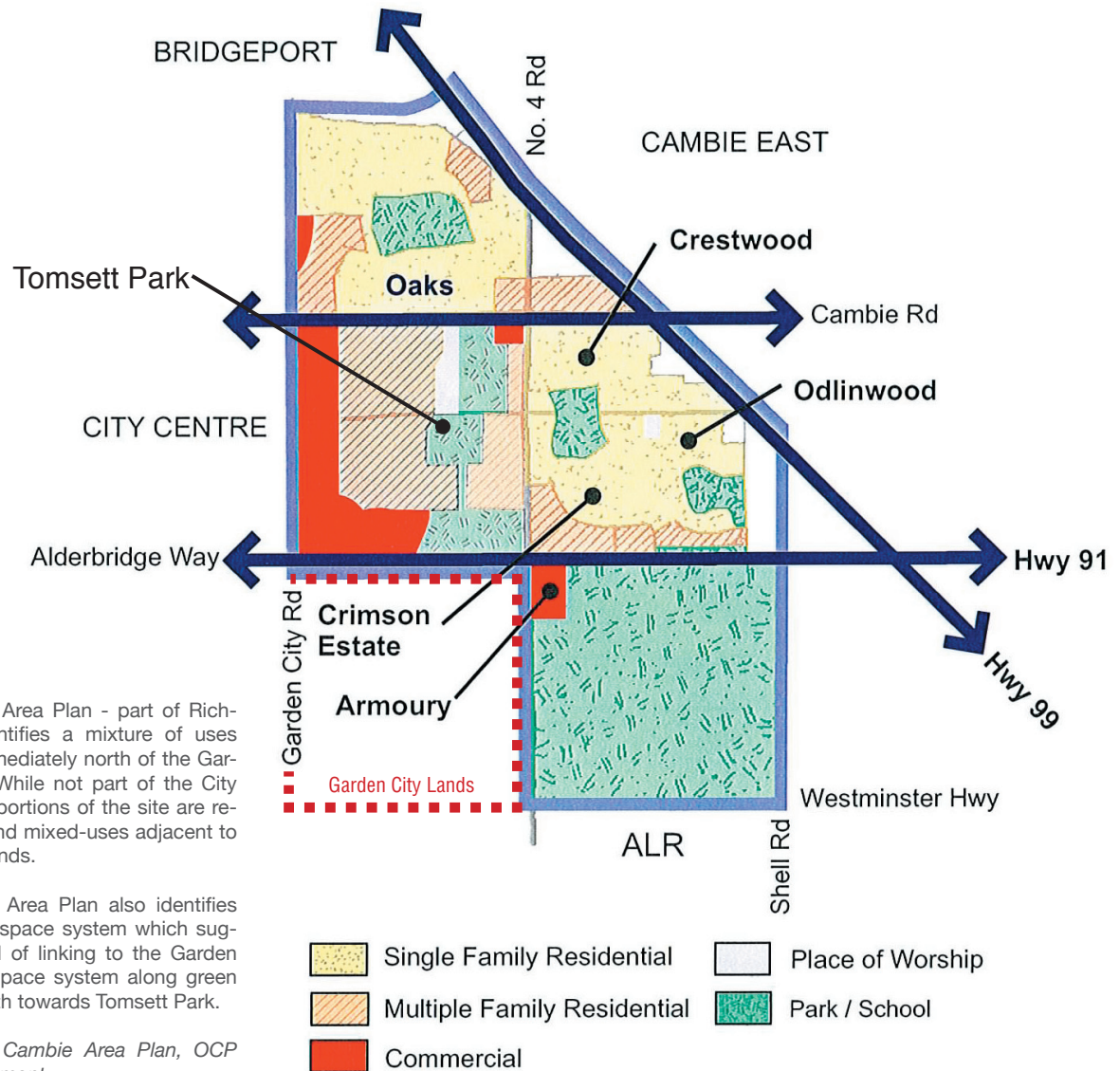
Image from Open House 3: CCAP CONCEPT – March 1 to 16, 2007

3.4 The West Cambie Neighbourhood Plan

Planned urban uses to the north of the Garden City Lands, across Alderbridge Highway, form a part of the planning context for the West Cambie Area Plan. The urban uses will have significant impacts on the planning of the Garden City Lands. While not part of the City Centre Area Plan, the Alexandra neighbourhood is identified in the OCP (West Cambie Area Plan) as a future location for mixed-use development, multi-family residential, institutional, business / office uses, and parks. This mixed-use development logically supports a transit node, consistent with the minor village node framework identified in the CCAP, at Alderbridge Highway and Garden City Road.

In conjunction with the existing higher density urban development both to the west and south of the Garden City Lands, the introduction of related urban forms on the Garden City Lands would be a logical and compatible to integrate with these immediate land uses.

The West Cambie Area Plan also identifies a significant open space system which suggests opportunities for linkages to a potential future Garden City Lands open space system. Green linkages to the north could be created to link Garden City Lands to Tomsett Park.



The West Cambie Area Plan - part of Richmond's OCP- identifies a mixture of uses within the area immediately north of the Garden City Lands. While not part of the City Centre Area Plan, portions of the site are reserved for urban and mixed-uses adjacent to the Garden City Lands.

The West Cambie Area Plan also identifies a significant open space system which suggests the potential of linking to the Garden City Lands open space system along green linkages to the north towards Tomsett Park.

Image from West Cambie Area Plan, OCP Schedule 1 Amendment.

3.5 Community Needs

An important component in the planning of these lands is the need to address the wide variety of community needs. There are, broadly speaking, three categories of “community” related to the Garden City Lands:

- the Community of Richmond
- the Musqueam People; and
- the Province and Country as a whole.

3.5.1 The Community of Richmond

With the accelerated population growth in the City Centre area of Richmond there is a need for public open space and amenities based on a per capita basis for its present and future residents. As outlined in section 3.2, there are no large tracks of vacant land greater than 4 ha. within the CCAP area. From this perspective, the value of the Garden City Land is due to its:

- Location- close to existing and planned for residential and mixed-used neighbourhoods
- Size-65 acres represents 32% of the total new open space required in the City Centre Area Plan.
- Connectivity- its logical location within the larger City Centre Open Space system, on an existing TransLink bus route, and as a 10-minute walk from a 2009 Canada Line ALRT station.

The 65 acres of open space also provide an opportunity to showcase sustainability in Richmond. The project can be used to meet all of Smart Growth BC’s principles of sustainable development and be planned to qualify for LEED-ND qualification. In addition, the open space could include not only for parks but also for a possible Trade and Exhibit Centre, a Sports Tournament Centre, urban agriculture and at the same time be an environmental demonstration project.

The Garden City Lands represent a unique opportunity to provide a broad range of public amenity integrated with public transit and significant urban agriculture and environmental features. In addition it can be integrated with a model environmentally urban village.

3.5.2 The Musqueam People

The Garden City Land is located within the Musqueam Indian Band’s declared and accepted “traditional” territory. The development of these lands will address significant and important community needs for the Musqueam People. Their stake in the Garden City Lands was viewed by the Court one of the very few federal Crown assets available to them to address their land claims and critical socioeconomic challenges.

The Garden City Lands represent a critical opportunity to support the Musqueam’s on-going nation building and economic development. The GCL development will serve as a foundation for the community’s development over the short and long term. The Musqueam are completing a comprehensive strategic Musqueam Community Plan which will prioritize physical development and cultural social programs.

The range of physical benefits will include much needed maintenance and repair of existing housing, development of new housing, upgrading of infrastructure, repair and development of Band facilities etc. The wide variety of social benefits will include youth and elder programs, counseling, and a wide variety of language and cultural programs.

The Garden city lands development itself can potentially provide direct on-site benefits include skills development and training related to land development and construction. In addition, the development of the lands provides an enormous opportunity for the creation of a legacy of cultural interpretation and education of Musqueam heritage, traditions, arts and culture.

3.5.3 The Province and the Country

Though not germane to detail site planning issues, exclusion from the ALR represents the moral high ground of treaty negotiations and shared benefits to ALL involved, not just one party. The Memorandum of Understanding was adopted to remove a Court challenge and injunction in favour by Musqueam by providing for compromise solution to all parties with an interest in the Garden City Lands. A tripartite agreement between Canada Lands Company, the Musqueam, and the City of Richmond represents a positive and unique approach to land claim settlement and is beneficial to the greater public interest as it avoids costly, lengthy, and adversarial litigation combined with carrying costs to the Canadian taxpayers for an indeterminate period of time.

Additional benefits flow from this project due to the mandate of the Canada Lands Corporation. Their mandate of optimizing financial and community value to surplus federal lands bring direct benefits to the Canadian taxpayer. More importantly Canada Lands has a track record of creating well designed sustainable communities. In Chilliwack, the company has worked tirelessly to listen to and work with the local community to create one of the most desirable new residential communities in BC, Garrison Crossing, which was recently awarded “Best Master Planned Development” by the Urban Development Institute. This experience will be of direct urban design benefit to the Garden City Lands.



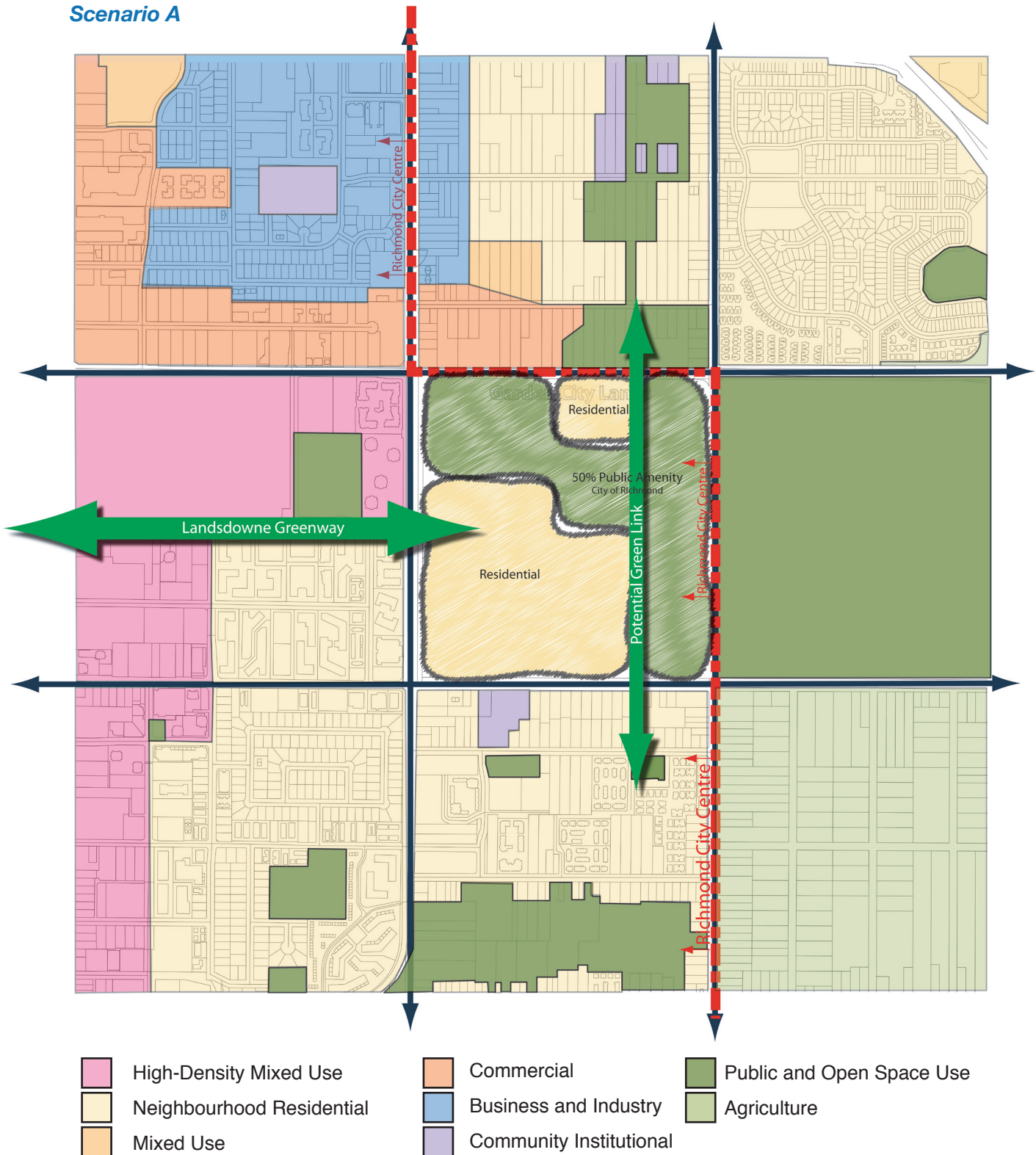
Canada Lands Company created Garrison Crossing, an award winning master planned community in Chilliwack.

