



## Land Policy Pricing

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**NAME OF LAND POLICY:** Pricing

**APPLICATION:** Applies to all tenure and sale dispositions

**ISSUANCE:** Assistant Deputy Minister  
Integrated Resource Operations Division

**IMPLEMENTATION:** Ministry of Forests, BC Energy Regulator

**REFERENCES:** *Land Act* (Ch. 245, R.S.B.C, 1996)  
*Ministry of Lands, Parks and Housing Act*  
(Ch. 307, R.S.B.C, 1996)

**RELATIONSHIP TO PREVIOUS  
LAND POLICY:** This policy replaces the previous Pricing Policy in  
effect June 1, 2011

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Dave Peterson, ADM  
Rural Development, Lands and Innovation  
Ministry of Forests, Lands, Natural Resource  
Operations and Rural Development

October 29, 2018

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Date:

<b>APPROVED AMENDMENTS:</b>		
Effective Date	Briefing Note /Approval	Summary of Changes:
October 29, 2018	BN 241037	Developed a single comprehensive, integrated pricing policy for Crown land dispositions that deals with all aspects of pricing for all Crown land use programs administered by the Lands Branch. Pricing sections from twenty (20) operational land use policies have been incorporated into this policy. This policy update is a deliverable of the Pricing Simplification Project - Phase 1 which was undertaken under the umbrella of the Land Act Reform Phase 2 Project.
January 29, 2020	DN 250698	Updated Appendix 3 and 17 to include pricing information for Oil and Gas Facilities and Well Sites
April 1, 2020	BN 254084	Update to communication site zone rates and aquaculture land value.
January 8, 2021	BN 260368	Update to section 3.2, Appendix 1 and inclusion of Appendix 1A to revise the appropriate interest rate and inclusion of the discount rental rate tool.
April 1, 2021	BN 261226	Update to communication site zone rates and aquaculture land value.
February 22, 2022		Update to Community and Institutional sponsorships calculation examples, updated Industrial, Mining, Log Handling pricing format to reflect changes to Industrial Policy Simplification – 265442 DN 2021.
April 1, 2022	BN 269471	Update to communication site zone rates and aquaculture land value.
April 1, 2023	BN 273536	Update to communication site zone rates and aquaculture land value.
May 15, 2023	BN 273827	Update to section for Oil and Gas to include LNG Facilities.
July 26, 2023		Update to Section 5.1.2 Royalty Payments on Aggregates and Quarrying Materials.
October 16, 2023	TB (FIP) Decision 503592	Update to increase the minimum rent to \$850 per year, phased in over two (2) years at \$675 in year one and to \$850 in year two.
April 1, 2024	BN 277674	Update to communication site zone rates and aquaculture land value.

**APPROVED AMENDMENTS:**

Effective Date	Briefing Note /Approval	Summary of Changes:
May 1, 2024	TB (FIP) Decision 501664	Update to Residential rental calculations for permanent and seasonal uses.

## Table of Contents

1.	PURPOSE.....	1
2.	FOUNDATIONS FOR CROWN LAND PRICING.....	1
2.1	Legislative Authority .....	1
2.2	Generally Accepted Accounting Principles Requirements .....	1
2.3	Pricing Principles and Goal .....	2
2.3.1	Pricing Principles .....	2
2.3.2	Pricing Goal .....	2
3.	RENTS AND ROYALTIES .....	3
3.1	Annual Rent.....	3
3.1.1	Percentage of Land Value .....	4
3.1.2	Revenue Sharing (or Participation Rent).....	4
3.1.3	Royalties .....	4
3.1.4	Fixed Amount.....	5
3.2	Prepaid Rent .....	5
4.	RENT REVIEWS .....	5
5.	RENT ADJUSTMENTS AND REFUNDS .....	5
6.	SPONSORED CROWN GRANTS AND NOMINAL RENT TENURES .....	6
7.	CROWN LAND SALE .....	6
8.	HEAD LEASES - ANY LAND USE.....	7
9.	DISPOSITION PRICE RESOLUTION.....	8
10.	CROWN LAND USE PROGRAMS .....	8
	APPENDIX 1 - DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS.....	9
	APPENDIX 1A – DISCOUNT FACTOR FORMULA .....	18
	APPENDIX 2 – EQUATIONS CALCULATING PREPAID RENTAL REFUNDS .....	19
	APPENDIX 3 – RENTAL RATES BY LAND USE AND FORM OF TENURE .....	22
	APPENDIX 4 – ADVENTURE TOURISM (COMMERCIAL RECREATION).....	35
	APPENDIX 5 – AGGREGATES AND QUARRY MATERIALS .....	44
	APPENDIX 6 – AGRICULTURE EXTENSIVE .....	48
	APPENDIX 7 – AGRICULTURE INTENSIVE .....	50
	APPENDIX 8 – AIRPORTS .....	51
	APPENDIX 9 – AQUACULTURE.....	52
	APPENDIX 10 – COMMUNICATION SITES .....	54
	COMMUNICATION SITES – PRICING ZONE MAPS.....	56
	Communication Sites Definitions for the User Categories .....	69
	Calculating Rents for Communication Sites .....	70
	APPENDIX 11 – COMMUNITY AND INSTITUTIONAL .....	72
	Community and Institutional – Financial Guidelines .....	72
	Using BCA Actual Land Values to Determine Fair Market Value for SCGs and NRTs .....	76
	APPENDIX 12 – GENERAL COMMERCIAL .....	79
	Examples of Type A and B Commercial Uses .....	81
	General Commercial - Annual Rent Calculation for Marinas.....	82
	APPENDIX 13 – INDUSTRIAL GENERAL .....	85

APPENDIX 14 – LOG HANDLING.....	87
APPENDIX 15 – MINING.....	91
APPENDIX 16 – OCEAN ENERGY PROJECTS.....	92
APPENDIX 17 – OIL AND GAS.....	96
APPENDIX 18 – PRIVATE MOORAGE.....	101
APPENDIX 19 – RESIDENTIAL .....	103
APPENDIX 20 – ROADWAYS.....	106
APPENDIX 21 – UTILITIES.....	107
APPENDIX 22 – WATERPOWER PROJECTS .....	114
APPENDIX 23 – WINDPOWER PROJECTS .....	117

## List of Tables

Table 1: General Pricing Methods Employed in Pricing Crown Land .....	3
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## 1. PURPOSE

Pricing for Crown land programs consists of rent and/or royalty charged for the use of Crown land or foreshore, or the price charged to purchase the land in fee simple.

Pricing methods associated with each type of land use are approved by Treasury Board and Cabinet, and changes require prior approval by these bodies. Pricing methods follow the overarching goal of a fair return for the use and disposition of Crown land, based on market values.

The purpose of this policy is to provide direction for Crown land sold or tenured under the *Land Act* and the *Ministry of Lands, Parks and Housing Act*. Pricing for [All Seasons Resorts/Alpine Skiing](#) and [Grazing](#) programs are not included in this policy; however, Sections 1, 2 and 3 of this policy also apply to those programs and associated land use policies.

Application fees for administrative tasks associated with processing applications are found in the [Crown Land Fees Regulation](#) and the [Land Procedure - Crown Land Fees](#).

## 2. FOUNDATIONS FOR CROWN LAND PRICING

### 2.1 Legislative Authority

*Land Act* and *Ministry of Lands, Parks and Housing Act* provide for the allocation of surface rights. Specifically, the *Land Act*:

- states that the Minister administers all Crown land in BC except land specifically under the administration of another Minister, branch or agency of government.
- provides for dispositions in the form of a sale, lease, right-of-way or easement, and licence of occupation for short to long term occupation.
- enables the Minister to impose any terms, covenants, stipulations and reservations as considered advisable, including rent.
- does not place any specific limitations on the pricing of tenures.
- provides for a royalty payment for dispositions granted for mining, quarrying, digging or removal of building or construction materials (including earth, soil, peat, marl, sand and gravel, rock and natural substances that are used for a construction purpose) at rates determined by the Minister.
- provides for Crown grants, free or otherwise to government corporations or bodies.

### 2.2 Generally Accepted Accounting Principles Requirements

Government has adopted Generally Accepted Accounting Principles (GAAP) in the management and reporting of financial transactions. One of the keystones of GAAP is recognition of the value of assets and liabilities as they are transferred in and out of government control, and the requirement that the disposition of Crown land (which includes tenures) must be recorded at fair market value. In practical terms for the management of Crown land and resources, this means that the market value of Crown land must be determined and acknowledged. For example, under the Sponsored Crown Grant and Nominal Rent Tenure program, transactions are “sponsored” by ministries/agencies to extent of the parcels’ appraised market value.

## **2.3 Pricing Principles and Goal**

### **2.3.1 Pricing Principles**

There are many ways to determine what constitutes a fair return for the use of Crown land. The methodology applied depends on the type of land use, the type of the land and the nature of the legal rights conveyed.

The pricing methodology for each program area was developed in consideration of the following principles:

- ♦ Administrative Efficiency – valuation methodologies take into account the administrative costs. When land values are low or when determining the market value or appropriate rental for individual parcels of land requires extensive or expensive analysis, flat rates and/or zone rates may be justified.
- ♦ Transparency – the methods used to establish pricing will be clearly explained, well documented, and communicated. The Province will use the best available professionally accepted appraisal methodologies and data, where appropriate, to determine prices.
- ♦ Fair Administration – pricing methods and practices will be consistent for dispositions and tenures with a particular land use. In administering pricing, the Province will apply its values of dealing openly, fairly and respectfully with the public and clients.

### **2.3.2 Pricing Goal**

Crown land is a public asset and the Province has a responsibility to ensure it is managed to maximize and sustain the flow of economic, social and environmental benefits to British Columbians, now and in the future.

In determining the price for the use or purchase of Crown land, the over-arching goal is a fair return based on market values.

The stated goal is intended to ensure that the public benefits from the use or sale of Crown land. In setting prices for Crown land, the Province will not distort private land markets. If there is no comparable private market or other valid comparables for certain types of land or specific land uses, the Province may use competitive processes in determining the price, or establish a benchmark (i.e., utilities or log handling zone land value) for particular types and uses of land. The Province will use the best available information, including professional appraisal methodologies and benchmarking data, in establishing appropriate prices.

Rents for each type of tenure offset the costs of administering the tenure system. Annual minimum rents are established to off-set tenure administration costs.

The pricing principles and goal are consistent with the Crown land allocation principles identified in the [Strategic Land Policy - Crown Land Allocation Principals](#).

### 3. RENTS AND ROYALTIES

#### 3.1 Annual Rent

The Province charges annual rents and/or royalties for the use and occupation of Crown land. Annual rent rates and royalties are established through one or a combination of the following four general methods: percent of land value, revenue sharing (participation rent), royalty system and fixed amount.

The Province also employs an annual minimum rent to offset the ongoing annual costs of administering a tenure in such cases where pricing formulas (e.g. percent applied to land value or income) would not produce enough rent to recover costs. The minimum amount is also intended to encourage a basic level of efficient and diligent land-use.

**Table 1: General Pricing Methods Employed in Pricing Crown Land**

Pricing Method	Description	Programs that Employ the Pricing Method
1. Percent of Land Value	Annual rents are calculated by applying a prescribed percentage rate against the land value, where land value is determined by: <ul style="list-style-type: none"> <li>▪ appraisal as per the Land Procedure - Appraisals</li> <li>▪ by BC Assessment</li> <li>▪ pre-determined zone value established and updated periodically by Authorizing Agencies.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aggregates and quarry materials</li> <li>▪ Agriculture</li> <li>▪ Aquaculture</li> <li>▪ General commercial</li> <li>▪ General industrial</li> <li>▪ Grazing (1 of 2 pricing options)</li> <li>▪ Adventure Tourism/Commercial recreation</li> <li>▪ Log handling &amp; storage</li> <li>▪ Residential</li> <li>▪ Recreational cottage lots</li> <li>▪ Linear utilities</li> <li>▪ Ocean energy</li> <li>▪ Oil and gas (marketing and refining facilities, LNG)</li> <li>▪ Roadways</li> <li>▪ Water power</li> <li>▪ Wind power</li> </ul>
2. Revenue Sharing <sup>1</sup>	Annual rents are calculated by: <ul style="list-style-type: none"> <li>▪ applying a prescribed percentage rate against revenues from commercial activities on the land;</li> <li>▪ charging a pre-determined amount per client day;</li> <li>▪ charging a participation rental based on production</li> </ul>	<ul style="list-style-type: none"> <li>▪ Alpine ski facilities</li> <li>▪ Golf courses</li> <li>▪ Guided Adventure Tourism/Commercial recreation</li> <li>▪ Marinas</li> <li>▪ Ocean energy (during production phase only)</li> <li>▪ Wind power (during production phase only)</li> </ul>
3. Royalty	Annual rents are calculated by charging a fee per unit of <i>in situ</i> material removed from the land	<ul style="list-style-type: none"> <li>▪ Aggregates and quarry materials</li> <li>▪ Grazing (1 of 2 pricing options)</li> </ul>

<sup>1</sup> This pricing method is used for head leases (any land use).



Pricing Method	Description	Programs that Employ the Pricing Method
4. Fixed Amount for the Land	Annual rents calculated in accordance with a pre-formulated rental amount that varies with land area or size, or type/number of facilities on the land, or reflects a pre-set nominal rental that is unrelated to land area or location	<ul style="list-style-type: none"> <li>▪ Airports</li> <li>▪ Community and institutional uses</li> <li>▪ Communication sites</li> <li>▪ Oil and gas (primary recovery enhancement facilities)</li> <li>▪ Private moorage facilities</li> </ul>

### 3.1.1 Percentage of Land Value

For percentage of land value pricing method, annual rent is calculated as follows:

$$\text{Annual Rent} = \text{Land Value} \times \text{Rent Rate}$$

"Land Value" - refers to BCA value, appraised value, or zone value depending on the land use program.

"Rent Rate" - is the percentage rate that is applied each year to the land value of the particular land use. Refer to [APPENDIX 3 – Rental Rates by Land Use and Form of Tenure](#) for summary of the rent rates applied to each land use and tenure type.

Refer to the appropriate appendix for additional information regarding pricing for each land use program.

### 3.1.2 Revenue Sharing (or Participation Rent)

Revenue sharing is an appropriate pricing method where:

- the unique qualities of a site make it particularly valuable for a specific use,
- there are no or limited private land comparables, making land values difficult to establish (e.g. alpine skiing, marinas); or,
- the activity is not directly linked to a specific parcel of land that can be valued (e.g. extensive area commercial recreation licenses).

Refer to [APPENDIX 3 – Rental Rates by Land Use and Form of Tenure](#) for summary of the rent rates applied to each land use and tenure type. Refer to the appropriate appendix for additional information regarding pricing for each land use program.

### 3.1.3 Royalties

Royalties are charged for materials extracted from Crown land. Royalties are based on the market value of the raw material and vary according to supply and demand in a specific area. Royalty rates are established through:

- Competitive process, or
- Minimums set by the Authorizing Agencies, based on market assessments.

There are no royalties charged for materials such as gravel or aggregate that are used in building public works, such as highways. Refer to [APPENDIX 3 – Rental Rates by Land Use and Form of Tenure](#) for a summary of the rent rates applied to each land use and tenure type.

Refer to the appropriate appendix for additional information regarding pricing for each land use program.

### **3.1.4 Fixed Amount**

Where land values are known to be low and/or are difficult to establish, it may not be cost-effective or practical to base rentals on appraisal or analyse comparables. In such cases, the practice is to employ fixed or flat rate rents that represent approximations of market rental.

Refer to **APPENDIX 3 – Rental Rates by Land Use and Form of Tenure** for a summary of the rent rates applied to each land use and tenure type. Refer to the appropriate appendix for additional information regarding pricing for each land use program.

## **3.2 Prepaid Rent**

Most tenures are structured to provide for annual payments. However, a few programs allow tenure holders to prepay the entire rental amount due over the life of the tenure. This option is only available in those programs where it is specifically provided for in policy.