3.6 Site Planning Options

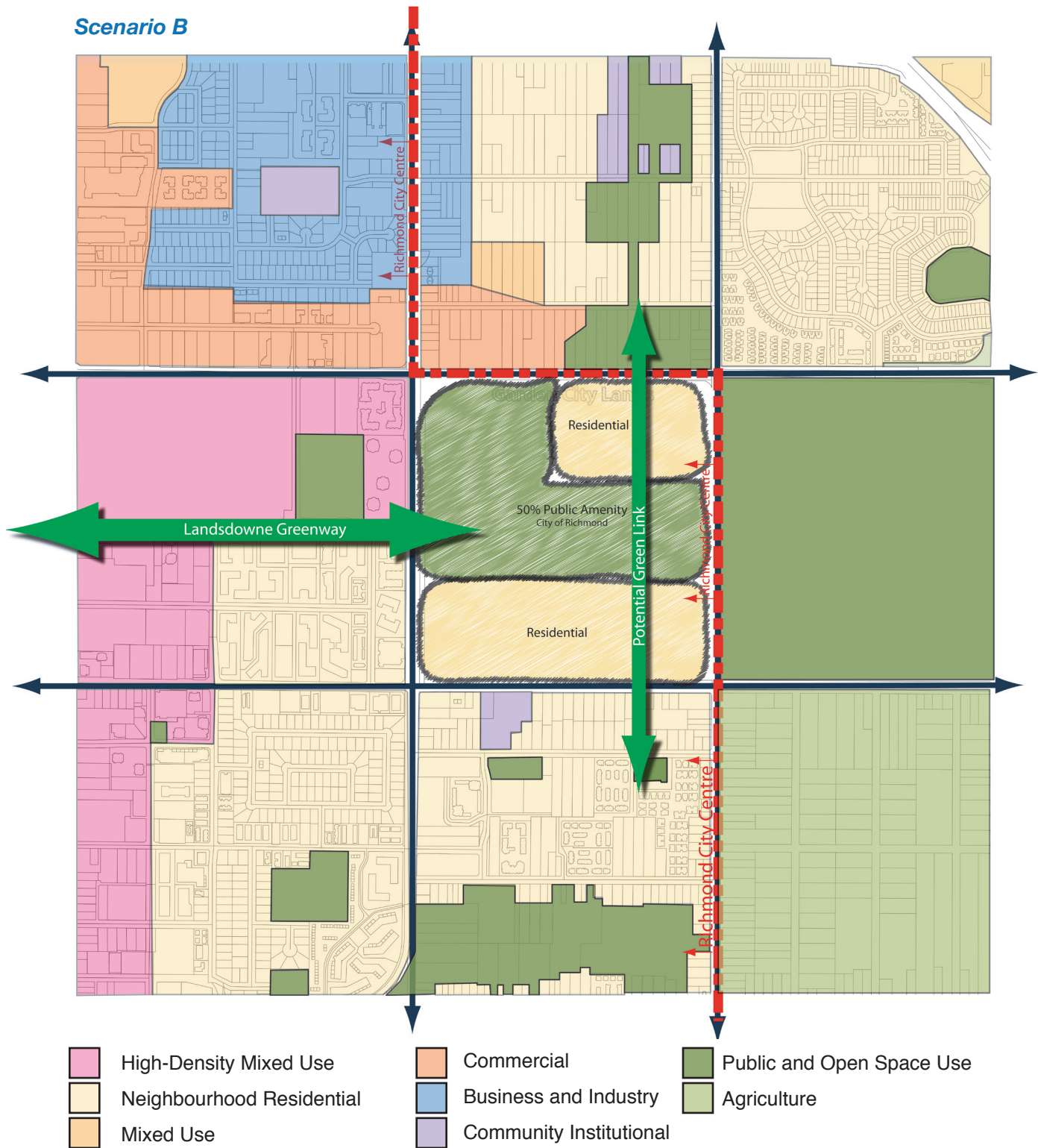
To study the implications of the identified community needs and the surrounding planning context on the Garden City Lands, some diagrammatic site planning scenarios were explored. As has been noted previously and has been identified in the CCAP, more detailed site planning will be required on the Garden City Lands should the removal of the property from the ALR be successful. This will involve extensive community input to the overall master planning for this large contiguous site within the CCAP boundaries.

Scenario A illustrates a distribution of the public lands in a manner which connects them directly to the village centre at Garden City and Alderbridge Way and leads them to the east to form a buffer with the DND Lands and the ALR. A north-south linkage is also created to connect open space in the Alexandra Neighbourhood. Mixed-use residential neighbourhoods fit within this open space configuration. Scenario B creates a more direct east/west arrangement of open space on the site connected to the greenway/ceremonial route identified in the CCAP open space plan. These scenarios suggest that there are a variety of options available to distributing open space relative to mixed use/residential neighbourhoods – both new and existing.

Scenario A



Scenario B



The DND lands are the only adjacent lands included in the ALR and are not being considered for removal from the ALR designation. This unique situation of adjacencies -with urban uses adjacent to the Garden City Lands on three sides and ALR land adjacent on the fourth- suggests that there is a rationale for not only planning urban uses on the site, but also creating a strong transitional space that satisfies the implicit need to manage the urban / environmental / agricultural interface and to create an urban form that effectively disengages dense urban areas to west from rural uses to the east. This opportunity is unique to the Garden City Lands, given its scale and proximity to both Richmond City Centre, the nature preserves and the ALR. Given the joint nature of the MOU and the ongoing stakeholder consultation that will be required to plan for these future of the lands, a unique fabric that relates to the adjacent land-uses and minimizes potential conflicts between land-uses can emerge.

The site and the MOU provide the opportunity to provide a strong eastern boundary to the City Centre and clean transition to the ALR to the east. The local context of the Garden City Lands suggests an opportunity for a compelling urban design that disengages urban from rural uses. To the west and south, the City of Richmond's City Centre Area Plan prescribes urban forms, densities, and uses. To the north, the city's OCP describes future mixed-use, recreational, business, and residential uses. The majority of Richmond's ALR land lies to the east, including the Department of National Defense property that is currently used for its purposes, with no indication from the Department that its operations are likely to change in the foreseeable future. In addition, due to its very different on-site and edge conditions, Canada Lands has officially informed the government that it will not be a candidate for taking on the property should all or part of it be deemed surplus to federal program purposes at some future date. These unique parameters position the Garden City Lands at a threshold of urban and rural uses.

Transportation

In addition to the potential for these general land use and open space scenarios, other site planning opportunities related to Garden City Lands are evident as the site is surrounded by major transportation corridors, one of which- Alderbridge Way- serves as a key entry into the City Centre from Highway 99. This route has been identified as a major thoroughfare in the June 2007 City Centre Transportation Plan Update. Major thoroughfares are expected to accommodate moderate to high speed traffic as well pedestrians, cyclists, transit, trucks, and emergency response units. The plan also identifies Alderbridge as a potential route for regional transit service as well as a primary goods movement corridor. Westminster Highway (the east-west street forming the southern edge of the site) is also designated as a major thoroughfare with regional bus transit.

The development of a finer grain onsite street and public circulation system will need to be effectively integrated with these larger surrounding transportation systems. The initial diagrammatic analysis scenarios "A" and "B" on the previous pages suggest that a variety of scenarios will be possible.

Section 3.0 sets out the local planning context. This section describes broader policy issues, including regional policies and the relationship of these policies to each other and their collective ability to manage growth in a way that is actually beneficial to the objectives of the ALC in this region- to preserve the long-term integrity of the Lower Mainland's Agricultural Land Reserve.

The Livable Region Strategic Plan was reviewed as the key regional planning framework.

The Livable Region Strategic Plan

The LRSP is concerned with the long term protection of the ALR (included in the "Green Zone"). The LRSP's first step in creating a plan for a livable region was to identify areas that are "fundamental to maintaining Greater Vancouver's character as a region in nature." A green zone was identified, within which agricultural lands are included. The plan describes the Green Zone as "a major commitment to protecting Greater Vancouver's natural heritage, and contributes to environmental sustainability on a regional, national, and global scale."

The LRSP intends to preserve the greenbelt, thereby enabling a more sustainable future for our region, through policies related to growth management. In fact, the LRSP is based on the premise that inevitable growth in the region cannot be stopped by rules and regulations. Growth can be well managed, however, to preserve a high level of well-being for the region's inhabitants.

Located along what is described in the LRSP as an "intermediate capacity transit system" (now upgraded to the Canada Line), Richmond's regional town centre is part of a network of growth concentration areas. These areas "are intended to be primary concentrations of jobs, housing, culture and recreation opportunities." (LRSP, 11)

The LRSP emphasizes the importance of the regional plan's commitment to the Green Zone and suggests that protecting the green zone "fosters a shared sense of commitment between the region's municipalities to protect the lands within it." The City of Richmond's City Centre Area Plan- and the growth management strategies within it- represent a positive step towards fulfilling the city's commitment to sustainable development.

In fact, the LRSP states that growth management is the shared responsibility between the region's municipalities. Given that Richmond City Centre is identified in the LRSP as a regional town centre - it is, therefore, expected to accommodate a portion of the region's inevitable growth.

Richmond and Regional Growth

Demographic projections suggest that, given inevitable growth in the region, Richmond's City Centre could grow to accommodate 120,000 people within the next 100 years. Urban Futures' demographic study for the City of Richmond ("Projecting Community Change in the Richmond City Centre: A Community Lifecycle Approach", August, 2007) suggests a "capacity population" of 120,000 residents at "build-out." The City of Richmond responded to the prospect of such growth by developing a framework in which this growth can be accommodated: the City Centre Area Plan.

As outlined in Section 3.2, the CCAP policies and strategies are based on these long term growth projections and collective regional responsibilities, not on short-term, opportunistic development patterns. In fact, the CCAP follows a set of goals and objectives inspired by SmartGrowth that will ensure that the City Centre develops as a complete community.

The success of the CCAP will be based on the successful implementation of complete communities, which includes land-use and transportation policies that imply residential density, jobs, services, and public amenities being located within close proximity to each other. If Richmond is to manage inevitable population growth based on regional growth management strategies, then it needs to include the necessary housing, jobs, services, and public amenities to ensure that it remains livable and attractive for future growth over the next 100 years.

The LRSP Initiative

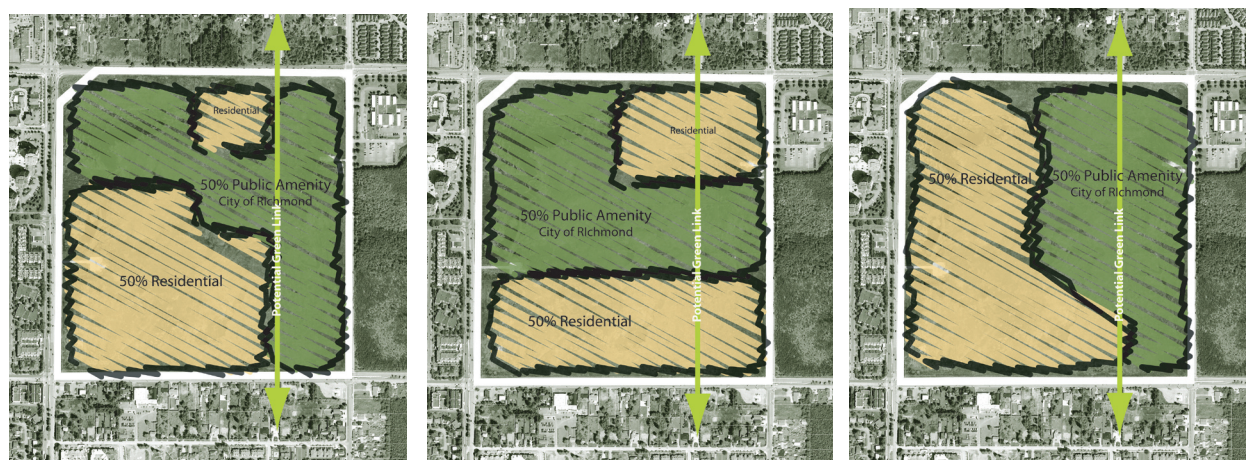
The LRSP followed a rejection of the “business as usual approach” to development, stating that the public rejected such an approach “because it would put development pressure on farmland, increase the distance between jobs and housing, cost too much for public services and utilities, and result in worsening air pollution from increased automobile use.” (LRSP, 18)

This premise, with its underlying intention of managing growth responsibly, is fully reflected in the Richmond CCAP. The City of Richmond’s growth management strategy for the next 100 years is based on the principles of complete communities. The increased density within the City Centre would decrease pressure on outlying areas, including farmlands. The concentration of uses and densities around the new Canada Line and bus villages enables more trips to occur by transit, bicycle, or foot and lessen the air pollution from automobile use, a major contributor to greenhouse gas emissions.



Urban Design Opportunities

The City of Richmond and Canada Lands Company/Musqueam will be sharing the 136 acres of land. According to the MOU, urban development can take place on only the Canada Lands Company/Musqueam owned portion of the lands to a density of between 2.0 and 2.5 FAR. The City will develop its portion of the Lands for public open space uses and amenities, including the possibility of the trade and exhibition centre. This combination of these uses will concentrate growth within the City Centre precinct together with providing significant public infrastructure and open space to support its population. The development of the Garden City Lands will provide a number of both citywide and site specific urban design opportunities.



The relationship between development lands and amenity space- and the way the two uses interface- will be determined as part of a public process. Various configurations are possible, as shown in the images above and as described in Section 3.6.