In instances when prepaid rent is discounted, the rent calculation involves two steps. The first step is to determine discount rate. Discount rate will be set at “prime interest rate plus 1.5%”. Prime interest rate is updated by the Ministry of Finance each quarter, as needed. This rate can be found at <https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/services-policies-for-government/policies-procedures/core-policy-manual/policies/interest-rates.pdf>

The second step is to determine a discount factor. This is a financial factor selected from Appendix 1, for the particular term for which the tenure is issued and the appropriate discount rate. Where minimum rents are prepaid, the discount factors apply. If the interest rate falls between the rates listed in Appendix 1 please refer to Appendix 1A and contact the appropriate Senior Portfolio Administrator to obtain the correct discount factor.

Refer to the appropriate appendix for additional information regarding prepaid rent for specific land use program.

## **4. RENT REVIEWS**

Rents established for leases, licences, rights of way and easements are similar to prevailing market rents in the private sector.

Rent rates applied to individual tenures should be reviewed every 5 years, more frequently where market values are changing rapidly, unless otherwise specified in applicable program pricing policy.

Refer to the appropriate appendix for additional information regarding rent rates for each land use program.

## **5. RENT ADJUSTMENTS AND REFUNDS**

During the term of a tenure, a tenure holder may initiate an adjustment in the size or configuration of their tenure through a tenure modification agreement.

When a tenure modification results in a larger tenure area, rent for the additional area will be due on the effective date of the modification agreement. There are instances when an area increase will not result in rent increase (i.e. if an area was added to a marina which did not result in additional moorage space or if a communication site area increased without an additional user). Refer to the appropriate appendix for the additional information regarding rent calculation.

When a tenure modification results in a smaller tenure area and rent is paid annually, the reduced tenure area will be used for rent calculation on the next anniversary date of the tenure. No partial year refunds of annual rents will be granted.

When a tenure modification results in a smaller tenure area and rent was pre-paid for the term of the tenure, a refund of the pre-paid rent for the area returned to the Crown will be due on the effective date of the modification agreement for any full unexpired years remaining in the tenure as per [Appendix 2 – Equations Calculating Prepaid Rental Refunds](#).

Prepaid rents discounted at 10.75% (or other rate in place at that time) will need to be refunded using the same rate.

The method of calculating refunds of prepaid rents which is shown in [Appendix 2 – Equations Calculating Prepaid Rental Refunds](#) is provided to recognize the interest that has been earned on the prepaid rent.

Certain commercial, industrial and residential leaseholds may be eligible for purchase. In instances when rent is paid annually and a purchase option is exercised, no refunds will be granted. In instances when rent for these leaseholds has been prepaid for the entire term of the tenure and a purchase option is exercised, the lessee is entitled to a refund of the prepaid rent for the unexpired term of the tenure.

Refunds for the unexpired portion of prepaid tenures are available only in the following instances:

- where specifically provided for in policy (e.g. commercial marina and recreation cottage lot policy); or
- as part of a negotiated package (e.g. sale of a tenure previously leased by the applicant).

Rents for temporary licences and permits will not be refunded.

## **6. SPONSORED CROWN GRANTS AND NOMINAL RENT TENURES**

Crown land that is needed to support public purposes (e.g. firehalls, local parks, etc.) and First Nations is available at a nominal rate. However, establishing market value and the concessionary value is required for the purpose of recording transactions. Refer to the [APPENDIX 11 – Community and Institutional for details](#).

## **7. CROWN LAND SALE**

Fee simple dispositions are priced at full market value. The purchase price for Crown land is the market value of the land, plus the value of any resources on the land (e.g. standing timber and gravel). Land values are generally determined through professional appraisals. Fee simple disposition of Crown land will generally be made on a cash basis.

All direct sales of parcels will be sold at market value. Selling below market value may result in an operating expense for the concessionary difference. Direct sales where all or part of the market value consideration is based on land transfers or other value-in-kind compensation require prior approval by the Authorizing Agency's Executive.

In order to ensure that the Province receives fair value for its land, agreements of purchase and sale with municipalities or other direct sales (where the normal method of sale would be through public means) of parcels may contain a clause providing for the purchaser to reimburse the Government the difference between the purchase price and the sale price, should the property be sold at a higher price within a certain time period.

## **8. HEAD LEASES - ANY LAND USE**

Typically the rental formula provides for the Crown to get a minimum of 50% of the total revenue the head lessee receives from sub-tenure holders; the remaining amount is retained by the head lessee. However, the revenue sharing proportions can vary if rationale can be provided. If the Crown is to receive less than 50%, it must be approved by the Assistant Deputy Minister.

There may also be limited situations where it is appropriate to have a revenue sharing formula where the amount to be retained is set as a proportion of the "net" revenues received (e.g. for a First Nations corporation the rental formula could provide for a 50/50 split of "revenues less operating expenses").

Irrespective of the nature of the rental formula agreed upon, it needs to be decided if payment of a minimum annual rental is warranted.

Head lessees should be required to submit annual audited gross statements of all revenue received by the holder of the head lease. The revenue sharing formula should be applied against all revenue received, including rent, royalties and other fees.

The rental formulas used by head lease holders in determining rental for sub-tenures do not need to be the same as the provincial formula. However, the head lease needs to ensure that rentals and royalties charged for sub-tenures are based upon prevailing market rates. The head lease may provide for a process that allows the Authorizing Agency to verify this, such as a report from an independent fee appraiser.

The head lease should allow for a sufficient amount of time between the expiry of a lease year and when rental is due to the Crown to allow for collection of outstanding accounts, auditing of books, etc.

The head lease needs to be clear about what, if any, charges need to be paid to the Crown should the head lessee utilize some of the land for their own purposes. If charges are deemed appropriate, they should be in accordance with the pricing for the Crown land policy for the intended use.

The head lease should be specific about what, if any, sub-tenured uses will be exempt from paying rental or royalties (e.g. if the head lessee is a First Nations Band or Society, it is likely that uses associated with traditional rights will be excluded). Refer to the Community & Institutional Policy for more information on eligible uses and proponents.

## 9. DISPOSITION PRICE RESOLUTION

The [Disposition Price Resolution Procedure](#) establishes a process for property disposition price resolution when a client disagrees with the price established by the Authorizing Agency and a resolution has not been reached through negotiations. The procedure does not apply where the Authorizing Agency uses land value established by the BC Assessment.

If a client disputes the land value established by the BC Assessment, they must contact BC Assessment. The following link provides the information regarding the BC Assessment appeals process: <https://info.bccassessment.ca/Services-products/appeals>.

## 10. CROWN LAND USE PROGRAMS

Detailed pricing information for each land use program covered under the policy can be found in one of the following appendixes.

**APPENDIX 4 – Adventure Tourism (Commercial Recreation)**

**APPENDIX 5 – Aggregates and Quarry Materials**

**APPENDIX 6 – Agriculture Extensive**

**APPENDIX 7 – Agriculture Intensive**

**APPENDIX 8 – Airports**

**APPENDIX 9 – Aquaculture**

**APPENDIX 10 – Communication Sites**

**APPENDIX 11 – Community and Institutional**

**APPENDIX 12 – General Commercial**

**APPENDIX 13 – Industrial General**

**APPENDIX 14 – Log Handling**

**APPENDIX 15 – Mining**

**APPENDIX 16 – Ocean Energy Projects**

**APPENDIX 17 – Oil and Gas**

**APPENDIX 18 – Private Moorage**

**APPENDIX 19 – Residential**

**APPENDIX 20 – Roadways**

**APPENDIX 21 – Utilities**

**APPENDIX 22 – Waterpower Projects**

**APPENDIX 23 – Windpower Projects**

## APPENDIX 1 - DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS

Interest Rate (Prime + 1.5%) Number of unexpired yrs	Discount Factors						
	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
43	29.234794	27.987904	26.820607	25.726921	24.701359	23.738888	22.834883
42	28.799489	27.595132	26.466122	25.406911	24.412400	23.477901	22.599104
41	28.355479	27.193522	26.102775	25.078101	24.114772	23.208433	22.355072
40	27.902589	26.782876	25.730344	24.740249	23.808215	22.930207	22.102500
39	27.440641	26.362991	25.348603	24.393106	23.492462	22.642939	21.841087
38	26.969453	25.933658	24.957318	24.036416	23.167235	22.346335	21.570525
37	26.488842	25.494666	24.556251	23.669918	22.832252	22.040090	21.290494
36	25.998619	25.045796	24.145157	23.293340	22.487220	21.723893	21.000661
35	25.498592	24.586826	23.723786	22.906407	22.131837	21.397420	20.700684
34	24.988564	24.117530	23.291881	22.508833	21.765792	21.060336	20.390208
33	24.468335	23.637674	22.849178	22.100326	21.388766	20.712297	20.068865
32	23.937702	23.147022	22.395407	21.680585	21.000428	20.352947	19.736276
31	23.396456	22.645330	21.930293	21.249301	20.600441	19.981917	19.392045
30	22.844385	22.132350	21.453550	20.806157	20.188455	19.598830	19.035767
29	22.281272	21.607828	20.964889	20.350826	19.764108	19.203292	18.667019
28	21.706898	21.071504	20.464011	19.882974	19.327031	18.794899	18.285365
27	21.121036	20.523113	19.950611	19.402256	18.876842	18.373233	17.890352
26	20.523456	19.962383	19.424376	18.908318	18.413148	17.937863	17.481515
25	19.913926	19.389036	18.884986	18.400797	17.935542	17.488343	17.058368
24	19.292204	18.802790	18.332110	17.879319	17.443608	17.024215	16.620410
23	18.658048	18.203352	17.765413	17.343500	16.936917	16.545002	16.167125
22	18.011209	17.590428	17.184549	16.792946	16.415024	16.050214	15.697974
21	17.351433	16.963712	16.589162	16.227252	15.877475	15.539346	15.212403
20	16.678462	16.322896	15.978891	15.646002	15.323799	15.011875	14.709837
19	15.992031	15.667661	15.353364	15.048767	14.753513	14.467261	14.189682
18	15.291872	14.997683	14.712198	14.435108	14.166118	13.904947	13.651321
17	14.577709	14.312631	14.055003	13.804573	13.561102	13.324358	13.094117
16	13.849264	13.612166	13.381378	13.156699	12.937935	12.724899	12.517411
15	13.106249	12.895939	12.690912	12.491008	12.296073	12.105958	11.920520
14	12.348374	12.163598	11.983185	11.807011	11.634955	11.466902	11.302738
13	11.575341	11.414779	11.257765	11.104204	10.954004	10.807076	10.663334
12	10.786848	10.649111	10.514209	10.382069	10.252624	10.125806	10.001551
11	9.982585	9.866216	9.752064	9.640076	9.530203	9.422395	9.316605
10	9.162237	9.065706	8.970866	8.877678	8.786109	8.696123	8.607687
9	8.325481	8.247185	8.170137	8.094314	8.019692	7.946247	7.873956
8	7.471991	7.410246	7.349391	7.289408	7.230283	7.172000	7.114544
7	6.601431	6.554477	6.508125	6.462367	6.417191	6.372590	6.328553
6	5.713460	5.679453	5.645828	5.612582	5.579707	5.547199	5.515052
5	4.807729	4.784740	4.761974	4.739428	4.717098	4.694983	4.673079
4	3.883883	3.869897	3.856024	3.842262	3.828611	3.815070	3.801637
3	2.941561	2.934470	2.927424	2.920424	2.913470	2.906560	2.899694
2	1.980392	1.977995	1.975610	1.973236	1.970874	1.968523	1.966184
1	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

**DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS (continued)**

Interest Rate (Prime + 1.5%)	Discount Factors						
	3.75%	3.80%	3.85%	3.90%	3.95%	4.00%	4.05%
Number of unexpired yrs	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14
43	21.985097	21.821297	21.659479	21.499614	21.341672	21.185627	21.031449
42	21.772039	21.612507	21.454869	21.299099	21.145168	20.993052	20.842723
41	21.550990	21.395782	21.242382	21.090764	20.940903	20.792774	20.646353
40	21.321652	21.170822	21.021713	20.874303	20.728568	20.584485	20.442030
39	21.083714	20.937313	20.792549	20.649401	20.507847	20.367864	20.229433
38	20.836853	20.694931	20.554562	20.415728	20.278407	20.142579	20.008225
37	20.580735	20.443338	20.307413	20.172941	20.039904	19.908282	19.778058
36	20.315013	20.182185	20.050748	19.920686	19.791980	19.664613	19.538569
35	20.039326	19.911108	19.784202	19.658593	19.534263	19.411198	19.289381
34	19.753301	19.629730	19.507394	19.386278	19.266366	19.147646	19.030101
33	19.456549	19.337660	19.219929	19.103343	18.987888	18.873551	18.760320
32	19.148670	19.034491	18.921396	18.809373	18.698410	18.588494	18.479613
31	18.829245	18.719802	18.611370	18.503939	18.397497	18.292033	18.187537
30	18.497842	18.393154	18.289407	18.186592	18.084698	17.983715	17.883633
29	18.154011	18.054094	17.955050	17.856869	17.759543	17.663063	17.567420
28	17.797286	17.702149	17.607819	17.514287	17.421545	17.329586	17.238400
27	17.427185	17.336831	17.247220	17.158344	17.070196	16.982769	16.896056
26	17.043204	16.957631	16.872738	16.788520	16.704969	16.622080	16.539846
25	16.644824	16.564021	16.483839	16.404272	16.325315	16.246963	16.169210
24	16.231505	16.155453	16.079966	16.005039	15.930665	15.856842	15.783563
23	15.802686	15.731361	15.660545	15.590235	15.520427	15.451115	15.382297
22	15.357787	15.291152	15.224976	15.159254	15.093984	15.029160	14.964780
21	14.896204	14.834216	14.772638	14.711465	14.650696	14.590326	14.530353
20	14.417312	14.359916	14.302884	14.246212	14.189898	14.133939	14.078333
19	13.920461	13.867593	13.815045	13.762815	13.710899	13.659297	13.608005
18	13.404978	13.356562	13.308424	13.260564	13.212980	13.165669	13.118629
17	12.870165	12.826111	12.782299	12.738726	12.695393	12.652296	12.609434
16	12.315296	12.275503	12.235917	12.196537	12.157361	12.118387	12.079616
15	11.739620	11.703972	11.668500	11.633202	11.598076	11.563123	11.528340
14	11.142356	11.110723	11.079237	11.047897	11.016700	10.985648	10.954738
13	10.522694	10.494931	10.467288	10.439764	10.412360	10.385074	10.357905
12	9.879795	9.855738	9.831778	9.807915	9.784148	9.760477	9.736900
11	9.212787	9.192256	9.171802	9.151424	9.131122	9.110896	9.090745
10	8.520767	8.503562	8.486416	8.469330	8.452301	8.435332	8.418420
9	7.802796	7.788697	7.774643	7.760633	7.746667	7.732745	7.718866
8	7.057900	7.046668	7.035467	7.024298	7.013161	7.002055	6.990980
7	6.285072	6.276441	6.267833	6.259246	6.250681	6.242137	6.233615
6	5.483262	5.476946	5.470644	5.464356	5.458082	5.451822	5.445576
5	4.651384	4.647070	4.642764	4.638466	4.634177	4.629895	4.625622
4	3.788311	3.785659	3.783010	3.780366	3.777727	3.775091	3.772460
3	2.892873	2.891514	2.890156	2.888801	2.887447	2.886095	2.884744
2	1.963855	1.963391	1.962927	1.962464	1.962001	1.961538	1.961076
1	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

**DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS (continued)**

Interest Rate (Prime +1.5%)	Discount Factors						
	4.10%	4.15%	4.20%	4.25%	4.30%	4.35%	4.40%
Number of unexpired yrs	Column 15	Column 16	Column 17	Column 18	Column 19	Column 20	Column 21
43	20.879112	20.728589	20.579854	20.432879	20.287641	20.144113	20.002272
42	20.694156	20.547326	20.402207	20.258777	20.117010	19.976882	19.838372
41	20.501616	20.358540	20.217100	20.077275	19.939041	19.802377	19.667260
40	20.301182	20.161919	20.024218	19.888059	19.753420	19.620280	19.488620
39	20.092531	19.957139	19.823235	19.690801	19.559817	19.430262	19.302119
38	19.875325	19.743860	19.613811	19.485160	19.357889	19.231979	19.107412
37	19.649213	19.521730	19.395591	19.270780	19.147278	19.025070	18.904138
36	19.413831	19.290382	19.168206	19.047288	18.927611	18.809160	18.691920
35	19.168798	19.049433	18.931271	18.814298	18.698498	18.583859	18.470365
34	18.913719	18.798484	18.684384	18.571405	18.459534	18.348757	18.239061
33	18.648181	18.537121	18.427128	18.318190	18.210294	18.103428	17.997580
32	18.371756	18.264912	18.159068	18.054213	17.950336	17.847427	17.745473
31	18.083998	17.981406	17.879749	17.779017	17.679201	17.580290	17.482274
30	17.784442	17.686134	17.588698	17.492125	17.396407	17.301532	17.207494
29	17.472605	17.378609	17.285423	17.193041	17.101452	17.010649	16.920624
28	17.147981	17.058321	16.969411	16.881245	16.793814	16.707112	16.621131
27	16.810049	16.724741	16.640127	16.556198	16.472948	16.390372	16.308461
26	16.458261	16.377318	16.297012	16.217336	16.138285	16.059853	15.982033
25	16.092049	16.015477	15.939486	15.864073	15.789232	15.714956	15.641243
24	15.710823	15.638619	15.566945	15.495796	15.425168	15.355057	15.285457
23	15.313967	15.246122	15.178756	15.111868	15.045451	14.979502	14.914017
22	14.900840	14.837336	14.774264	14.711622	14.649405	14.587610	14.526234
21	14.470774	14.411585	14.352783	14.294366	14.236329	14.178671	14.121388
20	14.023076	13.968166	13.913600	13.859376	13.805492	13.751944	13.698730
19	13.557022	13.506345	13.455971	13.405900	13.356128	13.306653	13.257474
18	13.071860	13.025358	12.979122	12.933151	12.887441	12.841993	12.796802
17	12.566806	12.524410	12.482245	12.440309	12.398601	12.357119	12.315862
16	12.041045	12.002673	11.964500	11.926523	11.888741	11.851154	11.813760
15	11.493728	11.459284	11.425009	11.390900	11.356957	11.323179	11.289565
14	10.923971	10.893345	10.862859	10.832513	10.802306	10.772237	10.742306
13	10.330854	10.303918	10.277099	10.250395	10.223805	10.197330	10.170967
12	9.713419	9.690031	9.666737	9.643537	9.620429	9.597414	9.574490
11	9.070669	9.050667	9.030740	9.010887	8.991107	8.971401	8.951768
10	8.401566	8.384770	8.368031	8.351350	8.334725	8.318157	8.301645
9	7.705030	7.691238	7.677489	7.663782	7.650118	7.636497	7.622918
8	6.979937	6.968924	6.957943	6.946993	6.936073	6.925184	6.914326
7	6.225114	6.216635	6.208177	6.199740	6.191324	6.182930	6.174557
6	5.439344	5.433125	5.426920	5.420729	5.414551	5.408387	5.402237
5	4.621357	4.617100	4.612851	4.608610	4.604377	4.600152	4.595935
4	3.769832	3.767209	3.764591	3.761976	3.759365	3.756759	3.754157
3	2.883396	2.882049	2.880703	2.879360	2.878018	2.876678	2.875339
2	1.960615	1.960154	1.959693	1.959233	1.958773	1.958313	1.957854
1	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000



**DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS (continued)**

Interest Rate Prime +1.5% Number of unexpired yrs	Discount Factors						
	4.45%	4.50%	4.75%	4.80%	4.85%	4.90%	4.95%
	Column 22	Column 23	Column 24	Column 25	Column 26	Column 27	Column 28
43	19.862092	19.723550	19.054594	18.925397	18.797681	18.671424	18.546606
42	19.701455	19.566109	18.912187	18.785816	18.660868	18.537324	18.415163
41	19.533670	19.401584	18.763016	18.639535	18.517420	18.396653	18.277214
40	19.358418	19.229656	18.606759	18.486233	18.367015	18.249089	18.132436
39	19.175368	19.049990	18.443081	18.325572	18.209315	18.094294	17.980492
38	18.984172	18.862240	18.271627	18.157200	18.043967	17.931914	17.821026
37	18.784467	18.666041	18.092029	17.980745	17.870600	17.761578	17.653667
36	18.575876	18.461012	17.903901	17.795821	17.688824	17.582896	17.478023
35	18.358002	18.246758	17.706836	17.602020	17.498232	17.395457	17.293686
34	18.130434	18.022862	17.500410	17.398917	17.298396	17.198835	17.100223
33	17.892738	17.788891	17.284180	17.186065	17.088868	16.992578	16.897184
32	17.644465	17.544391	17.057679	16.962996	16.869178	16.776214	16.684095
31	17.385143	17.288889	16.820418	16.729220	16.638833	16.549249	16.460457
30	17.114282	17.021889	16.571888	16.484223	16.397317	16.311162	16.225750
29	16.831368	16.742874	16.311553	16.227466	16.144087	16.061409	15.979425
28	16.535864	16.451303	16.038852	15.958384	15.878575	15.799418	15.720906
27	16.227210	16.146611	15.753197	15.676386	15.600186	15.524589	15.449591
26	15.904820	15.828209	15.453974	15.380853	15.308295	15.236294	15.164846
25	15.568085	15.495478	15.140538	15.071134	15.002247	14.933872	14.866006
24	15.216365	15.147775	14.812213	14.746548	14.681356	14.616632	14.552373
23	14.848993	14.784425	14.468293	14.406383	14.344902	14.283847	14.223215
22	14.465273	14.404724	14.108037	14.049889	13.992129	13.934756	13.877764
21	14.064478	14.007936	13.730669	13.676284	13.622248	13.568559	13.515214
20	13.645847	13.593294	13.335376	13.284745	13.234427	13.184418	13.134717
19	13.208587	13.159992	12.921306	12.874413	12.827796	12.781455	12.735385
18	12.751869	12.707191	12.487568	12.444385	12.401445	12.358746	12.316287
17	12.274828	12.234015	12.033228	11.993715	11.954415	11.915324	11.876443
16	11.776557	11.739546	11.557306	11.521414	11.485704	11.450175	11.414827
15	11.256114	11.222825	11.058778	11.026441	10.994260	10.962234	10.930361
14	10.712511	10.682852	10.536570	10.507711	10.478982	10.450383	10.421914
13	10.144718	10.118581	9.989557	9.964081	9.938713	9.913452	9.888299
12	9.551658	9.528917	9.416561	9.394357	9.372240	9.350211	9.328269
11	8.932207	8.912718	8.816348	8.797286	8.778294	8.759372	8.740519
10	8.285190	8.268790	8.187624	8.171555	8.155541	8.139581	8.123674
9	7.609381	7.595886	7.529036	7.515790	7.502585	7.489420	7.476296
8	6.903498	6.892701	6.839166	6.828548	6.817960	6.807402	6.796873
7	6.166204	6.157872	6.116526	6.108318	6.100131	6.091965	6.083818
6	5.396100	5.389977	5.359561	5.353518	5.347488	5.341471	5.335467
5	4.591727	4.587526	4.566640	4.562487	4.558341	4.554203	4.550073
4	3.751558	3.748964	3.736055	3.733486	3.730920	3.728359	3.725801
3	2.874003	2.872668	2.866018	2.864693	2.863370	2.862048	2.860729
2	1.957396	1.956938	1.954654	1.954198	1.953743	1.953289	1.952835
1	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

**DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS (continued)**

Interest Rate Prime +1.5% Number of unexpired yrs	Discount Factors						
	5.00%	5.05%	5.10%	5.15%	5.20%	5.25%	5.30%
	Column 29	Column 30	Column 31	Column 32	Column 33	Column 34	Column 35
43	18.423208	18.301207	18.180586	18.061325	17.943404	17.826804	17.711509
42	18.294368	18.174918	18.056796	17.939983	17.824461	17.710212	17.597219
41	18.159086	18.042252	17.926693	17.812392	17.699333	17.587498	17.476871
40	18.017041	17.902885	17.789954	17.678230	17.567698	17.458341	17.350145
39	17.867893	17.756481	17.646242	17.537159	17.429218	17.322404	17.216703
38	17.711287	17.602683	17.495200	17.388823	17.283538	17.179331	17.076188
37	17.546852	17.441119	17.336455	17.232847	17.130281	17.028745	16.928226
36	17.374194	17.271395	17.169614	17.068839	16.969056	16.870255	16.772422
35	17.192904	17.093101	16.994265	16.896384	16.799447	16.703443	16.608361
34	17.002549	16.905803	16.809972	16.715048	16.621018	16.527874	16.435604
33	16.802677	16.709046	16.616281	16.524373	16.433311	16.343087	16.253691
32	16.592811	16.502352	16.412711	16.323878	16.235843	16.148599	16.062136
31	16.372451	16.285221	16.198759	16.113058	16.028107	15.943901	15.860429
30	16.141074	16.057125	15.973896	15.891380	15.809569	15.728455	15.648032
29	15.898127	15.817510	15.737565	15.658286	15.579666	15.501699	15.424378
28	15.643034	15.565794	15.489181	15.413188	15.337809	15.263038	15.188870
27	15.375185	15.301366	15.228129	15.155467	15.083375	15.011848	14.940880
26	15.093945	15.023586	14.953763	14.884473	14.815711	14.747470	14.679747
25	14.798642	14.731777	14.665405	14.599524	14.534128	14.469212	14.404773
24	14.488574	14.425231	14.362341	14.299899	14.237902	14.176346	14.115226
23	14.163003	14.103205	14.043820	13.984844	13.926273	13.868104	13.810333
22	13.821153	13.764917	13.709055	13.653564	13.598439	13.543679	13.489281
21	13.462210	13.409546	13.357217	13.305222	13.253558	13.202223	13.151213
20	13.085321	13.036228	12.987435	12.938941	12.890743	12.842839	12.795227
19	12.689587	12.644057	12.598794	12.553797	12.509062	12.464588	12.420374
18	12.274066	12.232082	12.190333	12.148817	12.107533	12.066479	12.025654
17	11.837770	11.799302	11.761040	11.722981	11.685125	11.647469	11.610014
16	11.379658	11.344667	11.309853	11.275215	11.240751	11.206462	11.172344
15	10.898641	10.867073	10.835655	10.804388	10.773270	10.742301	10.711479
14	10.393573	10.365360	10.337274	10.309314	10.281480	10.253772	10.226187
13	9.863252	9.838311	9.813475	9.788744	9.764117	9.739595	9.715175
12	9.306414	9.284645	9.262962	9.241364	9.219851	9.198423	9.177079
11	8.721735	8.703020	8.684373	8.665795	8.647284	8.628840	8.610464
10	8.107822	8.092022	8.076276	8.060583	8.044943	8.029355	8.013819
9	7.463213	7.450169	7.437166	7.424203	7.411280	7.398396	7.385551
8	6.786373	6.775903	6.765462	6.755049	6.744666	6.734311	6.723986
7	6.075692	6.067586	6.059500	6.051434	6.043389	6.035363	6.027357
6	5.329477	5.323499	5.317535	5.311583	5.305645	5.299719	5.293807
5	4.545951	4.541836	4.537729	4.533630	4.529538	4.525455	4.521379
4	3.723248	3.720699	3.718153	3.715612	3.713074	3.710541	3.708012
3	2.859410	2.858094	2.856779	2.855466	2.854154	2.852844	2.851536
2	1.952381	1.951928	1.951475	1.951022	1.950570	1.950119	1.949668
1	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

**DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS (continued)**

Interest Rate Prime +1.5% Number of unexpired yrs	Discount Factors						
	5.35%	5.40%	5.45%	5.50%	5.75%	6.00%	6.25%
	Column 36	Column 37	Column 38	Column 39	Column 40	Column 41	Column 42
43	17.597498	17.484754	17.373261	17.262999	16.729590	16.224543	15.745980
42	17.485464	17.374931	17.265603	17.157464	16.634041	16.138016	15.667603
41	17.367436	17.259177	17.152079	17.046125	16.532999	16.046297	15.584329
40	17.243094	17.137173	17.032367	16.928662	16.426146	15.949075	15.495849
39	17.112100	17.008580	16.906131	16.804738	16.313150	15.846019	15.401840
38	16.974097	16.873044	16.773015	16.673999	16.193656	15.736780	15.301955
37	16.828711	16.730188	16.632644	16.536068	16.067291	15.620987	15.195827
36	16.675547	16.579618	16.484624	16.390552	15.933660	15.498246	15.083066
35	16.514189	16.420918	16.328536	16.237033	15.792346	15.368141	14.963258
34	16.344198	16.253647	16.163941	16.075069	15.642906	15.230230	14.835961
33	16.165113	16.077344	15.990376	15.904198	15.484873	15.084043	14.700709
32	15.976446	15.891521	15.807351	15.723929	15.317753	14.929086	14.557003
31	15.777686	15.695663	15.614352	15.533745	15.141024	14.764831	14.404316
30	15.568292	15.489229	15.410834	15.333101	14.954132	14.590721	14.242086
29	15.347696	15.271647	15.196224	15.121422	14.756495	14.406164	14.069716
28	15.115298	15.042316	14.969918	14.898100	14.547494	14.210534	13.886573
27	14.870466	14.800601	14.731279	14.662495	14.326474	14.003166	13.691984
26	14.612536	14.545833	14.479634	14.413933	14.092747	13.783356	13.485233
25	14.340807	14.277308	14.214274	14.151699	13.845580	13.550358	13.265560
24	14.054540	13.994283	13.934452	13.875042	13.584200	13.303379	13.032158
23	13.752958	13.695974	13.639379	13.583170	13.307792	13.041582	12.784168
22	13.435241	13.381557	13.328225	13.275244	13.015490	12.764077	12.520678
21	13.100526	13.050161	13.000114	12.950382	12.706381	12.469921	12.240721
20	12.747905	12.700870	12.654120	12.607654	12.379498	12.158116	11.943266
19	12.376418	12.332717	12.289269	12.246074	12.033819	11.827603	11.627220
18	11.985056	11.944683	11.904535	11.864609	11.668263	11.477260	11.291421
17	11.572756	11.535696	11.498832	11.462162	11.281688	11.105895	10.934635
16	11.138399	11.104624	11.071018	11.037581	10.872886	10.712249	10.555549
15	10.680803	10.650273	10.619889	10.589648	10.440576	10.294984	10.152771
14	10.198726	10.171388	10.144173	10.117079	9.983410	9.852683	9.724819
13	9.690858	9.666643	9.642530	9.618518	9.499956	9.383844	9.270121
12	9.155819	9.134642	9.113548	9.092536	8.988703	8.886875	8.787003
11	8.592155	8.573913	8.555736	8.537626	8.448054	8.360087	8.273691
10	7.998335	7.982904	7.967524	7.952195	7.876317	7.801692	7.728297
9	7.372746	7.359981	7.347254	7.334566	7.271705	7.209794	7.148815
8	6.713688	6.703420	6.693179	6.682967	6.632328	6.582381	6.533116
7	6.019371	6.011404	6.003457	5.995530	5.956187	5.917324	5.878936
6	5.282907	5.282020	5.276146	5.270284	5.241167	5.212364	5.183869
5	4.517310	4.513249	4.509196	4.505150	4.485035	4.465106	4.445361
4	3.705486	3.702965	3.700447	3.697933	3.685424	3.673012	3.660696
3	2.850230	2.848925	2.847621	2.846320	2.839836	2.833393	2.826990
2	1.949217	1.948767	1.948317	1.947867	1.945626	1.943396	1.941176
1	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

**DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS (continued)**

Interest Rate Prime +1.5% Number of unexpired yrs	Discount Factors						
	6.50%	6.75%	7.00%	7.25%	7.50%	7.75%	8.00%
	Column 43	Column 44	Column 45	Column 46	Column 47	Column 48	Column 49
43	15.292161	14.861481	14.452449	14.063687	13.693918	13.341955	13.006699
42	15.221152	14.797131	14.394120	14.010805	13.645962	13.298456	12.967235
41	15.145527	14.728437	14.331709	13.954088	13.594409	13.251587	12.924613
40	15.064986	14.655107	14.264928	13.893259	13.538989	13.201085	12.878582
39	14.979210	14.576826	14.193473	13.828021	13.479414	13.146669	12.828869
38	14.887859	14.493262	14.117017	13.758052	13.415370	13.088036	12.775179
37	14.790570	14.404057	14.035208	13.683011	13.346522	13.024858	12.717193
36	14.686957	14.308831	13.947672	13.602529	13.272511	12.956785	12.654568
35	14.576609	14.207177	13.854009	13.516213	13.192950	12.883436	12.586934
34	14.459088	14.098662	13.753790	13.423638	13.107421	12.804402	12.513888
33	14.333929	13.982821	13.646555	13.324352	13.015478	12.719243	12.434999
32	14.200635	13.859162	13.531814	13.217867	12.916638	12.627484	12.349799
31	14.058676	13.727155	13.409041	13.103663	12.810386	12.528614	12.257783
30	13.907490	13.586238	13.277674	12.981178	12.696165	12.422082	12.158406
29	13.746477	13.435809	13.137111	12.849814	12.573378	12.307293	12.051078
28	13.574998	13.275226	12.986709	12.708925	12.441381	12.183609	11.935165
27	13.392373	13.103804	12.825779	12.557822	12.299485	12.050338	11.809978
26	13.197877	12.920811	12.653583	12.395764	12.146946	11.906740	11.674776
25	12.990739	12.725465	12.469334	12.221957	11.982967	11.752012	11.528758
24	12.770137	12.516934	12.272187	12.035549	11.806689	11.585293	11.371059
23	12.535196	12.294327	12.061240	11.835626	11.617191	11.405653	11.200744
22	12.284983	12.056695	11.835527	11.621209	11.413480	11.212091	11.016803
21	12.018507	11.803021	11.594014	11.391247	11.194491	11.003528	10.818147
20	11.734710	11.532225	11.335595	11.144612	10.959078	10.778802	10.603599
19	11.432466	11.243151	11.059087	10.880097	10.706009	10.536659	10.371887
18	11.110577	10.934563	10.763223	10.596404	10.433960	10.275750	10.121638
17	10.767764	10.605146	10.446649	10.292143	10.141507	9.994620	9.851369
16	10.402669	10.253494	10.107914	9.965824	9.827120	9.691703	9.559479
15	10.013842	9.878105	9.745468	9.615846	9.489154	9.365310	9.244237
14	9.599742	9.477377	9.357651	9.240495	9.125840	9.013622	8.903776
13	9.158725	9.049600	8.942686	8.837930	8.735278	8.634678	8.536078
12	8.689042	8.592947	8.498674	8.406180	8.315424	8.226365	8.138964
11	8.188830	8.105471	8.023582	7.943128	7.864081	7.786409	7.710081
10	7.656104	7.585091	7.515232	7.446505	7.378887	7.312355	7.246888
9	7.088751	7.029584	6.971299	6.913877	6.857304	6.801563	6.746639
8	6.484520	6.436581	6.389289	6.342633	6.296601	6.251184	6.206370
7	5.841014	5.803551	5.766540	5.729974	5.693846	5.658151	5.622880
6	5.155679	5.127790	5.100197	5.072897	5.045885	5.019157	4.992710
5	4.425799	4.406416	4.387211	4.368182	4.349326	4.330642	4.312127
4	3.648476	3.636349	3.624316	3.612375	3.600526	3.588767	3.577097
3	2.820626	2.814303	2.808018	2.801772	2.795565	2.789396	2.783265
2	1.938967	1.936768	1.934579	1.932401	1.930233	1.928074	1.925926
1	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

**DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS (continued)**

Interest Rate Prime +1.5% Number of unexpired yrs	Discount Factors						
	8.25%	8.50%	8.75%	9.00%	9.25%	9.50%	9.75%
	Column 50	Column 51	Column 52	Column 53	Column 54	Column 55	Column 56
43	12.687128	12.382293	12.091313	11.813366	11.547689	11.293569	11.050345
42	12.651316	12.349788	12.061803	11.786569	11.523350	11.271458	11.030253
41	12.612549	12.314520	12.029711	11.757360	11.496760	11.247247	11.008203
40	12.570585	12.276255	11.994810	11.725523	11.467710	11.220735	10.984003
39	12.525158	12.234736	11.956856	11.690820	11.435973	11.191705	10.957443
38	12.475984	12.189689	11.915581	11.652993	11.401301	11.159917	10.928294
37	12.422752	12.140812	11.870695	11.611763	11.363421	11.125109	10.896303
36	12.365129	12.087781	11.821880	11.566821	11.322037	11.086995	10.861192
35	12.302752	12.030243	11.768795	11.517835	11.276826	11.045259	10.822658
34	12.235230	11.967813	11.711064	11.464441	11.227432	10.999559	10.780368
33	12.162136	11.900078	11.648282	11.406240	11.173470	10.949517	10.733953
32	12.083012	11.826584	11.580007	11.342802	11.114516	10.894721	10.683014
31	11.997361	11.746844	11.505758	11.273654	11.050108	10.834719	10.627108
30	11.904643	11.660326	11.425012	11.198283	10.979743	10.769018	10.565751
29	11.804276	11.566453	11.337200	11.116128	10.902869	10.697074	10.498411
28	11.695629	11.464602	11.241705	11.026580	10.818885	10.618296	10.424506
27	11.578018	11.354093	11.137854	10.928972	10.727132	10.532034	10.343396
26	11.450705	11.234191	11.024917	10.822580	10.626891	10.437578	10.254377
25	11.312888	11.104097	10.902097	10.706612	10.517379	10.334148	10.156679
24	11.163701	10.962945	10.768530	10.580207	10.397736	10.220892	10.049455
23	11.002206	10.809796	10.623277	10.442425	10.267027	10.096876	9.931777
22	10.827388	10.643628	10.465313	10.292244	10.124227	9.961080	9.802625
21	10.638148	10.463337	10.293528	10.128546	9.968218	9.812382	9.660881
20	10.433295	10.267720	10.106712	9.950115	9.797778	9.649558	9.505317
19	10.211542	10.055476	9.903549	9.755625	9.611573	9.471266	9.334585
18	9.971494	9.825192	9.682610	9.543631	9.408143	9.276037	9.147207
17	9.711642	9.575333	9.442338	9.312558	9.185896	9.062260	8.941560
16	9.430353	9.304237	9.181043	9.060688	8.943092	8.828175	8.715862
15	9.125857	9.010097	8.896884	8.786150	8.677828	8.571852	8.468159
14	8.796240	8.690955	8.587862	8.486904	8.388027	8.291178	8.196304
13	8.439430	8.344686	8.251800	8.160725	8.071419	7.983839	7.897944
12	8.053183	7.968984	7.886332	7.805191	7.725526	7.647304	7.570493
11	7.635071	7.561348	7.488886	7.417658	7.347637	7.278798	7.211116
10	7.182464	7.119063	7.056664	6.995247	6.934793	6.875284	6.816700
9	6.692517	6.639183	6.586622	6.534819	6.483762	6.433436	6.383828
8	6.162150	6.118514	6.075451	6.032953	5.991010	5.949612	5.908752
7	5.588027	5.553587	5.519553	5.485919	5.452678	5.419825	5.387355
6	4.966540	4.940642	4.915014	4.889651	4.864551	4.839709	4.815122
5	4.293779	4.275597	4.257578	4.239720	4.222022	4.204481	4.187096
4	3.565516	3.554022	3.542616	3.531295	3.520059	3.508907	3.497838
3	2.771171	2.771114	2.765094	2.759111	2.753164	2.747253	2.741377
2	1.923788	1.921659	1.919540	1.917431	1.915332	1.913242	1.911162
1	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

**DISCOUNT FACTORS FOR PREPAID RENT AND REFUNDS (continued)**

<b>Discount Factors</b>			
<b>Interest Rate</b>	<b>10.00%</b>	<b>10.25%</b>	<b>10.50%</b>
<b>Prime +1.5%</b>			
<b>Number of</b>	<b>Column 57</b>	<b>Column 58</b>	
<b>unexpired yrs</b>			
43	10.817397	10.594150	10.380064
42	10.799137	10.577550	10.364970
41	10.779051	10.559249	10.348292
<b>40</b>	10.756956	10.539072	10.329863
39	10.732651	10.516827	10.309499
38	10.705917	10.492302	10.286996
37	10.676508	10.465263	10.262131
36	10.644159	10.435452	10.234654
<b>35</b>	10.608575	10.402586	10.204293
34	10.569432	10.366351	10.170744
33	10.526376	10.326402	10.133672
32	10.479013	10.282358	10.092707
31	10.426914	10.233800	10.047442
<b>30</b>	10.369606	10.180264	9.997423
29	10.306567	10.121241	9.942153
28	10.237223	10.056169	9.881079
27	10.160945	9.984426	9.813592
26	10.077040	9.905329	9.739019
<b>25</b>	9.984744	9.818126	9.656616
24	9.883218	9.721984	9.565561
23	9.771540	9.615987	9.464945
22	9.648694	9.499126	9.353764
21	9.513564	9.370286	9.230909
<b>20</b>	9.364920	9.228240	9.095154
19	9.201412	9.071635	8.945146
18	9.021553	8.898978	8.779386
17	8.823709	8.708623	8.596221
16	8.606080	8.498757	8.393825
<b>15</b>	8.366687	8.267379	8.170176
14	8.103356	8.012286	7.923045
13	7.813692	7.731045	7.649964
12	7.495061	7.420977	7.348211
11	7.144567	7.079127	7.014773
<b>10</b>	6.759024	6.702238	6.646324
9	6.334926	6.286717	6.239188
8	5.868419	5.828605	5.789303
7	5.355261	5.323537	5.292179
6	4.790787	4.766700	4.742858
<b>5</b>	4.169865	4.152787	4.135858
4	3.486852	3.475947	3.465123
3	2.735537	2.729732	2.723961
2	1.909091	1.907029	1.904977
1	1.000000	1.000000	1.000000

## APPENDIX 1A – DISCOUNT FACTOR FORMULA

For interest rates that are not represented in the Discount factor table please a Senior Portfolio Administrator who can provide the specific rate

The calculation for determining the discount factor for prepaid tenures is described below:

Tables for Land Pricing Policy Section 5.3 and 5.4			
<b>Notes on Calculating the Discount Factor</b>			
This Discount Factor table is based on the formula for the "Present Value of an Annuity Due" with payments made at the <b>beginning</b> of a period.			
The formula is:	Discount factor =	Base x	$\left\{ \frac{1 - \left\{ \frac{1}{(1+i)^n} \right\}}{i} \right\}$
<b>i</b> = interest rate which is "prime + 1%" where "prime" is the prime lending rate of the principal banker to the Province in the current quarter of a year. Current and historical rates are available on the Ministry of Finance web site or from your friendly, local Land Revenue staff.			
Example: if the prime rate is 4.75% then i = 5.75% expressed as 0.0575 in the equation.			
<b>n</b> = numbers of periods of compounding, used as an exponent. Tenure prepayments compound annually.			
<b>Base</b> = 1 + the interest rate in 0.000 format, e.g. prime is 6.25, so interest is 7.25% and base is 1.0725. This number is used because tenure payments are received at the beginning of a period.			
<b>Calculate a single factor</b>			
	Fill in the following		
Prime interest rate in %	1.25	i =	2.25
e.g. 6.25% is 6.25		Base =	1.0225
Unexpired Years to be discounted =	22		
The discount factor is:	17.5904277457		

## APPENDIX 2 – EQUATIONS CALCULATING PREPAID RENTAL REFUNDS

### Refund Calculation

Refunds are based on the number of full unexpired years remaining in the prepaid term. Unexpired years are calculated using the following formula:

$$\text{Unexpired years} = (\text{Year Issue} + \text{Prepaid Term}) - \text{Year Purchase}$$

The following refund method extends the financial advantage of a discounted rent rate to the client for the last year (which is a partial year) of tenure. This results in a lower rent rate than would be applied on an annual non-discounted basis and is financially beneficial to the client. Therefore, do not consider partial years in the calculations of refunds.

### Calculation Method

The calculation of approved refunds depends on the method used to calculate the original prepayment.

If the original prepayment was calculated using 75% of the land value - USE EQUATION 1

If the original prepayment was calculated using a discount factor - USE EQUATION 2

The calculated refund is then subtracted from the current market value of the land. If the amount calculated by either EQUATION is greater than the market value of the land, no refund is made.

The Province will not issue refunds where current market value is less than the prepaid rental refund.

### EQUATION 1

This equation is to be used if the method for calculating the amount of prepayment was based on 75% of the land value.

$$\text{REFUND} = \text{OLV} * .072327 * \text{DF}$$

Where:

OLV = Original Land Value

DF = Discount Factor.

### Example 1

A Recreation Lease was issued March, 1981 for 30 years. Rent was prepaid for entire term and the prepayment was calculated using 75% of the land value of \$6485. The prepaid rental amount was \$4864. Lessee wishes to purchase the leasehold in 1989 and the current market value is \$7500.

#### Step 1

Determine the number of unexpired years of the 30 year tenure term and the OLV.

Unexpired years means the number of remaining full years in the original prepaid term.



UNEXPIRED YEARS = (Yr. Issue + 30) - Yr. purchase

= (1981 + 30) – 1989 = 22 years

Original Land Value (OLV) - \$6485

**Step 2**

Obtain the Discount Factor from Column 5 of Table 2 by the number of unexpired years of tenure in Column 1.

DF = 9.212460

**Step 3**

Use the Original Land Value (OLV) and the Discount Factor (DF) from STEPS 1 and 2 in EQUATION to determine the amount of rental refund:

$\$6485 * .072327 * 9.212460 = \$4321$

The amount of rental refund is \$4321.

**Step 4**

To obtain the amount owing to the province for the purchase of the land, subtract the amount of rental refund obtained in STEP 3 from the current market value of the land:

$\$7500 - \$4321 = \$3179$

This is the amount owing to the province.

NOTE: If the current market value of the land has been less than or equal to \$4321, there would be no funds owing to the province, except applicable administrative fees, and no refund to the lessee.

**EQUATION 2**

This equation is to be used if the prepaid rent payment was calculated using the land value, a rent rate and a discount factor.

$$\text{OMV} * \text{RR} * \text{NDF} = \text{REFUND}$$

Where:

OMV = Original Market Value

RR = Rent Rate current at time

NDF = NEW Discount factor from Table 1

**Example 2**

A commercial lease was issued in 1984 for 30 years. Rent was prepaid for the entire term and the prepayment was calculated using a Discount Factor based on 10.75% discount rate per annum with a land value of \$30,000. The rent rate was 7.5%.

Amount of prepaid rent =  $\$30,000 * 7.5\% * 9.82079 = \$22,096.78$

The Lessee now wishes to purchase the leasehold under the Shoreland Sales Program in 1989 and a refund of the prepaid rent must be calculated. The current market value of the land is \$20,000.

*Step 1*

Determine the original land value (OLV), the annual rent rate (RR) used to calculate the original prepayment and the discount rate (DR) used to obtain the original discount factor of 9.82979.

OLV = \$30,000

RR = .075

DR = 10.75%

*Step 2*

Determine the number of unexpired years of the tenure term

UNEXPIRED YEARS = (Yr. Issue + 30) - Yr. purchase = (1984 + 30) – 1989 = 25 years

*Step 3*

Determine the New Discount Factor (NDF) from Table 1 using the unexpired tenure term from Column 1 and 10.75% discount rate from Column 5.