5.1 Citywide Opportunities

Lessening Development Pressures in Outlying Areas

The ability of this land to contribute to the City Centre Area Plan and to a concentrated, livable urban environment will serve to lessen development pressures elsewhere in the city. As no other ALR land is within the City Centre Area and only the Department of National Defence site is adjacent to the growth concentration area, the Garden City Lands are the only opportunity within Richmond's long-term planning context for the release of ALR land to contribute to high-density urban uses. The potential for density levels that supports meeting Richmond's "build-out" of population of 120,000 residents over the next 100 years will have a substantial impact on lessening development pressures elsewhere in the city. This concentration of growth ultimately protects the majority of ALR land in Richmond as it lessens development pressures and other influences on outside areas. A planning context that is already in place is an assurance that higher densities are contemplated for the site and that the land's highest and best use is realized following its removal from the ALR. The OCP suggests only modest residential densities outside of the urban core where the remainder of ALR land exists, and therefore, suggests a lower likelihood for future applications of removal. In other words, a strong City Centre Area Plan that is able to meet its targets will mean a lower likelihood that future ALR removal applications will need to be advanced.

Contributing to a Livable City Centre

While the potential for the Garden City Lands to contribute to the residential growth concentration targets for the City of Richmond is a key consideration, a critical element of the success will be the livability of the City Centre Area. As such, the extent to which the Garden City Lands support the livability of the City Centre area should not be overlooked. Given the site's location as an eastern "anchor" along a ceremonial route identified in the CCAP along Lansdowne Road, as well as the MOU's requirement to provide land for the City of Richmond's community needs, the site is a key piece of an overall open space and recreational framework for the city as a whole.

Given the Garden City Lands are an open “greenfield” site, the opportunity exist to create a unique master planned place within the City. The City Centre will ultimately be a richer and more livable place with the accumulation of many distinctive neighbourhoods. The City of Richmond has recently completed a planning exercise for a new dense waterfront neighbourhood at the Richmond Speedskating Oval. The Garden City Lands site in time can become an equally distinctive neighbourhood.

Providing Public Amenities

As part of a long term growth strategy, the City of Richmond must ensure that the supporting services and amenities of a livable City Centre are in place as the City Centre area develops. Should the City Centre area be deficient in any way that detracts from a complete, livable, balanced community, then the City Centre area becomes less appealing and, therefore, more challenging to capture Richmond’s growth within a compact area.

The MOU represents an opportunity to provide Richmond with large, contiguous public amenity space that is needed in the CCA. Given that the City of Richmond has an opportunity to purchase 50% or just over 68 acres of the Garden City Lands under the Memorandum of Understanding, a large contiguous public amenity space has been secured. This space could house sports fields, urban agricultural opportunities, a trade and exhibition facility, or other amenities. A variety of other public amenities on this land is also a possibility and, if available, will be the subject of future public consultations with the residents and special interest groups.

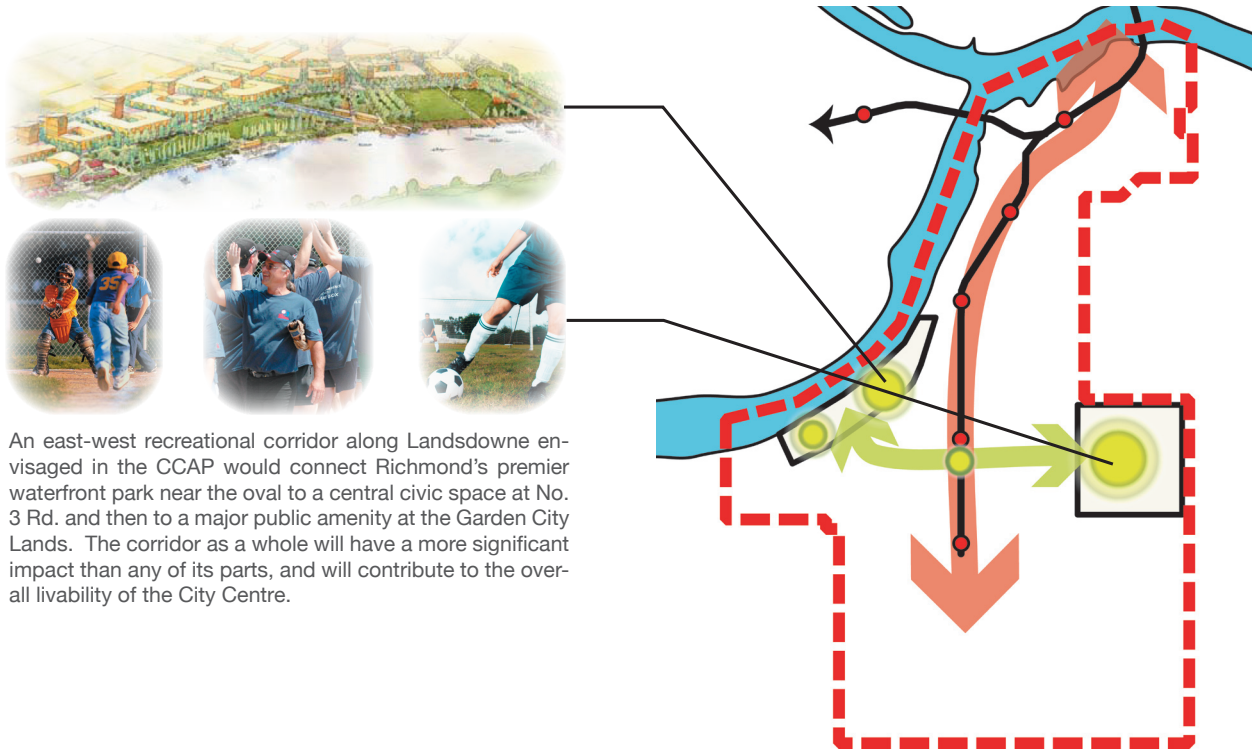
Although a wide variety of uses may be accommodated on the land that will fall under ownership of the City of Richmond, parks planning policy suggests that a field sports facility deserves additional attention. A desire for a sports tournament facility existed as early as 1981, when the vision was originally set forth with the bid for the Commonwealth Games. This need was reiterated in 2001 as part of the Parks Department “Community Needs Assessment.” As part of a Community Wide Survey, 69% of respondents in favour of more outdoor recreation areas were supportive of more sports fields and baseball diamonds. The “Parks Recreation and Cultural Services Masterplan” (2005) envisioned a sports tournament centre that would include outdoor turf and court sports at the Garden City Lands site. Again, in 2006, the need “to increase the City’s quantity of outdoor field sport facilities” was raised, this time in the “Richmond Field Sport Strategy” (2006).

While these strategies are not tied to any potential site, the need to integrate the facility with other urban design issues- particularly sports tourism and associated lodging considerations, implies a need for it to be located in close proximity to Richmond’s City Centre. Adjacency to urban services will lessen transportation constraints on a tournament facility while also enhancing the livability of the city for the majority of Richmond’s current and future population by providing a high level of recreational service.

On November 2, 2006, Richmond Field User groups participated in a City of Richmond workshop to further identify field sport tournament facility needs. Summary notes from that workshop include numerous large scale facilities. These facilities combine to form a very large-scale programming element that would require a large site. While all of these items may not end up in a final facility design, it is clear that the large contiguous space opportunity that Richmond would receive as part of the MOU would be a possible location for such a multi-purpose facility. In fact, a general assessment of open space in the City Centre area suggests that this is the only opportunity for such a facility close to the urban core of the city. Locating a facility elsewhere on a single parcel in Richmond would imply a displacement of either industrial or farmland. It would limit the ability to service the facility by transit, thereby placing additional strain on the transportation network and introducing an increase in vehicular traffic to parts of the city where streets are currently used more by goods movement or farm equipment.

Creating Civic Urban Design

A major civic urban design opportunity exists to connect the new Middle Arm Park on the Fraser River with the planned east/west greenway/ceremonial route along Lansdowne to a new major public open space at the western edge of the City Centre on the Garden City Lands. This would provide a major public ceremonial and recreational infrastructure which provides a distinctive civic presence important to any urban centre.



An east-west recreational corridor along Lansdowne envisaged in the CCAP would connect Richmond's premier waterfront park near the oval to a central civic space at No. 3 Rd. and then to a major public amenity at the Garden City Lands. The corridor as a whole will have a more significant impact than any of its parts, and will contribute to the overall livability of the City Centre.

Ensuring Viable Transit

Development densities of an average between 2.0 FAR and 2.50 FAR have been agreed to as part of the MOU. This level of density is urban in nature and capable of supporting a minor transit village, such as the village centre identified in the plan at Garden City Road and Alderbridge Highway. The principles of the CCAP suggest that development on site will need to contribute to the development of a compact, complete community.

This means that the major public amenities needed within the City Centre Area are accessible by transit. Moreover, the location of the Garden City Lands within the City Centre suggests that this is the only opportunity to create such a public amenity within walking and cycling distance of Richmond's current and future population. The Garden City lands, therefore, represent a unique opportunity to locate a major public amenity in a manner consistent with principles of sustainable city building at a location complimentary to the overall open space network of the city.

As a general consideration of open space near the City Centre Area, the Garden City Lands represent an opportunity to establish a large contiguous open space that is complimentary to the overall pattern of open space in the City Centre.

5.2 On-Site Urban Design Opportunities

Innovations particularly feasible for the Garden City Lands would be addressed as part of a future planning and urban design process that would involve key stakeholders and the public at large. There are, however, some key directions for site planning that, given the unique context of the Garden City Lands and the impetus of the MOU to balance the interests of numerous stakeholders, are worthy of some commentary:

The Inclusion of Urban Agriculture

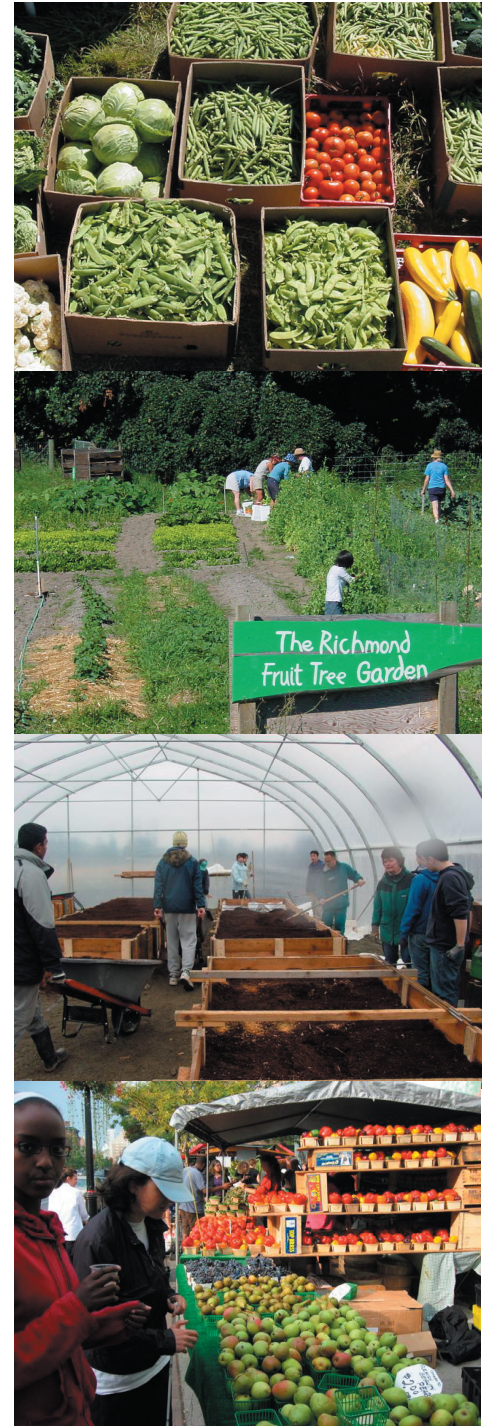
Although the majority of the Garden City Lands are adjacent to urban uses, the eastern edge, across No.4 Road and beyond the boundaries of the City Centre Area Plan, is adjacent to ALR land. As such, it is relevant that a portion of the site can serve as an incubator for urban agriculture and potentially as an interface between the City Centre and the ALR.

Urban Agriculture on site will serve to educate residents on agricultural production, food systems, and issues related to food security. Moreover, the close proximity to the urban core of Richmond and the potential for connectivity and access through the nearby transit node and Kwantlen College makes this a high visibility location to further education and awareness initiatives as they pertain to agricultural production in our region.

The integration of urban and urban agricultural uses may not only contribute to a better interface with the City Centre and the ALR, but also offers unique opportunities in resource sharing. Surplus heat from local businesses may be used in intensive green house production, potentially on rooftops. On site parks may contain stormwater retention areas that serve as public amenity for the urban population as a water feature in public space. This non-chlorinated water may be channeled off-site to nearby agricultural land and used for irrigation.

Affordable Housing

The Garden City Lands are a large, contiguous, single parcel with a single joint ownership group. As such, there may be an opportunity to secure a parcel for affordable housing. Applying the developer contributions for affordable housing or a cash equivalency on a site of this scale may result in a quantity of affordable housing substantial enough to be a stand alone project located on its own parcel. This opportunity will allow Richmond the option to apply existing affordable housing money to a site in the immediate future, rather than hold the funds for potential longer-term opportunities. With the potential for such a contribution to the City of Richmond the Garden City Lands are poised to contribute to the general livability of the City Centre by providing an opportunity for a diverse population of a range of incomes. In so much as a livable City Centre supports the long-term protection of the ALR, and affordable housing supports a livable City Centre, a creative approach to the inclusion of affordable housing on site will be an important component to detailed site planning work for the Garden City Lands.

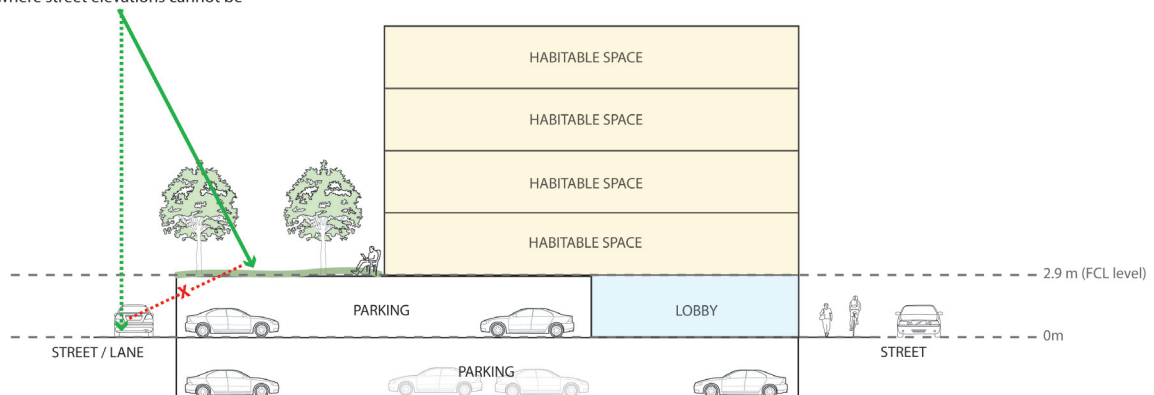


Urban Agriculture projects such as the Richmond fruit tree garden could be included on site at the Garden City lands, helping to bridge urban and agricultural uses and raise awareness to the city's connection to its food supply.

Urban Design and Flood Control Levels

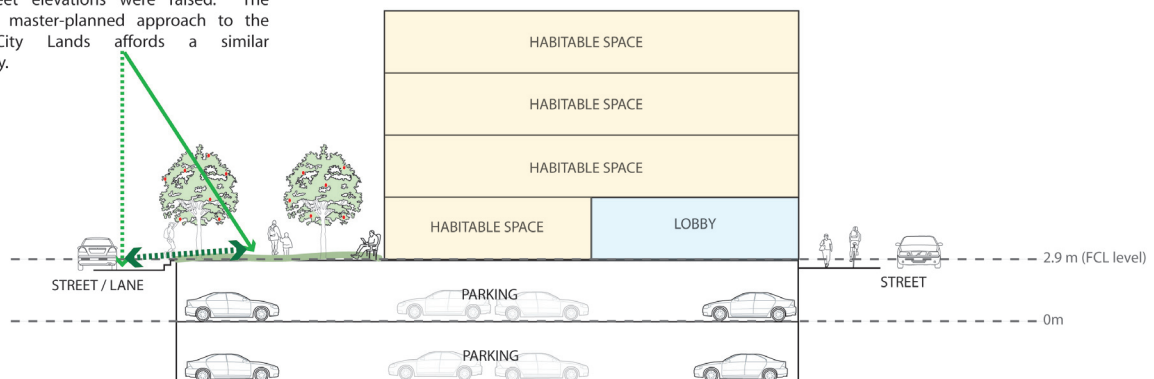
As indicated above, this site has a high water table. A master planned approach to addressing grade elevations and flood considerations provides opportunities to use grading to address two issues relevant to the City of Richmond: flood elevation requirement for habitable space and the impact of parking structures above grade. If grading is used to raise street levels to a similar elevation as habitable floor elevation requirements for flood management (2.9 m geodetic), then it creates an opportunity to “bury” parking underground. This approach, similar to what is occurring on the Olympic Oval site, would create at grade open space with direct street access instead of the podium level open space found in most developments in Richmond. Also, there are opportunities to extend this approach to public amenities by locating sports fields above buried parking thereby maximizing the available open space. This would increase the potential for even greater total green space at the Garden City Lands.

Podium level “open-space” is separated from the street and functions as semi-private space. Uses relate to the building tenants only and have little public value. This is a common scenario in Richmond where street elevations cannot be raised.



Typical Response to Flood Control Levels

“At-grade” open space is related to the street and can function as semi-public or public space. Uses relate to the public realm and can include a variety of programming elements for public use, including urban agriculture. This scenario is seen at new development near the Olympic Oval, where street elevations were raised. The large-scale, master-planned approach to the Garden City Lands affords a similar opportunity.



Preferred Response to Flood Control Levels-possible at Garden City Lands



Conclusions

Excluding the Garden City Lands from the ALR brings certainty to the future of the site, contributes to the city's long-term goals of sustainable development, and helps the City of Richmond and Musqueam meet their community needs.

Based on foregoing review of the broad planning context of the Garden City Lands and related urban design issues and opportunities, we are led to the following conclusions on the benefits of the removal of the lands from the ALR.

Meeting Projected Long Term Population Growth

Richmond's downtown population is anticipated to triple in size, from 40,000 to 120,000 residents, over the next 100 years. To ensure that Richmond's growth is environmentally, economically, and socially sustainable, the City will be updating its Official Community Plan (OCP) in coordination with Metro Vancouver. The Garden City Lands are based on the MOU, is able to accommodate up to 12.5% to 15 % of the City's anticipated growth.

Ensuring That The City Centre Area Plan Is An Effective Tool

The Garden City Lands are integral to ensuring the success and effectiveness of Richmond's CCAP. It provides the capacity to accommodate and manage growth in a sustainable manner. Indeed the site will dramatically contribute to the much needed open space and amenity integral to the success of the CCAP.

The ability of this land to contribute to the City Centre Area Plan and to a concentrated, livable urban environment will serve to lessen development pressures elsewhere in the city. As no other ALR land is within the City Centre Area and only the Department of National Defence site is adjacent to the growth concentration area, the Garden City Lands are the only opportunity within Richmond's long-term planning context for the release of the ALR land to contribute to high-density urban uses. The potential for density levels that supports meeting Richmond's build-out of population of 120,000 residents over the next 100 years will have a substantial impact on lessening development pressures elsewhere in the city. This concentration of growth ultimately protects the majority of ALR land in Richmond as it lessens development pressures and other influences on outside areas.

A planning context that is already in place is an assurance that higher densities are contemplated for the site and that the land's highest and best use is realized upon removal from the ALR. Richmond's Official Community Plan directs only modest residential densities outside of the urban core and therefore, suggests a lower likelihood for future applications of removal. In other words, a strong City Centre Area Plan that is able to meet its targets will mean a lower likelihood that future ALR exclusion applications will need to be addressed.

Defining A Strong Eastern Boundary to Richmond's City Centre

A strong and defined eastern boundary will logically establish a clean threshold between an existing urban zone and the ALR to the east. At the same time the establishment of this boundary will allow the logical integration of the rapidly developing high density developments occurring on three sides immediately surrounding the site. A variety of options are available to integrate the uses identified in the MOU with the actual existing adjacencies to the site. A full master planning process with all the necessary public and stakeholder input will insure an optimum plan is established and a strong edge created for the City Centre.

Meeting Open Space Needs

There is a substantial open space deficiency within the existing City Centre. To meet the needs of the sustainable underpinnings of the CCAP, open space is critical to meeting the recreational and livability dimensions of the plan. The Garden City Lands provide a unique and critical opportunity to begin to address this deficiency of open space. A potential open space area of up to 68 acres on the site will allow a wide range of open space needs to be accommodated including areas such as urban agriculture, sports fields, park space and other public amenities.

Supporting Transit Oriented Development

Located within the City Centre Area, the Garden City Lands are a logical site for densification. Its proximity to the urban core and projected density levels for mixed-use development suggests a high level of compatibility with transit oriented development. Located beside a village centre will contribute to making the Garden City Lands a walkable community with lesser dependence on the automobile. Transit will also ensure that the public amenities on-site will contribute to the livability of the majority of Richmond's residents.

A more compact, livable City Centre where growth is concentrated represents a sustainable approach to the development of the lands and, in turn, takes some pressure away from removal of marginal ALR lands for development.

Meeting Community Needs

The MOU balances interests of key stakeholders: the Musqueam have an opportunity to meet their immediate and long-term community needs; CLC has an opportunity to create social-economic value and a legacy in keeping with its mandate to transform this place into a significant and prized part of the community; and the City of Richmond has opportunities of fulfilling its community needs that are unlikely to be as appropriately accommodated elsewhere in the City Centre.

Contributing to Agricultural Needs and Health and Wellness

A successful application for removal of the Garden City Lands from the ALR brings certainty to the future of the property, including a commitment to enhancing agricultural productivity through a \$10m Agricultural Benefits Package. An unsuccessful application limits the City of Richmond's involvement in the future of the lands and brings no certainty to there ever being any agricultural production or benefit from these lands.

Given the specific contextual and economic challenges confronting the commercially viable farming of the Garden City Lands, the need for this land to contribute to a livable City Centre and the legal cloud of uncertainty should this application for exclusion from the ALR again be rejected, the alternative that is being advocated is respectfully advanced as the only reasonable alternative.

Creating a Showcase Sustainable Community

This site offers the opportunity to develop a showcase sustainable community. Given the desire embedded in the Smart Growth principles of Richmond's City Centre Area Plan, this 136 acre site would allow for the development of a model community demonstrating green principles and practices including urban agriculture. It provides the opportunity to create a unique complete and green community which will ensure the diversity critical to a dense urban centre.

While the MOU identifies the specific interests of the tripartite ownership of the site, extensive public input will be critical to its success.

Appendix 4A

**City of Richmond Community Needs
(Response to ALC letter dated February 6, 2007)**

COMMUNITY NEED INFORMATION REQUIREMENTS

This document has been prepared in direct response to the letter received by the City of Richmond regarding their Central City Area Plan on February 6th, 2007 from the Agricultural Land Commission. Each point of clarification requested by the commission has been responded to below. The question of community need has further been addressed in other documents within this application, such as Appendix 2A – City of Richmond Report to Council, December 2007, Community Amenity Contributions; Appendix 3 – Garden City Lands, Urban Design Review of the Planning Context; Appendix 4B – Musqueam Community Needs; and Appendix 5 – City of Richmond, Final Report to Council on Garden City Lands Block Application. The applicants of the Garden City Lands strongly believe that the public benefit and public value that will be preserved by resolving Aboriginal rights and title through negotiation and not litigation is a very important consideration to present to the ALC.

- i. A statement clearly identifying the need for the proposed use and expected public benefits that will result or public values that will be preserved by the proposal;*

As described in detail in the planning report in Appendix 3, the City of Richmond is currently facing aggressive population growth which is putting enormous pressure on the confined land base of the City. In its desire to adeptly manage this growth and become one of the most sustainable cities in Canada, Richmond is looking to strategically add density and focus its infrastructure development (e.g., utilities, transit, public amenities) within the City Centre. This goal is consistent with managing the existing agricultural/urban boundary and protecting the vast contiguous active agricultural land within the City boundaries from the pressure of residential development. The parcel of land in question is the last remaining large contiguous piece of land that has the potential to provide significant public green space and amenity space within the City Centre which is crucial to achieving a high density, high amenity urban centre. Depending of the types of open space created, it may serve some of the regional needs (e.g., tournaments or urban agricultural demonstrations) in addition to local needs. As indicated below under (ii), the proposal also represents a considerable public benefit by implementing an agreement that will transfer approximately 50% of the Lands to the City and recognize the jurisdiction of the City to regulate the use of the lands.

- ii. An assessment of the impact or risk to the community if the proposal does not proceed or is delayed; and*

Without the addition of this contiguous large parcel of land to achieve some of the specific open space needs for Richmond, there will be significant negative impact on the quality of the open space in City Centre, the City, and the region. In addition, the density of development in the surrounding lands will have to be significantly lowered, as the required open space (parks, trails, recreational space) in the area will be too low to support the desired population. This decreased population density in the City Centre will then in turn put greater development pressure on outlying lands, and direct pressure on lands being farmed, as well as increasing the potential for urban/agricultural conflicts.

An important risk factor that also needs to be considered in assessing this application is the significant likelihood that, should this partnership application fail, the Musqueam Indian Band will take further legal steps to obtain recognition of its claim

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to exclusive legal title to the Lands based on the grounds of Aboriginal title. If they are successful, the Lands may be held by the courts to be outside both provincial and municipal jurisdiction, including the Agricultural Land Commission Act and municipal land use controls, and to be within federal jurisdiction. At the very least, it will be potentially very harmful to the orderly planning of the city to have such a large parcel of land within the City Centre under the land use control of another government, whether it be the Government of Canada or the Musqueam Indian Band. The Musqueam, like many other First Nations, are looking to settle long overdue land claims, while the land base with which to settle these claims is becoming more and more scarce.

If this application is successful, the agreement reached between the City and the Band will transfer approximately 50% of the Lands to the City and also represent an opportunity for the City of Richmond to have considerable influence over the resultant land use of the entire parcel, while reaping significant benefit for the public and the future of agriculture in the region. If the application is not successful and the agreement fails, the City has no entitlement to receive any of the Lands, and the opportunity for it to regulate the use of any of the Lands may well be lost. All the parties will then be exposed to the risk of further costly and divisive litigation rather than a negotiated settlement that transfers part of the Lands to the City and recognizes the City's land use bylaws.