*Step 4*

Use EQUATION 2 and the figures obtained in STEPS 1 and 2 to obtain the rental refund:

$\$30,000 * .075 * 9.500016 = \$21,375.04$

The amount of rental refund is \$21,375.04

*Step 5*

Subtract the amount of rental refund from the current purchase cost:

$\$20,000 - \$21,375.04 = -\$1375.04$

There are no monies owing to the Province except applicable administrative fees and there is NO REFUND TO THE LESSEE.

## APPENDIX 3 – RENTAL RATES BY LAND USE AND FORM OF TENURE

Land Use	Type of Tenure	Valuation	Pricing Method
Any Land Use	Head Lease	Revenue Sharing	Greater of: <ul style="list-style-type: none"> <li>• 50% of the gross revenue from sub-leases annually, or</li> <li>• \$675/year</li> </ul>
Adventure Tourism - Primary Intensive Use Site	Licence of Occupation	Appraised Market Value, BCA actual land value	Greater of : <ul style="list-style-type: none"> <li>• 7.5% of land value/year, or</li> <li>• \$675/year minimum</li> </ul>
Adventure Tourism - Primary Intensive Use Site	Lease	Appraised Market Value, BCA actual land value	Greater of : <ul style="list-style-type: none"> <li>• 8% of land value/year, or</li> <li>• \$675/year minimum</li> </ul>
Adventure Tourism - Secondary Intensive Use Sites	Licence of Occupation	Appraised Market Value, BCA actual land value	Greater of : <ul style="list-style-type: none"> <li>• 4.5% of land value/year, or</li> <li>• \$100/year/site, or</li> <li>• \$675/year minimum</li> </ul>
Adventure Tourism - Secondary Intensive Use Sites	Lease	Appraised Market Value, BCA actual land value	Greater of : <ul style="list-style-type: none"> <li>• 5% of land value/year, or</li> <li>• \$675/year/site whichever is greater or</li> <li>• \$675/year minimum</li> </ul>
Adventure Tourism - Intensive Use Site	Temporary Permit for Special Events	Fixed Amount	Greater of : <ul style="list-style-type: none"> <li>• \$100/site, or</li> <li>• \$125/year minimum</li> </ul>
Adventure Tourism - Extensive Use Areas <sup>2</sup>	Licence of Occupation	Revenue Sharing	Greater of: <ul style="list-style-type: none"> <li>• Annual client day rents, payable at: <ul style="list-style-type: none"> <li>○ \$1/client day – non-mechanized</li> <li>○ \$4/client day – mechanized ski-guiding</li> <li>○ \$6/client day – other mechanized activities,</li> <li>○ \$0 – minimal impact site, or</li> </ul> </li> <li>• \$675/year minimum</li> </ul>
Adventure Tourism - Extensive Use Area	Temporary Permit for Special Events	Revenue Sharing	Greater of: <ul style="list-style-type: none"> <li>• Annual client day rents, payable at: <ul style="list-style-type: none"> <li>○ \$1/client day – non-mechanized</li> <li>○ \$4/client day – mechanized ski-guiding</li> <li>○ \$6/client day – other mechanized activities,</li> <li>○ \$0 – minimal impact site, or</li> </ul> </li> <li>• \$125/year minimum</li> </ul>

<sup>2</sup> Extensive Use Area is not available with a Lease.

Land Use	Type of Tenure	Valuation	Pricing Method
Adventure Tourism - Intensive Use Site and Extensive Use Area	Licence of Occupation	Intensive Use Sites and Extensive Use Area as above	Greater of: <ul style="list-style-type: none"> <li>Intensive Use Sites and Extensive Use Area as above, or</li> <li>\$1,000/year minimum</li> </ul>
Adventure Tourism - Intensive Use Site and Extensive Use Area	Temporary Permit for Special Events	Intensive Use Sites and Extensive Use Area as above	Greater of: <ul style="list-style-type: none"> <li>Intensive Use Sites and Extensive Use Area as above, or</li> <li>\$125/year minimum</li> </ul>
Aggregates and Quarry Materials - Quarry Operation	Licence of Occupation	Appraised Market Value	Greater of <sup>3</sup> : <ul style="list-style-type: none"> <li>1% of appraised land value/year, or</li> <li>\$675/year</li> </ul> Additional royalty payment based on quantity removed.
Aggregates and Quarry Materials – Quarry Operation	Lease	Appraised Market Value	Greater of: <ul style="list-style-type: none"> <li>1% of appraised land value/year, or</li> <li>\$675/year</li> </ul> Additional royalty payment based on quantity removed.
Aggregates and Quarry Materials - Secondary Use Area	Licence of Occupation	Appraised Market Value	Greater of : <ul style="list-style-type: none"> <li>7.5% of appraised land value/year, or</li> <li>\$675/year</li> </ul> Additional royalty payment based on quantity removed.
Aggregates and Quarry Materials - Secondary Use Area	Lease	Appraised Market Value	Greater of : <ul style="list-style-type: none"> <li>8% of land value/year, or</li> <li>\$675/year</li> </ul> Additional royalty payment based on quantity removed.
Aggregates and Quarry Materials – Quarry Operation	Temporary Licence	N/A	\$250 for terms up to one year, \$500 prepaid for 2 years. Additional royalty payment based on quantity removed.
Agriculture – Extensive Use Area	Lease	Appraised Market Value	Greater of: <ul style="list-style-type: none"> <li>3% of land value/year, or</li> <li>\$675/year</li> </ul>
Agriculture – Intensive Use Area	Lease	Appraised Market Value	Greater of : <ul style="list-style-type: none"> <li>5% of land value/year, or</li> <li>\$675/year</li> </ul>
Airport - Private	Licence of Occupation	Fixed Amount	Greater of: \$5/hectare/year, or \$675/year

<sup>3</sup> Annual payment is fixed for the duration of the term or 10 years whichever comes first. This rule applies to a Licence of Occupation and a Lease for primary and secondary uses.

Land Use	Type of Tenure	Valuation	Pricing Method
Airport - Public	Lease	Fixed Amount	\$1.00 prepaid/term
Airport – Private and Public	Temporary License	Fixed Amount	Application Fee only
Airport	Sponsored Crown Grant (to local government)	Fixed Amount	Recovery of Authorizing Agency costs and other items as per Community and Institutional policy
Aquaculture - Finfish and Shellfish	Temporary Licence		Greater of: <ul style="list-style-type: none"> <li>• \$250/year, or</li> <li>• \$500 prepaid for 2 years</li> </ul>
Aquaculture – Finfish (Intensive Areas)	Licence of Occupation	Finfish Land Value	Greater of: <ul style="list-style-type: none"> <li>• 7.5% of finfish land value/year, or</li> <li>• \$675/year</li> </ul>
Aquaculture - Finfish (Extensive Areas)	Licence of Occupation	Finfish Land Value	Greater of: <ul style="list-style-type: none"> <li>• 7.5% of half of the finfish land value/year, or</li> <li>• \$675/year</li> </ul>
Aquaculture – Finfish (Intensive Areas)	Lease	Finfish Land Value	The greater of: <ul style="list-style-type: none"> <li>• 8% of finfish land value/year, or</li> <li>• \$675/year</li> </ul>
Aquaculture – Finfish (Extensive Areas)	Lease	Finfish Land Value	The greater of: <ul style="list-style-type: none"> <li>• 8% of half of the finfish land value/year, or</li> <li>• \$675/year</li> </ul>
Aquaculture - Shellfish (Intensive Areas)	Licence of Occupation	Shellfish Land Value	Greater of: <ul style="list-style-type: none"> <li>• 4% of shellfish land value/year, or</li> <li>• \$675/year</li> </ul>
Aquaculture – Shellfish (Extensive Areas)	Licence of Occupation	Shellfish Land Value	Greater of: <ul style="list-style-type: none"> <li>• 4% of half of the shellfish land value/year, or</li> <li>• \$675/year</li> </ul>
Aquaculture - Shellfish (Intensive Areas)	Lease	Shellfish Land Value	Greater of: <ul style="list-style-type: none"> <li>• 5% of shellfish land value/year, or</li> <li>• \$675/year</li> </ul>
Aquaculture - Shellfish (Extensive Areas)	Lease	Shellfish Land Value	Greater of: <ul style="list-style-type: none"> <li>• 5% of half of the shellfish land value/year, or</li> <li>• \$675/year</li> </ul>

Land Use	Type of Tenure	Valuation	Pricing Method
Aquaculture – Ancillary Residential Use	Upland – as per Residential Program tenure types Floating – Licence or Lease		Upland – rents will be assessed as per Residential Program (See appendix 19) Floating – additional rent will be charged with a minimum additional rent of \$675/year
Communication Sites	Licence of Occupation	Zone Values (see maps in Appendix 10)	Annual site rent is calculated as 100% of the applicable category zone rent for the highest user category zone rate + 50% of the applicable category zone rates for each additional user. See table in Appendix 10 for the zone rates.
Communication Sites	Lease	Zone Values (see maps in Appendix 10)	Annual site rent is calculated as 100% of the applicable category zone rent for the highest user category zone rate + 50% of the applicable category zone rates for each additional user. See table in Appendix 10 for the zone rates.
Communication Sites	Statutory Right of Way	Zone Values (see maps in Appendix 10)	Annual site rent is calculated as 100% of the applicable category zone rent for the highest user category zone rate + 50% of the applicable category zone rates for each additional user. See table in Appendix 10 for the zone rates.
Communication Sites	Direct Sale	Appraised Market Value	Full market value
Community and Institutional	NRT Licence of Occupation	Fair Market Value of the land determined using BCA actual land value (see Appendix 11), internal appraisal or external appraisal plus current value of any improvement or Calculate Concessionary Value if Fair Market Value is greater than \$100,000	<ul style="list-style-type: none"> <li>• \$1 prepaid for tenure term</li> <li>• Stumpage charges may apply</li> <li>• See special procedures for public wharves</li> </ul>
Community and Institutional	NRT Leases	Fair Market Value of the land determined using BCA actual land value (see Appendix 11), internal appraisal or external appraisal plus current value of any improvement	<ul style="list-style-type: none"> <li>• \$1 prepaid for tenure term</li> <li>• Stumpage charges may apply</li> <li>• See special procedures for public wharves</li> <li>• Recipient responsible for the cost of survey</li> </ul>
Community and Institutional	NRT Statutory Rights of Way	Fair Market Value of the land determined using BCA actual land value (see Appendix	<ul style="list-style-type: none"> <li>• \$1 prepaid for tenure term</li> <li>• Stumpage charges may apply</li> <li>• See special procedures for public wharves</li> </ul>

Land Use	Type of Tenure	Valuation	Pricing Method
		11), internal appraisal or external appraisal plus current value of any improvement	<ul style="list-style-type: none"> <li>Recipient responsible for the cost of survey</li> </ul>
Community and Institutional - Public Sector Organization, Local Government , Sechelt Indian Government District	SCG Conditional)	Fair Market Value of the land determined using BCA actual land value (see Appendix 11), internal appraisal or external appraisal plus value of unreserved merchantable timber and current value of any improvement	<ul style="list-style-type: none"> <li>Book costs; plus</li> <li>Value of unreserved merchantable timber; plus</li> <li>Current value of any improvements</li> </ul>
Community and Institutional - Provincial Rental Housing Corporation	SCG (Perpetuity)	Fair Market Value of the land determined using BCA actual land value (see Appendix 11), internal appraisal or external appraisal plus value of unreserved merchantable timber and current value of any improvement	<ul style="list-style-type: none"> <li>Book costs; plus</li> <li>Value of unreserved merchantable timber; plus</li> <li>Current value of any improvements</li> </ul>
Floating Home Community	No specific tenure type		No pricing policy
General Commercial	Temporary Licence	Fixed Amount	Greater of: <ul style="list-style-type: none"> <li>\$250 for terms up to one year, or</li> <li>\$500 prepaid for 2 years</li> </ul>
General Commercial	Fee Simple	Appraised Market Value	Full market value in advance (fill may be discounted by up to 50%)
General Commercial – Type A	Licence of Occupation	Upland is BCA or Appraised Market Value  Aquatic land is 50 to 100% of upland property value	Greater of : <ul style="list-style-type: none"> <li>7.5% of land value/year, or</li> <li>\$675/year</li> </ul>
General Commercial – Type A	Lease	Upland is BCA or Appraised Market Value  Aquatic land is 50 to 100% of upland property value	Greater of : <ul style="list-style-type: none"> <li>8% of land value/year, or</li> <li>\$675/year</li> </ul>
General Commercial-Type B	Licence of Occupation	Upland is BCA or Appraised Market Value	Greater of : <ul style="list-style-type: none"> <li>4.5% of land value/year, or</li> <li>\$675/year</li> </ul>

Land Use	Type of Tenure	Valuation	Pricing Method
		Aquatic land is 50 to 100% of upland property value	
General Commercial – Type B	Lease	Upland is BCA or Appraised Market Value  Aquatic land is 50 to 100% of upland property value	Greater of : <ul style="list-style-type: none"> <li>• 5% of land value/year, or</li> <li>• \$675/year</li> </ul>
General Commercial – Golf Courses	Lease	Revenue Sharing	Minimum of 5% of gross revenue from all operations (except liquor sales)/year
General Commercial - Film	Licence of Occupation	Fixed Amount	\$675/year
General Commercial – Marinas and Yacht Clubs	Licence of Occupation	Non-moorage foreshore and fill is Appraised Market Value based on actual use	For moorage and ancillary marina use portion of tenure, in years 1-15, greater of: <ul style="list-style-type: none"> <li>• 3.5% of potential gross income/year, or</li> <li>• \$675/year</li> </ul> For moorage and ancillary marina use portion of tenure, in years 16+ , greater of: <ul style="list-style-type: none"> <li>• 4% of potential gross income/year, or</li> <li>• \$675/year</li> </ul> For non-moorage, greater of: <ul style="list-style-type: none"> <li>• 7.5 % (Type A) or 4.5% (Type B) of land value, or</li> <li>• \$675/year</li> </ul>
General Commercial – Marinas and Yacht Clubs	Lease	Non-moorage foreshore and fill is Appraised Market Value based on actual use	For moorage and ancillary marina use portion of tenure, in years 1-15, greater of: <ul style="list-style-type: none"> <li>• 3.5% of potential gross income/year, or</li> <li>• \$675/year</li> </ul> For moorage and ancillary marina use portion of tenure, in years 16+ , greater of: <ul style="list-style-type: none"> <li>• 4% of potential gross income/year, or</li> <li>• \$675/year</li> </ul> For non-moorage, greater of: <ul style="list-style-type: none"> <li>• 8 % (Type A) or 5% (Type B) of land value, or</li> <li>• \$675/year</li> </ul>
Industrial-General	Temporary Licence	Fixed Amount	<ul style="list-style-type: none"> <li>• \$250 for term up to 1 year, or</li> <li>• \$500 prepaid for two years</li> </ul>
Industrial-General	Licence of Occupation	BCA Actual Land Value or Appraised Land Value	Greater of : <ul style="list-style-type: none"> <li>• 7.5% of land value/year, or</li> <li>• \$675/year</li> </ul>
Industrial-General	Leases	BCA Actual Land Value or Appraised Land Value	Greater of : <ul style="list-style-type: none"> <li>• 8% of land value/year, or</li> <li>• \$675/year</li> </ul>
Industrial-General	Fee Simple	Appraised Market Value	Full Market Value



Land Use	Type of Tenure	Valuation	Pricing Method
Log Handling	Temporary Licence	Fixed Amount	<ul style="list-style-type: none"> <li>• \$250 for term up to 1 year, or</li> <li>• \$500 prepaid for two years</li> </ul>
Log Handling –Aquatic Land, General Log Handling Use Area	Licence of Occupation	Log Handling Zone Rates in Appendix 14	The greater of: <ul style="list-style-type: none"> <li>• 7.5% of log handling zone land value/year, or</li> <li>• \$675/year</li> </ul>
Log Handling – Aquatic Land, Intensive Log Handling Use Area	Licence of Occupation	Log Handling Zone Rates in Appendix 14	The greater of: <ul style="list-style-type: none"> <li>• 7.5% of 2x log handling zone land value/year, or</li> <li>• \$675/year</li> </ul>
Log Handling – Aquatic Land, General Log Handling Use Area	Lease	Log Handling Zone Rates in Appendix 14	The greater of: <ul style="list-style-type: none"> <li>• 8% of log handling zone land value/year, or</li> <li>• \$675/year</li> </ul>
Log Handling – Aquatic Land, Intensive Log Handling Use Area	Lease	Log Handling Zone Rates in Appendix 14	The greater of: <ul style="list-style-type: none"> <li>• 8% of 2x log handling zone land value/year, or</li> <li>• \$675/year</li> </ul>
Log Handling – Filled Area, General Log Handling Use Area	Licence of Occupation	Log Handling Zone Rates in Appendix 14	The greater of: <ul style="list-style-type: none"> <li>• 7.5% of 2x log handling zone land value/year, or</li> <li>• \$675/year</li> </ul>
Log Handling – Filled Area, Intensive Log Handling Use Area and Upland Use	Licence of Occupation	BCA Actual Land Value or Appraised Land Value	The greater of: <ul style="list-style-type: none"> <li>• 7.5% of land value/year, or</li> <li>• \$675/year</li> </ul>
Log Handling – Filled Area, General Log Handling Use Area	Lease	Log Handling Zone Rates in Appendix 14	The greater of: <ul style="list-style-type: none"> <li>• 8% of 2x log handling zone land value/year, or</li> <li>• \$675/year</li> </ul>
Log Handling – Filled Area, Intensive Log Handling Use Area and Upland Use	Lease	BCA Actual Land Value or Appraised Land Value	The greater of: <ul style="list-style-type: none"> <li>• 8% of land value/year, or</li> <li>• \$675/year</li> </ul>
Log Handling – Multiple Use Areas	Conversion of Lease to Licence of Occupation		See section 26.2.4 in the Appendix 26
Mining	Temporary Licence	Fixed Amount	<ul style="list-style-type: none"> <li>• \$250 for term up to 1 year, or</li> <li>• \$500 prepaid for two years</li> </ul>
Mining	Licence of Occupation	Appraisal based on industrially-zoned land or BCA actual land value	The greater of : <ul style="list-style-type: none"> <li>• 7.5% of land value/year, or</li> <li>• \$675/year</li> </ul>
Mining	Lease	Appraisal based on industrially-zoned land or BCA actual land value	The greater of : <ul style="list-style-type: none"> <li>• 8% of land value/year, or</li> <li>• \$675/year</li> </ul>
Mining	Fee Simple	Appraised Market Value	Full market value in advance
Ocean Energy	Investigative Licence	Fixed Amount	\$675/year

Land Use	Type of Tenure	Valuation	Pricing Method
Ocean Energy	Multi Tenure Instrument		Based on tenures included
Ocean Energy – General Area	Licence of Occupation	Zone Rates in Appendix 21	The greater of: <ul style="list-style-type: none"> <li>7.5% of zone land value/year (zone rate/ha x land area [ha]), or</li> <li>\$675/year</li> </ul>
Ocean Energy Project – Extensive Use Area	Licence of Occupation	Zone Rates in Appendix 21	The greater of: <ul style="list-style-type: none"> <li>7.5% of zone land value/year (zone rate/ha x land area [ha]), or</li> <li>\$675/year</li> </ul>
Ocean Energy Project – Intensive Use area	Licence of Occupation	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	The greater of: <ul style="list-style-type: none"> <li>7.5% of 2x zone land value/year (2x zone rate/ha x land area [ha] or revised land value if appraised), or</li> <li>\$675/year</li> </ul>
Ocean Energy Project – Intensive Use Area	Lease	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	The greater of: <ul style="list-style-type: none"> <li>8% of 2x zone land value/year (2x zone rate/ha x land area [ha] or revised land value if appraised), or</li> <li>\$675/year</li> </ul>
Ocean Energy Project – Participation Rent			<ul style="list-style-type: none"> <li>Participation Rent will not be payable during a 10-year grace period</li> <li>After the 10-year grace period has concluded, Annual Participation Rent will be charged in the amount of: <ul style="list-style-type: none"> <li>1% of gross revenue when the Annual Production Factor is equal to or less than 25%;</li> <li>3% of gross revenue when the Annual Production Factor is equal to or greater than 40%</li> </ul> </li> </ul>
Ocean Energy – Transmission Line	License of Occupation	Zone Rates in Appendix 21 /Discount Factors in Appendix 1	<ul style="list-style-type: none"> <li>Prepaid for the entire term: 7.5% of zone land value times discount factor as per Appendix 1, or</li> <li>Annual: 7.5% of zone land value (zone rate/ha x land area [ha]), or</li> <li>\$675/term (prepaid) or \$675/year (annual)</li> </ul>
Ocean Energy – Transmission Line	Statutory Right of Way	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	<ul style="list-style-type: none"> <li>Prepaid for the entire term: 100% of zone land value or at an amount of 50% of appraised land value based on utilities markets, or</li> <li>Annual: 7.5% of zone land value (zone rate/ha x land area [ha] or revised land value if appraised), or</li> <li>\$675/term (prepaid) or \$675/year (annual)</li> </ul>
Ocean Energy – Roads			See Roadways

Land Use	Type of Tenure	Valuation	Pricing Method
Ocean Energy – Quarries			See Aggregates and Quarry Materials
Ocean Energy – Communication Sites			See Communication Sites
Oil and Gas	Temporary Licence of Occupation	Fixed Amount	<ul style="list-style-type: none"> <li>\$250 for term up to 1 year, or</li> <li>\$500 prepaid for two years</li> </ul>
Oil and Gas – Production Field Facility and Well site	Licence of Occupation	Fixed Amount (Utilities policy zone values)	The greater of <ul style="list-style-type: none"> <li>100% of zone land value (Appendix 36)/year, or</li> <li>\$675/year</li> </ul>
Oil and Gas – Major Facility	Licence of Occupation	Appraisal (subsequent years BCA Actual Land Value)	Initially appraised yield rate Then subsequent years: the greater of : <ul style="list-style-type: none"> <li>7.5% of land value/year, or</li> <li>\$675/year</li> </ul>
Oil and Gas –LNG Facility	Licence of Occupation	Appraisal (subsequent years BCA Actual Land Value)	Appraised yield rate <ul style="list-style-type: none"> <li>or \$675/year</li> </ul>
Oil and Gas	Lease	Appraisal (subsequent years BCA Actual Land Value)	Initially appraised yield rate Then subsequent years: the greater of : <ul style="list-style-type: none"> <li>8% of land value/year, or</li> <li>\$675/year</li> </ul>
Oil and Gas - LNG Facility	Lease	Appraisal (subsequent years BCA Actual Land Value)	Appraised yield rate or <ul style="list-style-type: none"> <li>\$675/year</li> </ul>
Oil and Gas – Production Field Facility and Well site	Statutory Right of Way	Fixed Amount	The greater of <ul style="list-style-type: none"> <li>100% of zone land value (Appendix 36)/year, or</li> <li>\$675/year</li> </ul>
Oil and Gas	Sale	Appraised Market Value	Full market value in advance
Private Moorage	General Permission	N/A	No rent
Private Moorage	Specific Permission	N/A	No rent
Private Moorage	Lease	Fixed Amount	For private moorage facility and an area less than 2000 square meters: <ul style="list-style-type: none"> <li>\$200/year</li> </ul> For private moorage facility and an area over 2000 square meters: <ul style="list-style-type: none"> <li>\$200 plus \$1.00/square meter/year</li> <li>\$400 maximum total/year</li> </ul>
Private Moorage - Strata Title and Group Moorage (moorage facility has up to 3berths)	General or Specific Permission	N/A	No rent
Residential – Shoreland Recreational/Residential - Temporary (Seasonal) Use	Lease	Appraised Market Value or BCA actual land value	Greater of: <ul style="list-style-type: none"> <li>3% of land value/year, or</li> <li>\$675/year</li> </ul>

Land Use	Type of Tenure	Valuation	Pricing Method
Residential – Urban/Rural <sup>4</sup> and Shoreland Recreational/Residential -Permanent Use	Lease	Appraised Market Value or BCA actual land value	The lesser of : <ul style="list-style-type: none"> <li>3% of BCA actual land value or appraised land value, with a minimum annual rental of \$675, or</li> <li>The previous year's rental plus the yearly allowable rent increase as set by the Residential Tenancy Branch</li> </ul>
Residential – Float Homes and Ancillary Uses	Licence of Occupation	Appraised Market Value or BCA actual land value	The greater of: <ul style="list-style-type: none"> <li>4.5% of land value/year, or</li> <li>\$675/year</li> </ul>
Residential – Remote – Temporary (Seasonal) Use	Licence of Occupation	Appraised Market Value or BCA actual land value	The lesser of: <ul style="list-style-type: none"> <li>3% of BCA actual land value or appraised land value, with a minimum annual rental of \$675, or</li> <li>The previous year's rental plus the yearly allowable rent increase as set by the Residential Tenancy Branch</li> </ul>
Residential – Remote – Permanent Use	Licence of Occupation	Appraised Market Value or BCA actual land value	Greater of: <ul style="list-style-type: none"> <li>3% of land value/year, or</li> <li>\$675/year</li> </ul>
Residential – Thermal Loops	Licence of Occupation	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	<ul style="list-style-type: none"> <li>Prepaid for the entire term: 7.5% of appraised or zone land value times discount factor as per Appendix 1 or \$675 for prepaid tenure terms longer than 1 year regardless of term, or</li> <li>Annual: 7.5% of zone land value (zone rate/ha x land area [ha]) or \$675/year</li> </ul>
Residential – Fee Simple (Urban, Rural, Shoreland and Ancillary Residential Uses)	Perpetuity	Appraised Market Value	The greater of: <ul style="list-style-type: none"> <li>Full appraised market value plus the value of any residual timber, or</li> <li>The costs incurred in developing and marketing the parcel</li> </ul>
Residential – Strata Title and Group Moorage - (moorage facility has more than 3 berths and does not include commercial activities)	Licence of Occupation	Fixed Amount	For single private moorage facility and an area less than 600 square meters: <ul style="list-style-type: none"> <li>\$400/term</li> </ul> For single private moorage facility and an area over 600 square meters: <ul style="list-style-type: none"> <li>\$400 plus \$1.00/square meter/term</li> <li>\$600 maximum total</li> </ul> For single berth of a multi-berth moorage facility: <ul style="list-style-type: none"> <li>25% to 50% of the rates shown above</li> </ul>
Residential – Strata Title and Group Moorage - (moorage facility has	Lease	Fixed Amount	For single private moorage facility and an area less than 2000 square meters: <ul style="list-style-type: none"> <li>\$200/year</li> </ul>

<sup>4</sup> Lease tenure available for existing lots which do not meet Land Title Act subdivision standards and/or in-filling of existing subdivision where adjacent lots are authorized by lease.

Land Use	Type of Tenure	Valuation	Pricing Method
more than 3 berths and does not include commercial activities)			For single private moorage facility and an area over 2000 square meters: <ul style="list-style-type: none"> <li>\$200 plus \$1.00/square meter/year</li> <li>\$400 maximum total/year</li> </ul> For single berth of a multi-berth moorage facility: <ul style="list-style-type: none"> <li>25% to 50% of the rates shown above</li> </ul>
Residential – Strata Title and Group Moorage (moorage facility has more than 3 berths and includes commercial activities)			Rent is based on pricing for similar uses under the General Commercial or Commercial Marina (Appendix 22 and 24)
Roadways	Interim License of Occupation (pending completion of survey requirement for statutory right-of-way)	Fixed Amount	Rent is included in Statutory Right of Way consideration
Roadways	Licence of occupation	Zone Rates in Appendix 21	If prepaid the greater of: <ul style="list-style-type: none"> <li>100% of zone land value, or</li> <li>\$675/term</li> </ul> If paying annual rent, the greater of: <ul style="list-style-type: none"> <li>7.5% of 2x zone land value/year, or</li> <li>\$675/year</li> </ul>
Roadways	Statutory Right of Way (private roads only)	Zone Rates in Appendix 21	The greater of: <ul style="list-style-type: none"> <li>2x zone land value/term , or</li> <li>\$675/term</li> </ul>
Roadways	Public Road Allowance (Section 80)	Market value where appropriate	<ul style="list-style-type: none"> <li>In certain cases market value, or</li> <li>\$675 minimum</li> </ul>
Utilities	Temporary Licence	Fixed Amount	<ul style="list-style-type: none"> <li>\$250 for term up to 1 year, or</li> <li>\$500 prepaid for two years</li> </ul>
Utilities	Licence of Occupation (standard)	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	<ul style="list-style-type: none"> <li>Prepaid for the entire term: 7.5% of appraised or zone land value times discount factor as per Appendix 1 or \$675 for prepaid tenure terms longer than 1 year regardless of term, or</li> <li>Annual: 7.5% of zone land value (zone rate/ha x land area [ha]) or \$675/year</li> </ul>
Utilities	Licence of Occupation (Interim pending issuance of Statutory Right of way or Easement)	N/A	Rent is covered by the Statutory Right of Way charge

Land Use	Type of Tenure	Valuation	Pricing Method
Utilities	Statutory Right of Way	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	The greater of <ul style="list-style-type: none"> <li>• 100% of zone land value/term, or</li> <li>• 100% of the appraised land value/term, or</li> <li>• \$675/term.</li> </ul>
Water Power	Investigative Licence	Fixed Amount	\$675/year
Water Power	Multi Tenure Instrument		Based on tenures included
Water Power – General Area	Licence of Occupation	Zone Rates in Appendix 21	<ul style="list-style-type: none"> <li>• 7.5% of zone land value/year (zone rate/ha x land area [ha])</li> </ul>
Water Power – Power House Site	Licence of Occupation	Appraised Market Value (based on comparable industrial markets) or BCA actual land value (where it reflects current market value)	The greater of: <ul style="list-style-type: none"> <li>• 7.5% of appraised land value or BCA value /year), or</li> <li>• \$675/year</li> </ul>
Water Power – Power House Site	Lease	Appraised Market Value (based on comparable industrial markets) or BCA actual land value (where it reflects current market value)	The greater of: <ul style="list-style-type: none"> <li>• 8% of appraised land value or BCA value /year), or</li> <li>• \$675/year</li> </ul>
Water Power – Power House Site	Sale	Appraised Market Value	Appraised land value based on comparable industrial markets
Water Power – Linear Components	Licence of Occupation	Zone Rates in Appendix 21/Discount Factors in Appendix 1	<ul style="list-style-type: none"> <li>• Prepaid for the entire term: 7.5% of zone land value times discount factor as per Appendix 1 , or</li> <li>• Annual: 7.5% of zone land value (zone rate/ha x land area [ha]), or</li> <li>• \$675/term (prepaid) or \$675/year (annual)</li> </ul>
Water Power – Linear Components	Statutory Right of Way	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	<ul style="list-style-type: none"> <li>• Prepaid for the entire term: 100% of zone land value or at an amount of 50% of appraised land value based on utilities markets, or</li> <li>• Annual: 7.5% of zone land value (zone rate/ha x land area [ha] or revised land value if appraised), or</li> <li>• \$675/term (prepaid) or \$675/year (annual)</li> </ul>
Water Power – Transmission Line	Licence of Occupation	Zone Rates in Appendix 21 /Discount Factors in Appendix 1	<ul style="list-style-type: none"> <li>• Prepaid for the entire term: 7.5% of zone land value times discount factor as per Appendix 1 , or</li> <li>• Annual: 7.5% of zone land value (zone rate/ha x land area [ha]), or</li> </ul>