- iii. *A description of the alternative means of addressing the community need that were considered and why the proposal was selected as the preferred option.*

Alternatives to this project have been extensively assessed and dismissed. No other land base within the City of Richmond exists that is large enough to provide for both public recreation and commercial and residential density within the existing urban fabric in close proximity to local and regional transit, availability of jobs, and a variety of businesses and services. Other areas that could offer these types of land uses, outside ALR lands, are also far from the City Centre and would be tantamount to urban sprawl and not sustainable city development. The City is not looking for a site that would increase traffic and demands for extensive infrastructure expansion located within the heart of the Richmond agricultural community. The Garden City Lands, within the downtown, represent a site that has no agricultural history, exceedingly limited potential to ever contribute to agriculture, and an opportunity to relieve pressure from other more productive and appropriate agricultural areas.

ANALYSIS OF THE PROPOSED USE

The analysis should demonstrate that there are no reasonable alternatives to the use of lands within the ALR to satisfy the community need including, if appropriate:

- i. *Evidence that the community has undertaken reasonable and substantive efforts to minimize the impact of urban land uses on agriculture, including how the community has met current infill, redevelopment and density targets in the Official Community Plan and other relevant planning documents and by-laws, if any;*

Richmond's record on sustainable community development speaks for itself. The commitment to protecting the active agricultural base within the City and practicing sustainable city development principles is evident in the past assessments of

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achievement of the GVRD (Metro Vancouver) Livable Region Strategic Plan Annual Reports. As well, the ALC Annual Report on exclusions in the Lower Mainland support Richmond's strong record of sustaining ALR land and the continued commitment to compact communities, carefully planned urban/agriculture boundaries, and the goal of improved agricultural capacity, as evidenced in its recently approved agricultural policies, as noted in Richmond Agricultural Viability Strategy (2003), and neighbourhood planning work currently underway, such as the City Centre Area Plan.

ii. A vacant land/lot inventory of non-ALR lands within the existing designated urban area, noting any constraints that would preclude their use to address the community need;

There are approximately 1,108 properties in Richmond and outside the ALR that BCAA identifies as vacant (Figure 1).

The following criteria were used to evaluate the vacant lots:

- Size;
- Current Parkland;
- Inside Shoreline;
- Environmentally Sensitive Areas designation;
- Current Use;
- Ownership or Control; and
- Committed Future Use.

Size

Most properties are small. There are 52 separate individual or contiguous lots with an individual or combined size of 10 acres (4ha) or more. While at least 20 acres (8.1ha) of contiguous space are desired, all 52 areas were examined to be more generous in considering options.

Current Parkland

Some of these areas are already identified or used for parks.

After eliminating the areas less than 10 acres (4ha) or already identified or used as parks, there are 42 lots or continuous aggregations of lots in 15 different regions of the city, as shown in Figure 2 and Table 1.

The same areas with designated Environmentally Sensitive Areas (ESA) and water/intertidal areas overlain are shown in Figure 3.

The results of this assessment are that there are no available large sites in Richmond that can accommodate substantial open space (e.g., tournament sites). There are some industrial sites that are not available (i.e., have highly viable industrial uses on them currently) and would mean trading off establish industries (jobs) for open space use. This would contradict the notion of building complete communities where people can live, work, and play.

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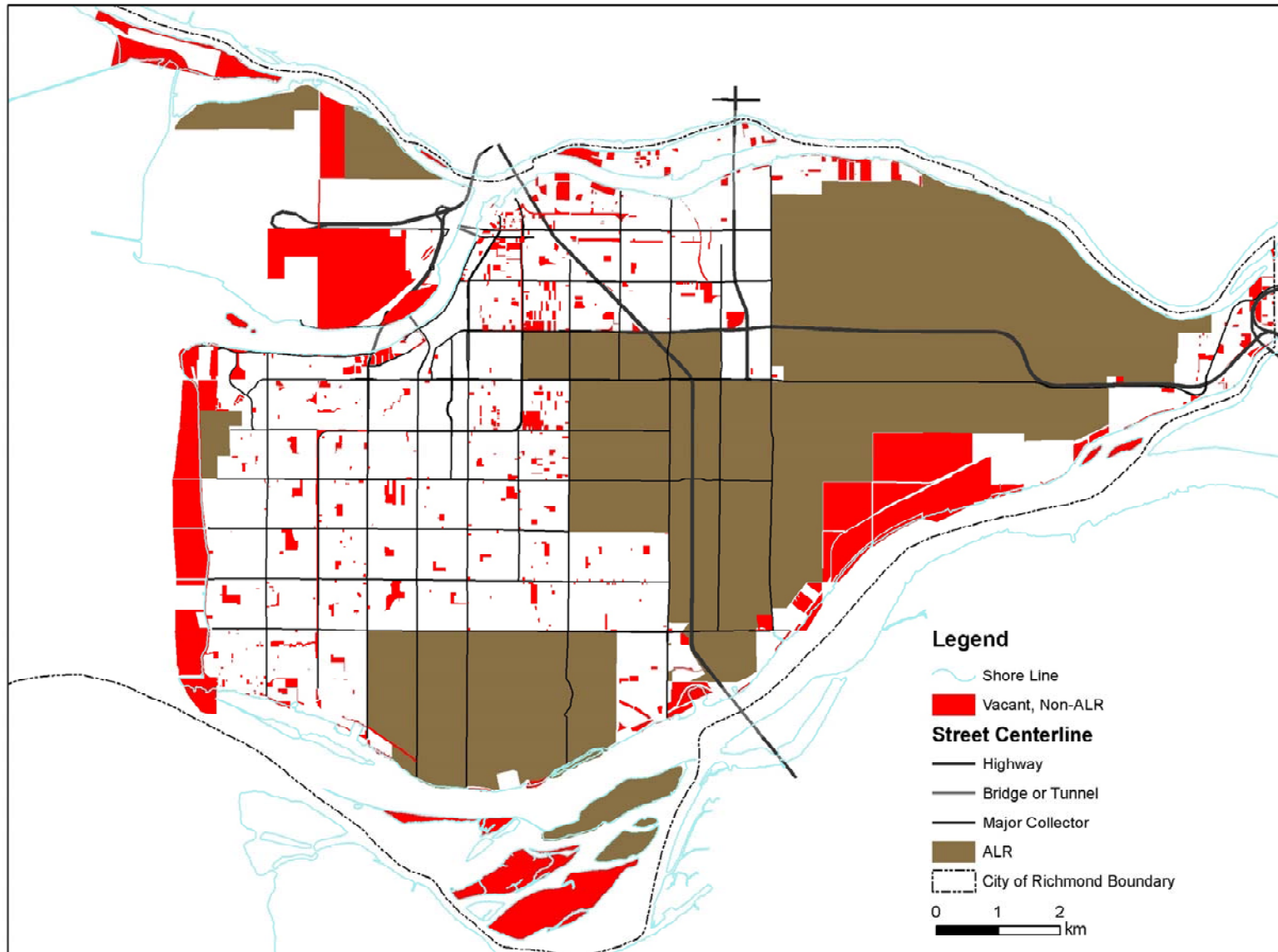


Figure 1: Vacant, Non-ALR

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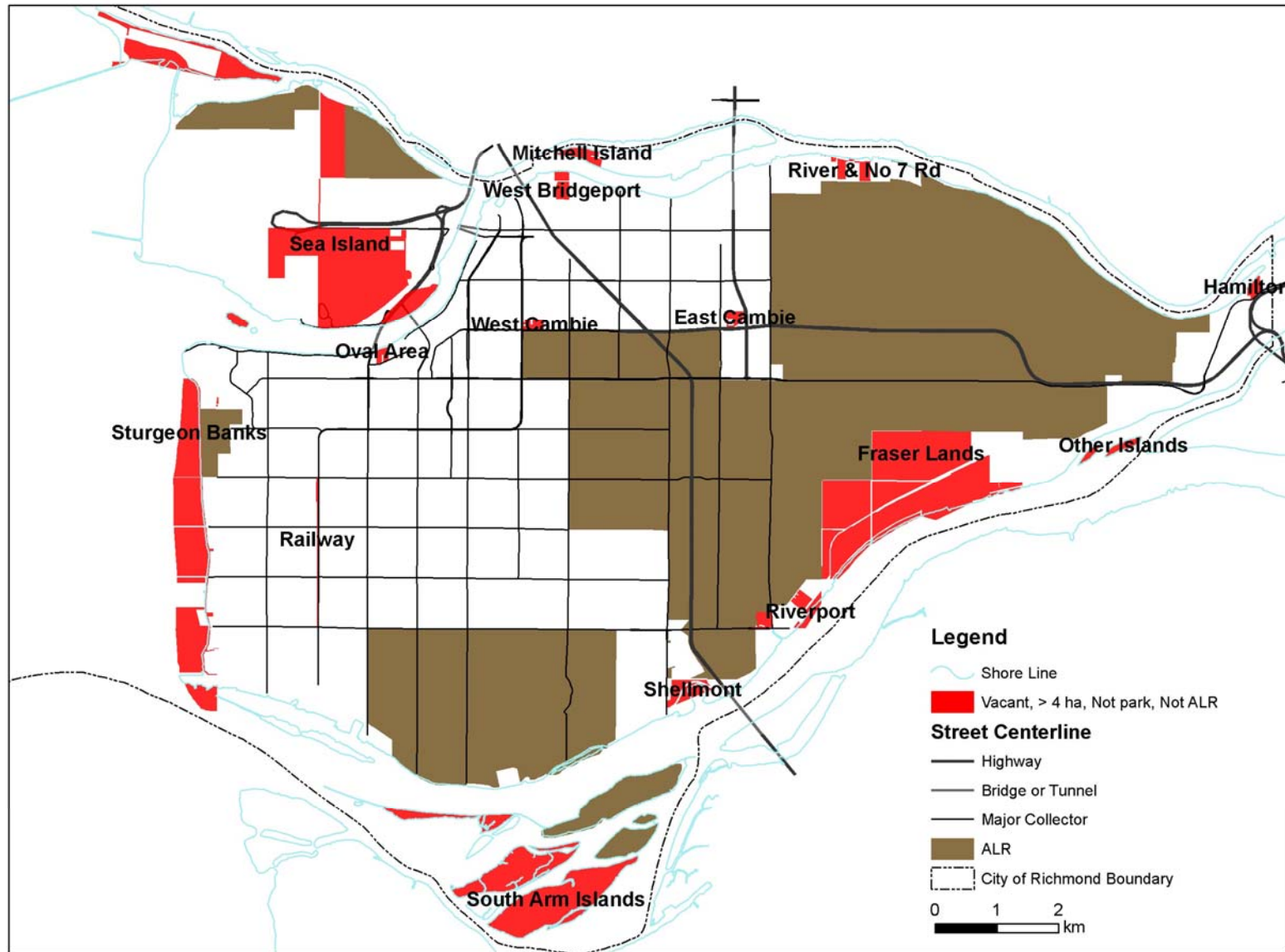


Figure 2: Vacant, Non-ALR, >4ha and not already identified as park

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Table 1: Regions of Richmond with Vacant Land, Outside the ALR, Greater than 4 Ha and Not Already Identified as Park Space

Property Cluster Location	Combined Area (Ha)	Zoning	Designated ESA and/or Conservation	Outside Normal Shoreline	Current Use	Ownership, Future Use & Other Constraints	Suitable?
Sea Island	389	AIR, SPU	PARTIALLY	PARTIALLY	Airport & Conservation Areas	Controlled by Airport Authority, Distance from population centres	NO
Sturgeon Bank	211	AG1	YES	YES	Agriculture & Conservation Areas	Limited Access	NO
South Arm Islands	217	AG1	YES	PARTIALLY	Wetlands	Inaccessible	NO
Other Islands (Swishwash, Don, Lion)	17	SPU	YES	NO	Conservation	Inaccessible	NO
Oval Area	4	CD/157	NO	NO		Committed to residential development	NO
Fraser Lands	228	I1, AG1	PARTIALLY	PARTIALLY	Industrial	Fraser Port – Industrial	NO
West Bridgeport	10	I2, I5	NO	NO	Outdoor storage, utilities	BC Hydro-owned	NO
River & No 7 Rd	11	I2	PARTIALLY	NO	Outdoor storage	Privately held	NO
Hamilton	5	I1, I2	PARTIALLY	NO	Outdoor storage	Privately held	NO
West Cambie	5	R1/F	NO	NO		Privately held, rezoning application, small, designated in area plan for neighbourhood service centre	NO
Shellmont	17	AG1, I2	NO	PARTIALLY	Port-related	BC Ferries-owned	NO
East Cambie	5	I3	NO	NO	Industrial, not vacant	Privately held, not vacant	NO
Railway	5		NO	NO	Road right-of-way	Right-of-way	NO
Riverport	20	AE, I2, CD/134	PARTIALLY	PARTIALLY	Car storage	Industrial usage, distance from population centres, non-contiguous properties, privately held, rezoning application	NO

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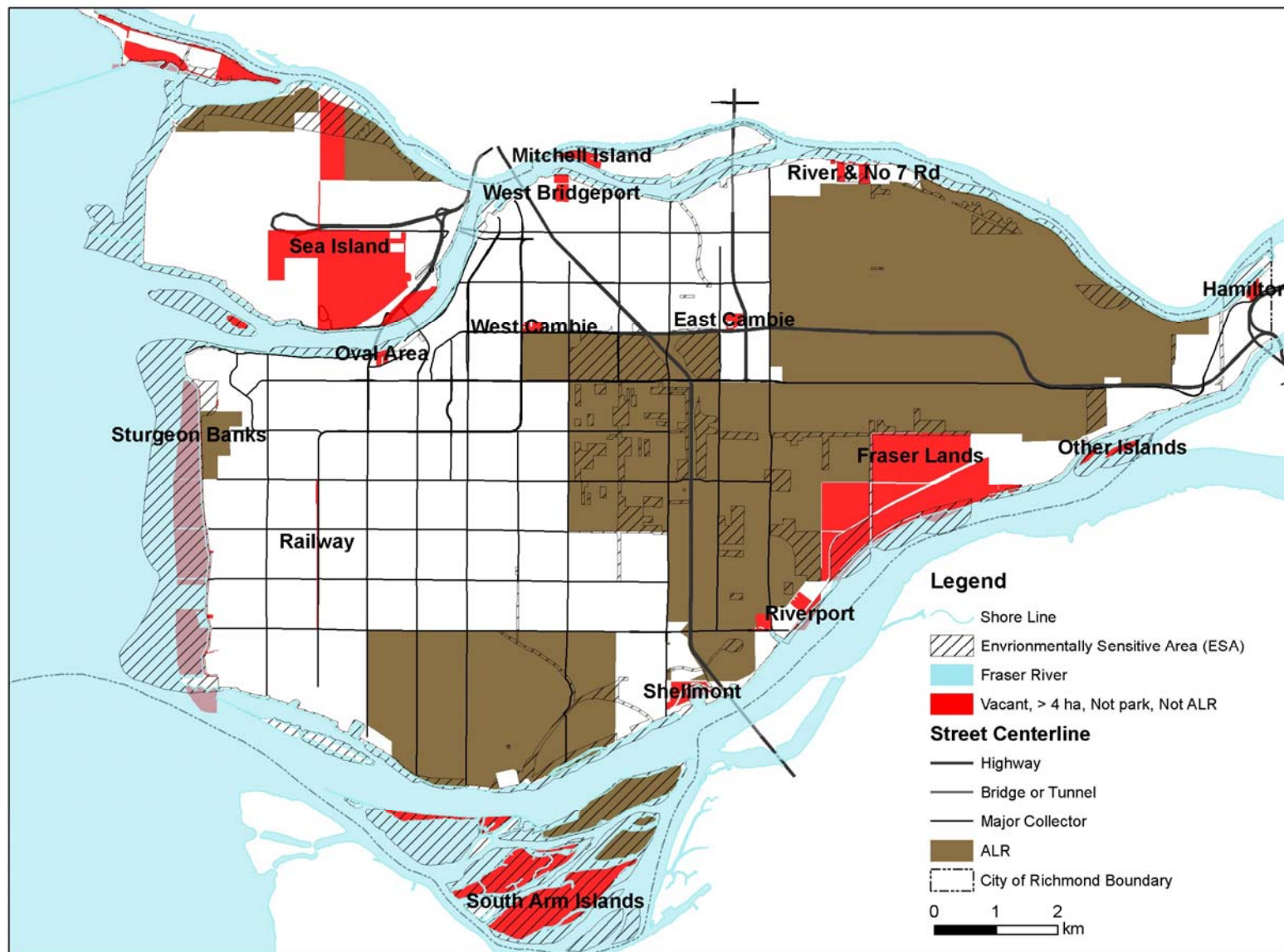


Figure 3: Water and ESA overlaid on Vacant Non-ALR land >4ha, Not Identified Park

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- iii. *If the use is to satisfy a community need that is regional in nature or which may serve a regional market, an assessment of alternative sites within the region noting any constraints that would preclude their use to address the community need;*

The proposed use of the Garden City Lands does provide some regional benefit in the proposed Trade and Convention Centre. It is not the assertion of the Applicant that this use is without a home elsewhere in the region, it does however add to the livability and diversity of infrastructure for the residents of Richmond City Centre.

If the open space includes sports tournament fields or an urban agricultural research centre in partnership with accredited educational institutions, this site may serve other regional needs.

- iv. *Demonstration of how the proposed use is necessary to the development of a compact community;*

The proposed development includes a wide variety of uses, including but not limited to residential (from affordable housing to market development for a range of incomes), commercial, civic space, extensive recreational and open space, and opportunities to partner with existing educational facilities in vicinity of the site. The location of this comprehensive development within the downtown core contributes to the urban fabric, adding amenities to surrounding urban areas, contributing to the livability for existing residents, and offering new potential to densify in a strategic way, the surrounding areas. The structure of Richmond's City Centre Area Plan (CCAP) is based on a network of transit villages. The heart of a minor village (village "7") is located at the northwest corner of the Garden City Lands. The focus of this village structure is on housing and village commercial uses. The majority of the site would be within the appropriate 10-minute walking distance of the village. A unique opportunity exists to create a model sustainable community focused on transportation.

A major need that has been identified as a part of the CCAP is for substantial open space to support a variety of uses including a tournament centre, recreation, and urban agriculture. No other site of this magnitude, that is readily accessible to the community, is available within the CCAP.

- v. *Population and employment projections, noting the methodology and assumptions used;*

Demographic projections (Appendix 6) anticipate the population of the GVRD to grow from 2.24 million in 2006 to 4.02 million by 2061, and the projected population growth in Richmond City Centre Area will be 116,565 by year 2100.

In the case of the Richmond City Centre, the Community Lifecycle Model was used, based on data from the 2001 Census describing the community's existing housing stock and the demographic characteristics of its occupants. The 2001 Census data provide the household and demographic points from which future changes were modelled. The modelling process used the established demographic characteristics of the base population resident in the existing dwelling stock. Layered upon this information were the vital components of change, such as births into, and the aging and deaths of, the City Centre's existing residents. To this was added the mobility of the City Centre's existing residents, the next component of community change to be considered; the number and age/sex composition of people who would move into

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and out of the community over the course of a year is accounted for. Further information on this process can be found in Appendix 6 of this application.

As stated in the City of Richmond Official Community Plan (OCP), Richmond's vibrant economy and strong prospects makes it a significant regional employer. By 2021, Richmond is projected to have 10.7% of the region's jobs and 7% of the region's population.

Richmond has unique economic conditions, including the presence of Vancouver International Airport (an economic generator expected to account for 21% of Richmond workers directly on Sea Island and in support jobs in the rest of the City); a strong and diverse base of economic activities; a strategic location between the metropolitan core of Vancouver to the north and the United States to the south; major transportation facilities; and a well-educated labour force and high quality of life.

In the shorter term, according to Canada Mortgage and Housing Corporation, job growth in Metro Vancouver will outdo last year's performance over the next 15 months. During the first three quarters of 2007, an additional 35,000 jobs were created, compared to the same period last year, accounting for about half of provincial job gains. Increased employment this year will carry forward to generate demand for housing through the forecast period. The unemployment rate will remain near all-time lows, with the construction, retail, and wholesale trade sectors ever on the lookout for new workers.

Tight labour market conditions will continue, with annual employment growth of 34,000 jobs projected, and the unemployment rate near 4%. Income growth that has accompanied job growth, and will further bolster housing and retail spending. Metro Vancouver's solid economy and strong job market will draw more than 30,000 people to the region this year and next. While the vast majority of newcomers will be international migrants, with more than three-quarters from Asia, the region will also attract job seekers from other provinces, including Ontario and Alberta. As Ontario's economic growth moderates in the year ahead, more people will choose to follow jobs to BC.

Ref: City of Richmond OCP, Section 2.0 – Jobs and Business
http://www.richmond.ca/_shared/assets/2_jobs_c489.pdf

CMHC http://www.cmhc-schl.gc.ca/odpub/esub/64363/64363_2007_B02.pdf

- vi. *Projected land requirements at various target densities and accounting for infill, redevelopment and densification;*

GARDEN CITY LANDS – POTENTIAL IMPACT ON CCAP RESIDENTIAL DEVELOPMENT

CCAP Housing Concept

The City Centre Area Plan (CCAP) is based on an understanding that over the next 100 years the area will need to accommodate 120,000 residents (an increase of roughly 80,000 over today's population). In accommodating this population, it is

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important that the City Centre provide for a range of housing types capable of meeting the needs of a healthy mix of households. Of particular importance in this regard is the need to provide housing that is attractive to seniors (projected to be the City Centre's largest demographic group) and families with children (a relatively small group that is critical to household diversity and must be supported to ensure that their numbers allow for the cost-effective delivery of community services, such as schools).

Both seniors and families with children can be accommodated in high-rise, high-density towers, but prefer other housing forms, especially ground-oriented units and, to a lesser extent, low-rise apartment buildings. Maximizing opportunities to provide these housing types provides other important community benefits too, such as:

- Broad acceptance of these housing forms by almost all household types;
- More affordable housing due to lower construction, maintenance, and operating costs;
- Stronger social networks where people have a better chance to know their neighbours and develop friendships, and children typically enjoy more freedom to move around their neighbourhood independently;
- Easier access to outdoors, which in turn helps to encourage people to walk to services and amenities, interact with their neighbours, etc.; and
- Greater sense of personal safety and security due to people and buildings being more recognizable.

In light of this, planning for Richmond's City Centre proposes that approximately 58% of its ultimate 120,000 residents should be housed in areas where the predominant residential form is ground-oriented (townhouse) or low-rise (six storeys or less) apartments (Table 2).

Table 2: Proposed CCAP Housing Concept

	Areas Defined As Per Predominant Residential Housing Type			
	Townhouse	Apartment 6 Storeys or Less	Apartment Greater than 6 Storeys	Total
Estimated number of Residents	16,000 13%	54,000 45%	50,000 42%	120,000 100%
Estimated number of dwelling units	5,550 10%	25,850 47%	23,850 43%	55,250 100%
Estimated net land area	157ha (387ac) 37%	154ha (379ac) 37%	110ha (273ac) 26%	421ha (1,039ac) 100%
Average net residential density* (floor area ratio)	0.5+	1.57	2.00*	—
Maximum total net density – Including non-residential uses	1.2	2.00	3.00*	—

* These densities represent typical maximums for the City Centre given the area's airport-related building height limitations and geotechnical limitations on underground parking.

Relocation of Proposed Garden City Lands Park – Potential Impact on CCAP Housing Concept

If the Garden City Lands were to be unavailable for development and the roughly 65 acres of land identified for park uses on those lands were to be relocated to the already urbanized portion of the City Centre, this would displace anticipated development and make it necessary to replace that development elsewhere in the City Centre by increasing densities.

To avoid impacts on housing, the displaced park land could be located in areas designated exclusively for non-residential uses. This would, however, be undesirable as:

- The City Centre parks concept already proposes large parks in these areas, and locating more park in these areas would result in a disproportionate amount being situated away from residents;
- High aircraft noise in these areas limits the range of uses that can be accommodated, and increasing the amount of park with this constraint on its use is impractical; and
- Business and industrial uses targeted for these areas are critical to the area's and Richmond's economic viability and are some of the most price-sensitive and most challenging to accommodate due to their demand for large floorplate buildings—factors that would strongly discourage those uses, if they were displaced, from relocating elsewhere in the City Centre at higher densities, and would, thus, undermine the City Centre's ability to achieve key economic objectives.

As an alternative, proposed parkland displaced from the Garden City Lands could be relocated to the City Centre's residential/mixed use areas. This would most likely mean locating it in the area identified for "Apartment: 6 Storeys or Less," as the City Centre's "Townhouse" area is already developed to near capacity and the "Apartment: Greater than 6 Storeys" is the City Centre's most expensive, high-density land. If under this scenario roughly 65 acres of additional parkland were to be situated in the area identified as "Apartment: 6 Storeys and Less" and the displaced housing units were to be replaced through the densification of some of the remaining lands in that area, the result would be:

- A drop in the number of residents living in low-rise housing from 58% to 23%;
- A drop in the availability of low-rise housing from 57% to 20%; and
- A significant drop in the ability of the City Centre to develop as a livable, appealing urban centre (Table 3).

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Table 3: REVISED CCAP Housing Concept

	REVISED Areas Defined As Per Predominant Residential Housing Type			
	Townhouse	Apartment 6 Storeys or Less	Apartment Greater than 6 Storeys	Total
Estimated number of residents	16,000 13%	11,750 10%	92,250 77%	120,000 100%
Estimated number of dwelling units	5,550 10%	5,600 10%	44,100 80%	55,250 100%
Estimated net land area	157ha (387ac) 40%	33ha (82ac) 8%	204ha (505ac) 52%	394ha (974ac) 100%
Average net residential density* (floor area ratio)	0.5+	1.57	2.01*	–
Maximum total net density – Including non-residential uses	1.2	2.00	3.00*	–

* These densities represent typical maximums for the City Centre given the area's airport-related building height limitations and geotechnical limitations on underground parking.

vii. Past and projected take-up/absorption rates for designated lands or subdivisions;

Table 4: Housing Activity Summary

Housing Activity Summary									
	Ownership						Rental		Total
	Freehold			Condominium			Single, Semi, and Row	Apt. & Other	
	Single	Semi	Row, Apt. & Other	Single	Row & Semi	Apt. & Other			
ABSORBED (RICHMOND)									
November 2007	43	2	0	6	107	68	0	1	227
November 2006	18	0	0	0	5	0	0	1	24
COMPLETED & NOT ABSORBED (RICHMOND)									
November 2007	49	3	0	0	14	30	0	0	96
November 2006	48	3	0	2	20	4	1	0	78

Canada Mortgage and Housing Corporation: http://www.cmhc-schl.gc.ca/odpub/esub/64175/64175_2007_M12.pdf

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viii. An assessment of how the proposal conforms to the Regional Growth Strategy, if any.