Land Use	Type of Tenure	Valuation	Pricing Method
			<ul style="list-style-type: none"> <li>\$675/term (prepaid) or \$675/year (annual)</li> </ul>
Water Power – Transmission Line	Statutory Right of Way	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	<ul style="list-style-type: none"> <li>Prepaid for the entire term: 100% of zone land value or at an amount of 50% of appraised land value based on utilities markets, or</li> <li>Annual: 7.5% of zone land value (zone rate/ha x land area [ha] or revised land value if appraised), or</li> <li>\$675/term (prepaid) or \$675/year (annual)</li> </ul>
Water Power – Intake Structure	Licence of Occupation	Zone Rates in Appendix 21 /Discount Factors in Appendix 1	<p>The greater of:</p> <ul style="list-style-type: none"> <li>Prepaid for the entire term: 7.5% of zone land value (zone rate/ha x land area [ha] times discount factor as per Appendix 1, or</li> <li>\$675 for prepaid tenure terms longer than 1 year regardless of term</li> </ul>
Water Power – Intake Structure	Lease	Appraised Market Value (based on comparable industrial markets) or BCA actual land value (where it reflects current market value)	<p>The greater of:</p> <ul style="list-style-type: none"> <li>8% of appraised land value or BCA value /year), or</li> <li>\$675/year</li> </ul>
Water Power – Roads			See Roadways
Water Power – Quarries			See Aggregates and Quarry Materials
Water Power – Communication sites			See Communication Sites
Wind Power	Investigative Licence	Fixed amount	\$675/year (up to five towers)
Wind Power	Multi Tenure Instrument		Based on tenures included
Wind Power - General Area	Licence of Occupation	Zone Rates in Appendix 21	<p>The greater of:</p> <ul style="list-style-type: none"> <li>7.5% of zone land value/year (zone rate/ha x land area [ha]), or</li> <li>\$675/year</li> </ul>
Wind Power Project – Extensive Use Area	Licence of Occupation	Zone Rates in Appendix 21	<p>The greater of:</p> <ul style="list-style-type: none"> <li>7.5% of zone land value/year (zone rate/ha x land area [ha]), or</li> <li>\$675/year</li> </ul>
Wind Power Project – Intensive Use Area	Licence of Occupation	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	<p>The greater of:</p> <ul style="list-style-type: none"> <li>7.5% of 2x zone land value/year (2x zone rate/ha x land area [ha] or revised land value if appraised), or</li> <li>\$675/year</li> </ul>
Wind Power Project – Intensive Use Area	Lease	Zone Rates in Appendix 21 (except in any area where the Authorizing	<p>The greater of:</p> <ul style="list-style-type: none"> <li>8% of 2x zone land value/year (2x zone rate/ha x land area [ha] or revised land value if appraised), or</li> </ul>

Land Use	Type of Tenure	Valuation	Pricing Method
		Agency may require individual appraisal)	<ul style="list-style-type: none"> <li>\$675/year</li> </ul>
Wind Power – Participation Rent			<ul style="list-style-type: none"> <li>Participation Rent will not be payable during a 10-year grace period</li> <li>After the 10-year grace period has concluded, Annual Participation Rent will be charged in the amount of: <ul style="list-style-type: none"> <li>1% of gross revenue when the Annual Production Factor is equal to or less than 25%;</li> <li>3% of gross revenue when the Annual Production Factor is equal to or greater than 40%</li> </ul> </li> </ul>
Wind Power – Transmission Line	License of Occupation	Zone Rates in Appendix 21 /Discount Factors in Appendix 1	<ul style="list-style-type: none"> <li>Prepaid for the entire term: 7.5% of zone land value times discount factor as per Appendix 1 , or</li> <li>Annual: 7.5% of zone land value (zone rate/ha x land area [ha]), or</li> <li>\$675/term (prepaid) or \$675/year (annual)</li> </ul>
Wind Power – Transmission Line	Statutory Right of Way	Zone Rates in Appendix 21 (except in any area where the Authorizing Agency may require individual appraisal)	<ul style="list-style-type: none"> <li>Prepaid for the entire term: 100% of zone land value or at an amount of 50% of appraised land value based on utilities markets, or</li> <li>Annual: 7.5% of zone land value (zone rate/ha x land area [ha] or revised land value if appraised), or</li> <li>\$675/term (prepaid) or \$675/year (annual)</li> </ul>
Wind Power – Roads			See Roadways
Wind Power – Quarries			See Aggregates and Quarry Materials
Wind Power – Communication Sites			See Communication Sites

## APPENDIX 4 – ADVENTURE TOURISM (COMMERCIAL RECREATION)

### 4.1 PART A – INTENSIVE USE SITES

#### 4.1.1 Annual Rent – Licence of Occupation

Minimum annual rent for a Licence of Occupation is \$675.



Annual Licence of Occupation rent for a Primary Intensive Use (IU) Site is 7.5 % of BC Assessment (BCA) land value or \$675, whichever is greater. Annual License of Occupation rent for each Secondary IU Site<sup>5</sup> is 4.5 % of BCA land value, \$100 per site or \$675, whichever is greater. Refer to definitions for Primary IU Site and Secondary IU Site to ensure the appropriate rent is applied.

Where no BCA land value exists for Intensive Use Sites, the Authorizing Agency will conduct an initial land valuation based on fair market value. This valuation will be provided to BCA.

Note: for AT Licences with both an Intensive Use Site(s) and an Extensive Use Area, the rents from Part A and Part B of this policy will be combined to determine total annual rent payable (i.e. minimum annual rent for a licence with both an Intensive Use Site and Extensive Use Area is \$1,000). There is no annual rent for Minimal Impact Sites.

#### **4.1.2 Annual Rent - Lease**

Minimum annual rental for a Lease is \$675.

Annual Lease rent for a Primary IU Site is 8 % of BCA land value or \$675, whichever is greater. Annual Lease rent for each Secondary IU Site is 5 % of BCA land value or \$675 per site, whichever is greater. Refer to definitions for Primary IU Site and Secondary IU Site to ensure the appropriate rent is applied.

Where no BCA value exists, the Authorizing Agency will establish the initial land valuation based on fair market value. This valuation will subsequently be provided to BCA.

Each AT Lease area must be a separate Tenure. For example, if two Intensive Use Sites are part of the AT operation (e.g. two Primary IU Site) then two lease agreements are issued. In the case of the holder of Guide Territory Certificate, only one Lease is available (refer to Sections 6.1.2 and 6.1.3 of the [Land Use Operational Policy - Adventure Tourism](#)).

#### **4.1.3 Notification of Rent Changes**

For rental changes due to a change in policy to the prescribed percentage rate of land value for Intensive Use Sites, the Authorizing Agency will provide the AT Tenure holder a minimum of 18 months' notice. Notwithstanding the 18 months' notice, any applications for a Tenure modification or a Replacement Tenure may result in a fee or rent increase in accordance with this policy.

For rent changes due to an increase or decrease in the market value (i.e. BCA Value) of the Intensive Use Site, the Authorizing Agency will provide at least 30-day notice.

### **4.2 PART B – GUIDED ACTIVITIES**

#### **4.2.1 Annual Rent - Extensive Use Areas**

Minimal annual rent for a Licence of Occupation with only an Extensive Use Area is \$675.

Rent is calculated by the minimum annual rent for a Licence of Occupation Extensive Use Area or total Client Days, whichever is greater. Refer to [Adventure Tourism \(Commercial Recreation\) - Examples of Rental Calculations](#) for examples of how to calculate rent.

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<sup>5</sup> In the case of existing Tenures for commercial recreation docks issued under the General Commercial Policy prior to February 15, 2015, the Delegated Decision Maker may continue the prepayment option.

Note: There is no annual rent applied to Minimal Impact Sites.

Please refer to the Section 4.2.3 - Payment Schedule Procedures.

#### **4.2.1.1 Client Day Rates**

Client Day rates for AT guide activities are:

- \$1 for Non-Mechanized;
- \$4 for Mechanized Ski Guiding; and,
- \$6 for Other Mechanized/ Motorized.

#### **4.2.2 Notification of Rent Changes**

For rental changes due to a change in policy to Client Day fees for Extensive Use Areas, the Authorizing Agency will provide the AT Tenure holder a minimum of 18 months' notice. Notwithstanding the 18 months' notice, any applications for a Tenure modification or a Replacement Tenure may result in a fee or rent increase in accordance with this policy.

#### **4.2.3 Payment Schedule Procedures – Extensive Use Areas**

##### **4.2.3.1 Payment - First year**

On the Tenure commencement date, the Tenure holder pre-pays the minimum rent for the Extensive Use Area Licence of Occupation (as well as any rents owing for Intensive Use Site Tenures).

##### **4.2.3.2 Payment - Subsequent Years**

Not less than two weeks prior to the anniversary of the commencement date (payment due date), the Authorizing Agency will send the client an invoice for the fixed amounts listed above.

AT Tenure holders must also pay the Client Day fees that are in excess of the pre-paid minimum rent for the previous year's reporting period. The Statutory Declaration Forms [Client Day Statutory Declaration for Rental Purposes](#) and [Statutory Declaration for Sled Dog Health Purposes](#) are used to determine payment for actual Client Day fees for the reporting period that just ended. The client will submit the completed Statutory Declaration Form for the reporting period and the payment for:

- the fixed amounts as invoiced; and,
- the Client Day fees in excess of the minimum rent (as reported in Statutory Declaration).

##### **4.2.3.3 Reporting Periods**

AT Tenure holders with Extensive Use Areas are required to annually complete the Diligent Use Report [Annual Diligent Use Report](#) and Statutory Declaration Forms [Client Day Statutory Declaration for Rental Purposes](#) and [Statutory Declaration for Sled Dog Health Purposes](#). The reporting period will cover a one-year period. Specifically, the reporting period will start on the Tenure commencement date and end the day before the anniversary of that date.

AT Tenure holders may request to have the reporting period, and consequently the invoicing date, modified to coincide better with their operating season (i.e. to report and be invoiced at the end of the operating season).

#### 4.2.4 Harmonizing AT Reporting Periods with Park Use Permits

Tenure holders may request that the commencement date for Extensive Use Areas under an AT Licence of Occupation (issued under the *Land Act*) and Park Use Permits (issued under the *Park Act*) be aligned for the purposes of coordinating invoicing and reporting. Appropriate modification fees (i.e. Minor Amendment) and rent will apply. It may not be possible to harmonize completely based on different maximum terms between AT Licences of Occupation and Park Use Permits.

For operators with both an AT Licence of Occupation and a Park Use Permit, where commencement dates on both the Tenure and the permit are synchronized, the tenure/permit holder will only be required to submit a single Diligent Use report and Statutory Declaration form covering guided activities. In these cases, a harmonized template form will be provided by the Authorizing Agency responsible for administration of the AT licence and permit.

### 4.3 PART C – SPECIAL EVENTS

#### 4.3.1 Rent - Temporary Permit for Special Events

Minimum rent for a Temporary Permit is \$125.

For AT guiding: rent is calculated as the total Client Day fee for the period, or \$125, whichever is greater. Refer to Section 4.2.1.1 for Client Day rates.

For Intensive Use Sites: rent for temporary Improvements is calculated as \$100 for each Intensive Use Site.

### Adventure Tourism (Commercial Recreation) - Examples of Rental Calculations

#### 1. Licence of Occupation with Extensive Use Area and Intensive Use Sites

Assumptions: This is year 3 of an operation. 4500 Client Days of non-Mechanized guided activity occurred in the previous year. The operation has Intensive Use Sites: 1 Primary Site and 2 Secondary IU Site. Land value is \$10,000/ha; Primary Site is 2 ha in size; Secondary Site are 1 ha.

Client Day fees: based on actual from previous yr = **\$ 4500**

1 Primary Site:  $7.5\% \times (1 \times \$20,000) =$  **\$ 1500**

2 Secondary Site:  $4.5\% \times (2 \times \$10,000) =$  **\$ 900**

**Total Annual Rent: \$ 6,900**

#### 2. Licence of Occupation with Extensive Use Area and Intensive Use Sites (small operator)

Assumptions: Year 3 of an operation. 400 Client Days of non-Mechanized guided activity in previous year. Operator has 3 Intensive Use Sites: Secondary IU Site. The land value is \$4000/ha. Each site is .5 ha in size. Note that if the calculated rent ( $\% \times$  land value) does not exceed the minimum rent, then the \$675 minimum applies.

Client Day fees:  $400 \times \$1$  (minimum rent is \$675) = **\$ 675**

Secondary IU Site:  $4.5\% \times (3 \times 2000)$  (Min rent is \$675) = **\$ 675**

**Total Annual Rent: \$ 1350**

### 3. Licence of Occupation, Intensive Use Sites Only

This would, for example, apply to guide outfitters who do not pay Client Day fees for guided hunt purposes approved under the *Wildlife Act* and who has Intensive Use Sites. Note that if the calculated rent (% x land value) does not exceed the minimum rent, then the \$675 minimum applies. Assumptions: one Primary Site, and 3 Secondary IU Site. The Primary Site is 2 ha, Secondary Site 1 ha; land value is \$5,000/ha.

Client Day fees: **not applicable**

Primary Site:  $7.5\% \times (1 \times \$10,000) = \$750$

Secondary Site:  $4.5\% \times (3 \times \$5,000) = \$675$

**Total Annual Rent: \$ 1,425**

### 4. Special Event Permit with Extensive Use Area and/or Intensive Use Sites

Rent for a Special Event permit is based on Client Days and a minimum rent payable of \$125/permit for up to 14 days within a consecutive 30 day period.

**Operator 1:** Assume an operator offers guided non-Mechanized hiking activities, has 175 Client Days and 2 Minimal Impact Sites

Client Day fees:  $175 \times \$1 = \$175$

Minimal Impact Site  $\times 2 = \$0$

**Total Rent: \$ 175**

**Operator 2:** Assume an operator is offering overnight camping, unguided water sport activities and has 1 Secondary Site

Intensive Use Site:  $1 \times \$100 = \$100$   
(Minimum rent applies) **Total Rent: \$ 125**

**Operator 3:** Assume an operator offers guided sea kayaking, has 230 Client Days and 3 Intensive Use Sites.

Client Day fees:  $230 \times \$1 = \$230$

Intensive Use Site:  $3 \times \$100 = \$300$

**Total Rent: \$530**

## Annual Diligent Use Report

### Annual Reporting Requirements for Adventure Tourism Tenure Holders

The Adventure Tourism (AT) Tenure holder is required to complete the attached Annual Diligent Use Report and the Statutory Declaration For Rental Purposes and have the document notarized by a Commissioner for taking Affidavits for British Columbia or a Notary Public. The AT Tenure holder is to submit the notarized document, along with payment of any associated 'Client Day' fees, to FrontCounter BC. For a list of locations, please go to [www.frontcounterbc.gov.bc.ca](http://www.frontcounterbc.gov.bc.ca) or call 1-877-855-3222.

File # \_\_\_\_\_ Licence of Occupation #: \_\_\_\_\_

Date of report: \_\_\_\_\_ (month, day, year)

For period beginning: \_\_\_\_\_ ending: \_\_\_\_\_ (month, day, year)

**COMPLETE THE FOLLOWING TABLE**

- Break down 'Client Day' activity and Client Day numbers by specific geographic areas of Crown land.
- If you require more space than is provided in the table, attach an additional table to this document.

Area / Location (i.e. name of trail, river, mtn etc.)	Type of AT Activity	# of Client Days Current Period	# of Client Days Previous Period	Target client days set in TMP

Note: the above details will be used in the review of Diligent Use and applications for overlapping AT activities.

**PLEASE SELECT ONE:**

- ☐ My 'Client Days' are consistent with the 'Client Day' estimates in my TMP;
- ☐ My 'Client Days' are NOT consistent with the 'Client Day' estimates in my TMP;

Describe any inconsistency and your impression of the reasons for it: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**PLEASE CIRCLE YES / NO:**

**Yes / No** There have been special circumstances / environmental factors impacting my operation over the past year (e.g. weather events, change in demand, changes to the landbase, impact of other users) Explain \_\_\_\_\_

\_\_\_\_\_

**Yes / No** There have been changes to my operation from previous years (e.g. new Improvements, new activities, shift in business focus, etc. and part of a Tenure modification).

☐ An update to my Tenure Management Plan is required to reflect changes in my operation.