The four main strategies of current plan (Livable Region Strategic Plan) are:

- **Protect the Green Zone:** The Green Zone protects Greater Vancouver's natural assets, including major parks, watersheds, ecologically important areas, and resource lands such as farmland. It also establishes a long-term growth boundary.
- **Build complete communities:** The plan supports the public's desire for communities with a wider range of opportunities for day-to-day life. Focused on regional and municipal town centres, more complete communities would result in more jobs closer to where people live and accessible by transit, shops and services near home, and a wider choice of housing types.
- **Achieve a compact metropolitan region:** The plan avoids a widely dispersed metropolitan region, and accommodates a significant proportion of population growth within the "growth concentration area" in central part of the region.
- **Increase transportation choice:** The plan supports the increased use of transit, walking, and cycling by minimizing the need to travel (through convenient arrangement of land uses) and by managing transportation supply and demand.

Although this application will be removing land from the ALR, it ultimately protects green space through its significant achievement on the other three principals, as a complete, compact community well served by existing infrastructure and transit.

Appendix 4B

Musqueam Community Needs

Musqueam Indian Band – Community Needs

INTRODUCTION

This Submission is made by the Musqueam Indian Band in support of the application made by the City of Richmond to remove the Garden City Lands from the Agricultural Land Reserve on the grounds of community needs. It forms part of the overall submission made for removal on those grounds and should be read in the context of the other parts of the submission.

The Information Requirements for removal on the grounds of Community Need requires, among other things, a statement of the expected public benefits that will result or public value that will be preserved by the proposal together with an assessment of the impact or risk to the community if the proposal does not proceed or is delayed.

This Submission deals with the public benefit and public value in removing the Lands from the ALR and thereby implementing a key provision of the Memorandum of Understanding dated March 18, 2005 among the Band, the Federal Government, the City of Richmond and Canada Lands Company (the "Agreement"). It also considers the impact or risk to the community if the Agreement is not implemented. It first considers the direction given by the Supreme Court of Canada to governments and First Nations to resolve Aboriginal rights and title issues by a negotiated settlement rather than litigation and thereby reconcile the interests of Aboriginal Canadians with those of other Canadians. It then discusses consultation and accommodation as a method of reconciliation; the public benefit and values reflected in resolving disputes by negotiation and not litigation; the connection of Musqueam with the Lands and the historic importance of the Agreement and concludes by considering the public benefit of implementing the Agreement and the impact and risk to the community of not doing so.

Context and Background – Who We Are

We have been present in our traditional territory for over 9,000 years. Our traditional territory includes all of present day Vancouver and extends northwest up Howe Sound and east up the Fraser Valley.

Then as now, we were a fishing people whose rhythms, stories and culture were closely aligned with the Fraser River along whose banks we still live today. Our name, Musqueam, means *People of the River Grass* and relates back to the grass (*m-uh-th-kwi* in our language) that grows in the Fraser River estuary's tidal flats and marsh lands.

From the time of our ancestors to our life today in the middle of a sprawling urban metropolis we have proudly maintained our traditional culture and our strong ties to the lands and waters of our traditional territory. Indeed, despite the challenges and pains of post-colonial life, our modern day history is a proud one. Today we are working to rebuild our nation as we ready ourselves to return to self-government. Currently, we are negotiating our treaty with Canada and BC and are in Stage 4 of the six-stage process.

Today, our main reserve and population centre is located in southwestern Vancouver, near UBC. At only 190 hectares, it is one of the smallest reserves in Canada and makes us one of the most land-poor First Nations in the country. Currently, about 610 Musqueam members live on 65 hectares of the main reserve, the remaining hectares are leased out for other uses. Another 760 (55% of our membership) live off-Reserve.



We are in a unique situation. We are an urban First Nation whose position in the heart of Canada's third largest metropolis presents us with many opportunities (e.g., access to services, educational opportunities, etc.) and challenges (e.g., proximity to urban social problems, land constraints, etc.). We acknowledge and manage these while simultaneously coping with common socioeconomic conditions facing First Nations across Canada. From lower-than-average educational attainment rates and household incomes, to higher-than-average unemployment and numbers of children in care, Musqueam is burdened with the same unfortunate legacy and suffering as other First Nations. It is this legacy that we are working hard to break free from as we move through our nation-building process. The table below highlights some the challenges we face.

Because of the sensitive nature of the information, certain statistics are not provided, including information on the number of 'children-in-care' and members receiving drug and alcohol counselling. While these figures are not included, sadly, our suffering here is well above regional and provincial norms and averages.

Musqueam Community Highlights

	Musqueam	Greater Vancouver	BC
Social Assistance Rates (employable people)	12%	0.5%	0.6%
Average Employment Income			
Males	\$ 29,935	\$ 53,095	\$ 50,191
Females	\$ 24,357	\$ 38,118	\$ 35,895
% of housing in need of major repairs	61%	NA	19%
% of Population 20+ With Post Secondary Qualifications (2001)			
Total	18.2%	50.4%	53.4%
With Post Secondary Certificate or Diploma	13.7%	32.8%	30.9%
With University Degree	4.5%	17.6%	22.5%
% of Population Age 25–54 (2001)			
Without High School Completion	35%	14.8%	17.2%

Sources: BC Stats, Musqueam Administration, Canada Census 2001, Canada Census 2006.

RATIONALE FOR PROPOSED USE

For years, we have lived under the Indian Act, a legal structure imposed from the outside and separate from the laws that govern other Canadians. We are gradually working to get more control of our funding from Indian Affairs and making our own laws to govern our people and our land. As part of this process, we are building our capacity (financial, human resource, technical, administrative, etc.) to realize our own economic, educational, cultural, and political objectives through actions and programs of our own design and implementation. Collectively, these actions are commonly referred to as 'nation building.'¹

¹ As a concept, nation building was formally advanced by the Harvard Project on American Indian Economic Development and released in 2001 by the Kennedy School of Government at Harvard. The project defined Nation-building as: "Equipping First Nations with the institutional foundation necessary to increase their capacity to effectively assert self-governing powers on behalf of their



We view our Garden City Lands proposal as a critical component of our overall nation building activities and a foundation for our community's development over the short, medium, and long term. Using the Agricultural Land Commission's community need information requirements, we have organized our rationale for the proposed use under the following three general headings:

1. Expected public (Musqueam) benefits that will result and/or public (Musqueam) values that will be preserved by the proposal
2. Impact or risk to the community (Musqueam) if the proposal does not proceed or is delayed
3. Alternative means of addressing the community need considered and rationale for selecting it as the preferred option

Expected Musqueam Benefits and Values that will be Preserved by the Proposal

The Garden City Lands are an important piece to the larger puzzle of achieving economic self-sufficiency and building a healthy, sustainable community. The project will generate significant short-, medium- and long-term financial benefits for Musqueam. Collectively, these benefits will be used to support immediate program funding and community development needs and, over the medium and longer terms, help underwrite our ongoing nation-building activities.

Over the short term, the Garden City Lands project will help us support and fund our immediate and most pressing development and program needs. We are currently going through a comprehensive and strategic Musqueam Community Plan process that is identifying and prioritizing our planning objectives and generating strategies to achieve them. Because of this planning, the revenues that the Garden City Lands project could generate for shorter-term physical development and social programs would be linked to the priorities identified in the Musqueam Community Plan. This would mean that any revenues generated through the Garden City Lands project would "have a home" and be used to affect the widest possible community benefits (including the widest distribution of benefits within our membership) as determined by our comprehensive community planning process.

Depending upon the outcome of our Comprehensive Community Plan (which is scheduled to be completed in early 2009), some of the immediate physical development projects that could likely be supported through the Garden City Lands project include:

- **Housing maintenance and repairs:** 55% of our 140 housing units (owned and rented) are older than 25 years and 61% require major repairs and upgrades (Census Canada, 2006). A Housing Maintenance Strategy has been developed, but is limited by the lack of implementation funds.
- **New housing development:** Our housing wait list has over 200 people on it and has been frozen for 20 years. Project revenues will help us construct new housing for members and allow many of our 700 members (55%) who live off-Reserve the opportunity to live in Musqueam. With our population growing at over 6% per annum, our housing needs and housing wait list will only continue to grow unless we develop new housing. Our concurrent Comprehensive Community Plan project includes the development of a Land Use Plan that will determine what new kinds of member housing should be developed, where and how.
- **Infrastructure upgrade and repairs:** Through agreements with Indian and Northern Affairs and the City of Vancouver, Musqueam is responsible for the management and maintenance of a substantial

own economic, social and cultural objectives." [2] The study identified four core elements of a nation building model: 1) genuine self rule (First Nations making decisions about resource allocations, project funding and development strategy), 2) creating effective governing institutions (non-politicized dispute resolution mechanisms and getting rid of corruption), 3) cultural match (giving first nations institutions legitimacy in the eyes of their citizens), and 4) the need for a strategic orientation (long-term planning).



amount of on-Reserve civil infrastructure. We have developed a Strategic Infrastructure Management Plan that identifies and prioritizes our critical infrastructure maintenance needs. Its full implementation is restricted by our current financial limitations. Garden City Lands funds would help support the implementation of this important civil engineering plan.

- **Band facilities renovations:** Our ongoing Community Plan determined that 8 of our 9 Band-owned facilities are either 'yellow' or 'red' listed, meaning they are in need of substantial upgrading and/or replacement. Some of the 'yellow' listed facilities include such critical community and social-service buildings as our gym, Elders' Centre, Preschool and Community Hall.
- **New facilities:** No new community facilities have been constructed in Musqueam for over 25 years. An integrated community health and recreation centre has been on the drawing board for 15 years for lack of funding. Our members have also supported the development of other important and needed community facilities which cannot be realized due to lack of funds, including a community cultural centre, playground and a sports field for soccer and lacrosse.

In addition to these physical development projects, numerous current social development, healing and health and cultural programs could be expanded and strengthened. We would also be able to expand programming beyond the limitations imposed by current funders (e.g., Vancouver Coastal Health, Health Canada, Indian and Northern Affairs, etc.) which would mean we could offer extended programs, take on more participants, and include Musqueam values and traditions in the programs. Some of the programs which could be supported through a successful Garden City Lands project include:

- **Drug and Alcohol Counselling and Intervention Programs:** Over the past two years, there have been eight alcohol- and drug-related deaths in our small community. While we have existing counselling programs, they are very obviously in desperate need of expansion and strengthening. Our externally funded programs are inadequate and our single drug and alcohol counsellor is working out of a sub-standard and inadequate facility.
- **Children's Support, Health and Education:** Currently, 31 Musqueam children are not living with their parents. Children and youth aged 0–19yrs are living with other Musqueam extended family members for different reasons. Through our Guardian Financial Assistance (GIF) program we work to support these children and their caregivers to ensure their well-being and overall health. This critical program runs on a constrained and limited budget that precludes us from providing the level of financial, health and educational support these children need and deserve.
- **Employment and Training:** While our current programs have helped reduce social assistance amongst our employable members from over 30% in 1998 to 12% today, we have only a single Employment Coordinator. Additional support, a second staff member and program expansion is required to reduce this number to a level that is comparable with our non-Native neighbours (in 2006, Greater Vancouver had a 0.5% social assistance rate amongst employable people aged 24 to 60).
- **Youth Recreation and Counselling:** Our current Youth Centre is limited to serving pre-teens and is hobbled by an inadequate budget that limits the range of services and programs we can even offer to pre-teens. To be a truly sustainable community, we must be able to provide a full spectrum of support, counselling, recreation and drop-in programs for all of our young people, particularly for our population of 13 to 18 year olds in what is broadly accepted to be the 'at-risk' social development years.
- **Elders programs:** Our Elders are the cornerstone of our community and the teachers of our traditions and histories. The programs we currently provide them are very limited in scope and nature and could be expanded and integrated with our other community and nation-building activities and programs. Our Elders facility is also a "temporary" structure from Expo 86 that is in need of replacement.
- **Musqueam Language Programs:** While fewer than six people can fluently speak our hun'qumi'num language, there has been a renewed interest in learning it amongst our youth. Over a dozen youth are now learning the language. This number could be greatly increased through an expansion of our



on-Reserve language classes and through the incorporation of language training to our other education programs and on-Reserve programs (e.g., Youth Centre, pre-school and day care, etc.).

- **Musqueam Cultural Interpretation Programs:** Today, beyond street names on our main Reserve, Musqueam's history and cultural legacy is neither celebrated, nor known by those now living in our traditional territory. As a part of the Garden City Lands project, we would include a cultural interpretation and place name project that would serve as a template for similar projects throughout the region.
- **Musqueam 101:** Supported in part through an ongoing partnership with UBC, our successful weekly non-credit university-level seminar course could be expanded and offered to neighbours and other residents to help build greater cross-cultural understanding and awareness of Musqueam's rich cultural and historical legacy.

Impact or Risk to the Community if the Proposal Does Not Proceed or is Delayed

All of the potential program improvements, infrastructure upgrades and community developments outlined in the previous section would be delayed, cancelled or otherwise adjusted in the event that the Garden City Lands project does not proceed. Our nation-building activities and progress would also be severely impeded.

This is not to say that the future of our nation is hinged on this project. It is not. We have struggled against odds to pull in external funds where possible and have slowly, but steadily, worked to build up internal capacity as we move towards self-government. That said, the Garden City Lands would be a tremendous catalyst for positive community change and growth and would greatly expedite our journey to economic self-sufficiency and sustainability. Its importance to our nation and our nation-building goals cannot be overstated. It is because of these facts that the impacts and risks associated with a failed application are profound.

Alternative Means of Addressing the Community Need Considered and Why the Proposal was Selected as the Preferred Option

The Garden City Lands project was not selected as our preferred option from a list of alternative land parcels and development projects. We chose it because there are so few alternative means to addressing our community needs to the degree, scale and scope that the Garden City Lands' development would, especially in the important near term.

Simply put, the Garden City Lands represent a unique economic development and nation-building potential for which we have no real comparable alternative. While the removal of the lands from the ALR and their subsequent development will not be a panacea for Musqueam's community needs, this project's importance cannot be downplayed. The short-, medium- and long-term financial benefits that would be associated with it would represent an incredible driver for Musqueam capacity building and would help support our ongoing development as a complete, sustainable, thriving community.

As a community, we are continually working to build our land base, develop our capacity and lay a strong, sustainable economic foundation upon which to build our government. We are actively exploring numerous economic development activities and initiatives. One of the most significant constraints, however, is land. There are very few federal lands available for us to pursue and we are limited financially to pursue fee simple lands. What new lands we may have secured through our recent settlement regarding the UBC Golf Course are constrained by conditions that will require us to maintain the golf

course for 80 years.² The Garden City Lands would not be subject to such constraints and we would not have to wait a generation while our people continue to suffer to develop it.

The Garden City Lands, and the partnership model under which they would be developed, would help not just Musqueam address our critical community needs in a timely and realistic fashion, but it would also help our other partners meet their community needs. A development project of this type – where three orders of government can, and have, come together to propose a project that would meet multiple community needs in diverse geographic and cultural communities – is very rare.

Regardless of the outcome of this application, we will continue to develop other options and economic development opportunities, but we cannot imagine another project with the potential to help meet our community's great needs.

THE IMPORTANCE OF RECONCILIATION

The importance of reconciliation, both inside and outside the treaty process is the key concept of modern Aboriginal law as repeatedly stressed by the Supreme Court of Canada in its judgments:

In *Haida Nation* [2004] 3 S.C.R. 511, Chief Justice McLachlin writing for the entire Court said at paragraph 32:

"The jurisprudence of this Court supports the view that the duty to consult and accommodate is part of a process of fair dealing and reconciliation that begins with the assertion of sovereignty and continues beyond formal claims resolution. Reconciliation is not a final legal remedy in the usual sense. Rather, it is a process flowing from rights guaranteed by s. 35(1) of the Constitution Act, 1982. This process of reconciliation flows from the Crown's duty of honourable dealing toward Aboriginal peoples, which arises in turn from the Crown's assertion of sovereignty over an Aboriginal people and de facto control of land and resources that were formerly in the control of that people."

The central role played by reconciliation as the fundamental objective of the modern law of aboriginal and treaty rights was emphasized by Justice Binnie, writing for the Supreme Court of Canada in *Mikisew Cree* [2005] 3 S.C.R. 388, paragraph 1,

"The fundamental objective of the modern law of aboriginal and treaty rights is the reconciliation of aboriginal peoples and non-aboriginal peoples and their respective claims, interests and ambitions. The management of these relationships takes place in the shadow of a long history of grievances and misunderstanding."

² Once finalized, the proposed *Reconciliation, Settlement and Benefits Agreement* will provide full and final settlement of outstanding litigation related to the 2003 sale of the University of British Columbia Golf Course lands; the relocation of the River Rock casino to Richmond's Bridgepoint lands; and, remediation for environmental damage to the Celtic Lands in South Vancouver. The agreement transfers the following lands: the University Golf Course lands (59 hectares); Bridgepoint Casino lands (7 hectares); two parcels currently in Pacific Spirit Regional Park (A 13.8 hectare parcel adjacent to the Musqueam reserve, known as the Triangle Lands and an 8.5 hectare parcel located beyond the western end of the University Golf Course, known as Block F, with zoning similar to that on the adjacent property). The existing leases on the UBC Golf Course and Bridgepoint will be honoured and transferred to the Musqueam under this agreement. Recognizing the significance of these lands to the public and area-residents, the agreement ensures that the UBC golf course area be used for golf course purposes for nearly eight decades until 2083. It would also establish 7.3 hectares of the UBC Golf Course lands as a park accessible to the public and maintain 1.2 hectares of Block F as a public park.

The negotiations that led to the Agreement are exactly what the Court has been urging the parties to do. The alternative is costly and adversarial litigation that, far from bringing reconciliation, merely perpetuates the history of grievances and misunderstanding that Justice Binnie referred to.

CONSULTATION AND ACCOMMODATION

As indicated in the above judgment of the Supreme Court of Canada in the *Haida* case, consultation and accommodation is a part of “the process of fair dealing and reconciliation.” It was a decision involving the Musqueam that first established the duty to consult on the part of governments. In the *Guerin* case [1984] 2 S.C.R. 335, the Supreme Court of Canada held that the Federal Government was in breach of its obligation to the Band in failing to adequately consult with the Band over a proposed lease to the Shaughnessy Golf Club. The Supreme Court of Canada repeated this requirement to consult in another case involving the Musqueam – the *Sparrow* decision [1990] 1 S.C.R. 1075 that dealt with restrictions on the Band’s Aboriginal right to fish.

In many other cases, the Supreme Court of Canada and other courts have urged the parties to resolve questions of Aboriginal rights and title through the process of negotiation rather than litigation. It is clearly in the public benefit to do so and resolution of disputes by negotiation and agreement rather than litigation represents an important public value. A failure to implement a negotiated settlement will have significant and adverse impacts on the community and pose a risk to the future of all British Columbians.

PUBLIC BENEFITS AND VALUES

It is clearly in the public interest that disputes and uncertainty regarding title to land in the Province of British Columbia be resolved by agreement rather than costly, prolonged and adversarial litigation. Following the *Haida* decision in 2004, the Provincial Government agreed to an Accord with the Leadership Council for First Nations in the Province that confirms the commitment of the parties “to establish processes and institutions for shared decision-making about the land and resources for revenue and benefit-sharing” and to “establish effective procedures for consultation and accommodation.”

In the submission of Musqueam, the Agricultural Land Commission should take into account the New Relationship Accord between the Province and the Aboriginal peoples in determining the public benefits that will result from upholding the Agreement rather than continued litigation over the future of the Garden City Lands and the public values that will be preserved by resolving questions of Aboriginal rights and title by agreement rather than litigation. The Commission should also take into account the impact and risk to the community of not implementing the Agreement and forcing the parties to return to further litigation.

MUSQUEAM AND THE GARDEN CITY LANDS

For centuries, the Musqueam lived sustainably throughout our traditional territory, which extended over what is now Greater Vancouver, using the resources the land provided for fishing, hunting, trapping and gathering as well as for growing food in order to maintain our livelihood. We were forced by the Crown off much of our traditional territory, only to live on a very small portion of it – the Musqueam Indian Reserve in Vancouver, which, on a per capita basis, is one of the smallest reserves in the country resulting in hardship and poverty. But we have never relinquished our rights to the Garden City Lands, or any of our territory, which for generation after generation, gave our people sustenance. Courts, including the Supreme Court of Canada, have consistently recognized our Aboriginal rights and provided protection. The decision of the Federal Government to transfer the Garden City Lands to the City of Richmond without our consent forced us to again go to court for protection. The Federal Court granted us an injunction to prevent the transfer of the Lands without our consent to allow a negotiated settlement to be reached.



Following this litigation, the Crown accepted the rightful place of the Musqueam as a partner in helping to determine an appropriate future for the Garden City Lands. Together with the City of Richmond, the Federal Government and Canada Lands Company, we reached a precedent-setting agreement.

HISTORIC IMPORTANCE OF THE GARDEN CITY AGREEMENT

The Garden City Agreement signed in March 2005 was the first major agreement reached between a First Nation and government following the important decision of the Supreme Court of Canada in the November 2004 *Haida* case that, as noted above, urged the parties to reach such agreements.

The historic importance of the Garden City Agreement was recognized by all the parties to it. In a News Release (available on-line at http://www-comm.pac.dfo-mpo.gc.ca/pages/release/p-releas/2005/nr016_e.htm), the then Federal Minister is quoted as saying, "This is an historic agreement in that the federal government made a deliberate decision to seek to resolve the issues relating to the future of the Garden City property through a mediated, non-confrontational approach that meets the needs of all parties, rather than through continued litigation." Mayor Brodie of the City of Richmond referred to it as "a win-win situation for all the stakeholders and the entire community." On behalf of the Band, Chief Campbell referred to the settlement "as a historic achievement which delivers major economic benefit to the Musqueam community. Most importantly, we have been recognized as an equal participant in the major land issues within our traditional territory." Finally, in his Message in the 2005 annual report (available on-line at <http://www.clcl.ca/en/pdf/CLC2005.pdf>), the President of the Canada Lands Company said, "The company played a role in resolving the 25-year impasse between Fisheries and Oceans Canada and the Musqueam First Nation regarding the 137-acre (55.4-hectare) former Garden City transmitter property in Richmond, BC. This historic agreement has resulted in a CLC-Musqueam joint venture that opens up possibilities for further projects in British Columbia."

The Agreement has enormous implications for the way in which Aboriginal issues will be resolved throughout the province where so much of the land is subject to unresolved claims of Aboriginal rights and title. Those issues can be resolved through litigation that is expensive, prolonged and confrontational or, as the courts have urged and the Province and the First Nations have agreed, through negotiation, whether as part of the treaty process or outside that process as in the case of the Agreement. The fate of the Garden City Agreement has significance for first nations, the Province and municipalities throughout the province.

THE PUBLIC BENEFIT OF IMPLEMENTING THE GARDEN CITY AGREEMENT

The Garden City Agreement will bring substantial economic benefits to our community while at the same time creating many acres of new parkland and public amenities in the heart of downtown Richmond, something the residents and civic leaders have long sought.

By reaching agreement on the Garden City Lands, the Musqueam, the Government of Canada and the City of Richmond helped taxpayers avoid further needless and costly litigation. If our Agreement is allowed to be implemented, it would create tremendous benefits for the taxpayers of Richmond in the form of new tax revenues and much-needed community amenities, all forms of public benefit that the Commission should take into account. The Musqueam have negotiated in good faith to make this a win-win for all. Should the opponents of the Agreement be successful, taxpayers would likely find themselves in a lose-lose position. They would no longer obtain the benefits under the Agreement and the court will likely uphold our Aboriginal rights and title to the Lands and exclude any provincial or municipal say in their future in accordance with the decision of the Supreme Court of Canada in the *Delgamuukw* case [1997] 3 S.C.R. 1010.



Can it really be in the public interest to reject a negotiated agreement and return to court? As noted above, courts have consistently urged the federal and provincial governments and First Nations to seek reconciliation, to end litigation and to negotiate – in other words, to do precisely what has already been achieved in the case of these Lands. Failure to implement a key condition of the Agreement – the removal of the Lands from the ALR – will have serious impacts on the reconciliation of Aboriginal and non-Aboriginal Canadians. We urge the Commission to consider the implications of failing to implement the Agreement for all Canadians. As the Supreme Court of Canada has said, we are all here to stay. Certainly, the Musqueam have no other home. We must protect our constitutionally protected interest in our lands and, if we have to return to court to do so, we shall.

Musqueam has repeatedly and successfully demonstrated that it is prepared to take the necessary action, up to and including the Supreme Court of Canada, to protect our legal rights as recognized by the Canadian Constitution. However, we have also shown in the Garden City Agreement and in our recently announced Reconciliation Agreement with the Province that our strong preference is to negotiate a resolution without costly and divisive litigation. The Musqueam community wants a full and fair opportunity to realize our potential and enjoy the economic and social benefits that the majority of the non-Aboriginal society takes for granted. A failure to implement the Agreement reached on the Garden City Lands would have serious negative impacts on our community. We are part of the public and, in any consideration of the public benefit, our interests should be taken into account. Our interest in seeing the negotiated resolution of our Aboriginal rights and title is also in the wider public interest as demonstrated by the judgments of the courts and the New Relationship policy of the Provincial Government.

IMPACT AND RISKS TO THE COMMUNITY

The fate of the Agreement has enormous implications and risks to the community including all Aboriginal peoples and other citizens of the Province. It will likely be a major precedent for the way in which Aboriginal issues will be resolved throughout the Province where so much of the land is subject to unresolved claims of Aboriginal rights and title. Those issues can be resolved through litigation that is expensive, prolonged and confrontational or, as the courts have urged and the Province and the First Nations have agreed, through negotiation. The Garden City Agreement was an agreement reached after determined efforts by the parties involved to reach consensus. This required compromise and accommodation of the interests of all the parties. Failure to implement the Agreement could lead to a rejection of negotiated settlements and a return to the courts where one party will likely emerge as the winner and the others will end up as the loser. In this case, the City of Richmond has no legal claim to the Lands and, in the absence of a negotiated agreement, its legal interest in the Lands will cease to exist.

Appendix 5

Final Report to Council