☐ An update to my TMP is NOT required for the following reason:

DESCRIBE: \_\_\_\_\_

**EFFECTIVE DATE:** October 29, 2018

**AMENDMENT:** May 1, 2024

**FILE:** 12000-00/CLP

**PAGE:** 40

**PLEASE CONFIRM THE FOLLOWING BY CHECKING THE BOXES BELOW:**

- ☐ I confirm that my commercial general liability insurance and any other insurance requirements for my Adventure Tourism business is valid and in accordance with the requirements of my Tenure.
- ☐ I confirm that I am complying with the desired behaviors described in the May 2006 [Tourism Wildlife Guidelines for Backcountry Tourism / Commercial Recreation](#).
- ☐ I confirm that I have a current Risk Management Plan and, for winter snow-sport activities, a specific Avalanche Risk Management Plan.
- ☐ If I undertake dog sledding under an AT Tenure, I confirm that a veterinary statutory declaration has been completed by a veterinarian and is submitted with this report (this is an annual reporting requirement).
- ☐ I am not Sub-Tenuring any of my Tenure (*Unless prior written consent provided by the Authorizing Agency*).

*All of the above boxes must be checked off in order for the Diligent Use Report to be considered complete.*

Please use this space or attach a concise document to this report to provide any other relevant information that you feel may influence a Diligent Use determination or that your TMP requires you to report on:

SIGNATURE OF TENURE HOLDER:

PRINTED NAME:

DATE:

**Client Day Statutory Declaration for Rental Purposes**

Province of British Columbia, in the matter of Client Days in the Licence for an Extensive Use Area under

AT Tenure File Number \_\_\_\_\_ and AT Document Number \_\_\_\_\_

TO WIT:

I, \_\_\_\_\_

<<Printed legal name of Tenure holder>>

of «Company» \_\_\_\_\_

«Address » \_\_\_\_\_

In the Province of British Columbia, do solemnly declare the following:

Between dates <<MM/DD/YYYY>> \_\_\_\_\_ and \_\_\_\_\_ the following Client Days were recorded:

Specific AT Activity Type	Geographic Area Name / General Location	Client Day Rate \$	X	Client Day Numbers	=	Sub Total of Client Day Fees
			X		=	
			X		=	
			X		=	

(Note: if you require more space for above information, please attach an additional table to back of page)

Total Client Day fees: \$ \_\_\_\_\_  
+ General Sales Tax \$ \_\_\_\_\_  
**(1) Sub-total:** \$ \_\_\_\_\_  
**(2) Minimum annual rent paid (incl. GST)** \$ \_\_\_\_\_

**Total Client Day fees minus Minimum annual rent paid (1) – (2) \*:** \$ \_\_\_\_\_  
*\*to be submitted with Statutory Declaration Form and invoice*

I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same legal force and effect as if made under oath and by virtue of the "Canada Excise Act" and "Evidence Act".

Declared before me at the \_\_\_\_\_ of \_\_\_\_\_,

in the Province of British Columbia, this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 20\_\_

\_\_\_\_\_  
Commissioner for taking Affidavits for British Columbia  
or Notary Public in and for the Province of British Columbia

\_\_\_\_\_  
Signature of Tenure Holder

## Statutory Declaration for Sled Dog Health Purposes

Province of British Columbia, in the matter of AT Tenure File Number \_\_\_\_\_

and AT Document Number \_\_\_\_\_

TO WIT:

I, \_\_\_\_\_  
<<Printed legal name of Tenure holder>>

of «Company» \_\_\_\_\_  
«Address » \_\_\_\_\_

In the Province of British Columbia, do solemnly declare that:

1. On \_\_\_\_\_ (date of assessment), the health and condition of each dog that was then under ☐ my care **OR** ☐ the care of \_\_\_\_\_ in connection with the use of the Land under File No. \_\_\_\_\_ was assessed by a licensed veterinarian or constable of the BC Society for the Prevention of Cruelty to Animals.

2. The following table contains a record of the status of each dog that has been under ☐ my care **OR** ☐ the care of \_\_\_\_\_ in connection with the use of the Land under \* No. \* but which was not under ☐ my care **OR** ☐ the care of \_\_\_\_\_ at the time of the assessment described in paragraph one.

Name	Breed	Sex M/F	Age of Dog at Last Assessment	Identification Number (if available)	Current Location and/or Circumstance

«\*If you require additional space, please attach a separate page »

I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same legal force and effect as if made under oath and by virtue of the "Canada Excise Act".

Declared before me at the \_\_\_\_\_ of \_\_\_\_\_, in the  
Province of British Columbia, this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 20\_\_

\_\_\_\_\_  
Commissioner for taking Affidavits for British Columbia  
or Notary Public in and for the Province of British Columbia

\_\_\_\_\_  
Signature of Tenure Holder



## **APPENDIX 5 – AGGREGATES AND QUARRY MATERIALS**

### **5.1 Rentals and Royalties**

Pricing for new and replacement dispositions of land for quarry purposes is based on an annual land rental plus a royalty payment for quarry materials removed.

#### **5.1.1 Land Rental Payment**

The land rental is to be prepaid on an annual basis and includes land used for quarry purposes as well as land used for secondary uses as defined in this policy. Prepayment is to be made on the commencement date of the tenure and on subsequent anniversary dates of the tenure document.

##### **5.1.1.1 Temporary License**

\$250 for terms up to one year, or \$500 prepaid for 2 years.

##### **5.1.1.2 License of Occupation or Lease**

Annual land rental for the quarry operation and for secondary uses is fixed for the duration of the tenure or for 10 years, whichever comes sooner.

#### **Land Rental for Quarry Operation**

Lessees and licensees are required to annually prepay a land rental consisting of the greater of a non-creditable rental of 1% of Appraised Market Value as established and reviewed by the Authorizing Agency at 10 year intervals. The minimum rent is \$675/year.

#### **Land Rental for Secondary Uses**

In addition to the land rent charged for quarry operations, any secondary uses are charged rent as general industrial uses. The annual land rental for portions of the tenure used for secondary uses is 7.5% of Appraised Market Value for a licence, and 8% of Appraised Market Value for a lease.

A \$675/year minimum rent applies for secondary uses.

### **5.1.2 Royalty Payment**

Within fifteen days after each anniversary date of the tenure, or termination of the letter of consent, quarry operators are required to provide the Authorizing Agency with a statutory declaration of the volume or weight of quarried material removed. This statutory declaration is to be accompanied by a cheque or money order for the royalty payment due.

For lease and licence tenures where rapid removal of large volumes of material is anticipated, the Authorizing Agency may construct the legal document to require a statutory declaration of materials removed and payment of royalty on a monthly, quarterly, or semi-annual basis, rather than an annual basis.

**Minimum royalty rates are as follows:**

Quarry Material	Minimum Royalty Rates		
	per metric ton (dry)	per cubic meter (loose)	per cubic yard (loose)
Sand and gravel	\$ 0.35	\$ 0.63	\$ 0.48
Sand and gravel (from Fraser River below Hope)	\$ 0.40		\$ 0.55
Rock for crushing purposes	\$ 0.60	\$ 0.92	\$ 0.71
Rock for crushing purposes (export sales only)	<p>1<sup>st</sup> year: \$0.40 for the volume specified in the tenure document</p> <p>2<sup>nd</sup> year: \$ 0.46 for the volume specified in the tenure document</p> <p>3<sup>rd</sup> year: \$ 0.51 for the volume specified in the tenure document</p> <p>4<sup>th</sup> year: 0.57 for the volume specified in the tenure document</p> <p>Where the actual volume in any of years 1 through 4 exceeds the amount specified for that year, the rate of \$0.62 shall be applied to the excess volume.</p> <p>5<sup>th</sup> year: \$ 0.62</p> <p>6<sup>th</sup> and subsequent years: \$ 0.62 adjusted monthly by a Statistics Canada derived producers' crushed rock price index.</p>		
Building stone	N/A	N/A	N/A
Common compactable fill	\$ 0.20	\$0.36	\$ 0.28

Higher rates are charged upon the recommendation of provincial staff, supported by independent market appraisal, and approved by Ministry Executive.

For the following quarry materials provincial staff will take recommendations, with supporting justification, to Ministry Executive for approval:

- Royalty rates for building stone and limestone.
- Royalty rates for marl, earth, and soil.
- Royalty rates where the estimated annual production of **quarry material exceeds 100,000 cubic meters**.
- Royalty rates, as well as terms and conditions of tenure, for all applications for **peat extraction**.

### **Reductions in Royalties**

Railway companies may be eligible for discounts on royalty rates when unusually high volumes of quarry material are required for a specific project within a specific time period (e.g. double tracking).

A reduction in the royalty rate may be negotiated at the regional level when there is an ample supply of the quarry material and there is no local competitive market. For auditing purposes, the rationale for awarding the reduced rate must be documented.

A reduction is not available when supply of the quarry material is limited or there is a local private sector market that is able to supply the quantity of material at competitive market prices.

#### **5.1.2.1 Uses of Quarry Material Exempt from Payment**

No royalties or land rents are charged for quarry operations in the following circumstances:

- public works projects undertaken by local government;
- Projects undertaken by the Province or local governments for the purposes of public safety, including in-stream aggregate removal for the purposes of flood mitigation except where the Province deems that royalties and/or land rents are appropriate;
- material used by the British Columbia Railway Company in connection with “primary railway purposes” as identified in the memorandum of agreement, and which includes initial line construction and subsequent maintenance; and
- material used by the Canadian National Railway in actual construction (i.e. not maintenance) of the Prince Rupert Prince George - Jasper rail line.

The following quarry operations are exempt from royalties, but are charged land rent:

- construction and maintenance of any road on Crown lands where no restrictions on public use are to apply;
- construction and maintenance of non-private logging roads pursuant to Part 8 of the Forest Act; and,
- quarry lands required by C.N.R. to supply quarry materials for maintenance of the subject line.

### **5.1.2.2 Export Crushed Rock Royalties**

If the Statistics Canada derived producer's crushed rock index applicable to royalties paid in the sixth and subsequent years of export crushed rock production ceases to be available, or in the opinion of provincial staff or the quarry tenure holder there is any change in the methodology used to produce the index that would result in a material change in the amount of royalties, then royalties shall be determined as provided for in the quarry tenure document.

Tenure documents are to provide that on every 10th year anniversary of such documents, the province may, in its sole discretion, revise the rate and/or methodology by which export crushed rock royalties will be determined.

Tenure documents may establish the date on which production is deemed to start for the purpose of applying a specific annual royalty to actual production volumes as well as required minimum annual production volumes.

Export crushed rock royalties may be paid on a quarterly basis specified in the tenure document.

## **APPENDIX 6 – AGRICULTURE EXTENSIVE**

### **6.1 Annual Rent**

#### **6.1.1 Lease**

Annual rent for Lease-Purchase and Lease-Only tenures is payable at 3% of the appraised market value of the land as established at the time of lease issuance.

The minimum annual rental is \$675.

The Province reserves the right to review the rental rate and minimum rental at the mid-term of the lease.

### **6.2 Sale Price**

#### **6.2.1 Land Appraisal**

Land appraisal is conducted in compliance with [Land Procedure – Appraisals](#). Refer to [Land Procedure - Disposition Price Resolution](#) when an applicant disagrees with a land appraisal.

#### **6.2.2 Direct Sale**

Direct sale dispositions are priced at full market value of the land plus the value of the merchantable timber.

Purchase price may be subject to survey cost allowances as described in section 6.2.4.

#### **6.2.3 Purchase Price for Lease-Purchase Agreements**

At any time within the lease term, if 25% of the arable portion of the leasehold is cultivated, the purchase option may be exercised by the Lessee. In this case, the purchase price is the appraised market value of the land as established at the time of lease issuance plus the current value of the remaining merchantable timber. The overriding condition is that the purchase price will not be less than the development costs incurred by the province.

No rental or cultivation credits will apply to lease-purchase or for lease-only parcels that become eligible for sale (i.e. in the case of cancelled flooding reserves).

#### **6.2.4 Survey Costs**

Applicants are responsible for arranging and paying for the survey of the application area for all lease-purchase and direct sale dispositions. The cost of the survey, not to exceed 50% of the market value of the land, will be deducted from the land value to establish a purchase price.

A Lessee is also responsible for the cost of replacing any survey evidence that is disturbed or destroyed during the term of the lease, before purchase will be permitted.

#### **6.2.5 Timber Deferral Covenant**

At the time of purchase, payment for the merchantable timber can be deferred through a Timber Deferral Covenant.

Where the merchantable timber exceeds 500 cubic metres of coniferous volume or 5000 cubic metres of deciduous volume the purchaser may do one of the following:

- defer all merchantable timber at the time of the grant, or
- defer the specific volumes for each species (cost of the timber cruise will be at the lessees expense and the cruise must meet cruise-based cruise standards administered by the Ministry responsible for the Forest Act).

At any time subsequent to purchase the deferred timber can be removed under a *Forest Act* license to cut issued by the Ministry responsible for the *Forest Act*, or the covenant can be lifted by paying the value of the timber.

## **APPENDIX 7 – AGRICULTURE INTENSIVE**

### **7.1 Annual Rent**

#### **7.1.1 Lease**

Annual rental is payable at a rate of 5% of the land value.

For the first tenure year of new dispositions, land value is the appraised market value of the land. From year 2 onwards, land value is the Actual Land Value, established for taxation purposes by BC Assessment for the preceding taxation year.

Minimum annual rental is \$675.

### **7.2 Sales**

Fee simple dispositions are priced at full market value of the land and merchantable timber, payable at the time of disposition.

## **APPENDIX 8 – AIRPORTS**

### **8.1 Rentals**

#### **8.1.1 Airports as an Ancillary Use**

Airport facilities ancillary to another Crown land use tenure (as outlined in Section 6 of the [Land Use Operational Policy - Airports](#)) that have been adjudicated and authorized as part of the primary tenure are charged rentals as per the primary tenure pricing policy.

#### **8.1.2 Temporary Licence**

Temporary licences for public or private airport facilities are charged application fees only, as outlined in the [Crown Land Fees Regulation](#).

#### **8.1.3 Licence of Occupation**

The rental for new and replacement dispositions is paid annually as the greater of: \$675 per licence or \$5 per hectare of Crown land within the licence area.

#### **8.1.4 Lease**

A lease is issued to airport societies for the nominal rental of \$1.00, prepaid for the term of tenure. See [APPENDIX 11 – Community and Institutional](#) and [Land Use Operational Policy - Community and Institutional Land Use](#) for details.

### **8.2 Sponsored Crown Grant**

The Authorizing Agency may recover any book costs incurred by the Province in order to prepare the parcel of land for a SCG. Book costs may include, but are not limited to, servicing a parcel, advertising and appraisal costs. See [APPENDIX 11 – Community and Institutional](#) and [Land Use Operational Policy - Community and Institutional Land Use](#) for details.



## **APPENDIX 9 – AQUACULTURE**

### **9.1 Finfish Annual Rent**

#### **9.1.1 Finfish Land Value**

The land value for finfish aquaculture sites is set at \$11,969/ha as of April 1, 2024. The Finfish Land Value will be adjusted annually to account for the change in the Consumer Price Index (CPI) for British Columbia during the preceding calendar year.

#### **9.1.2 Temporary Licence**

\$250 for terms up to one year, or \$500 prepaid for 2 years

#### **9.1.3 Licence of Occupation**

Intensive areas – annual rent is calculated as 7.5% of the Finfish Land Value

Extensive areas – annual rent is 7.5% of one half the Finfish Land Value (i.e. 50% of intensive area land value).

Minimum rent per tenure is \$675+GST.

The pricing for freshwater finfish aquaculture will be equivalent to the Finfish Land Values for marine finfish aquaculture.

#### **9.1.4 Lease**

Intensive areas – annual rent is calculated as 8% of the Finfish Land Value.

Extensive areas – annual rent is 8% of one half the Finfish Land Value (i.e. 50% of intensive area land value).

Minimum rent per tenure is \$675+GST.

### **9.2 Shellfish Annual Rent**

#### **9.2.1 Shellfish Land Value**

The land value for shellfish aquaculture is set at \$7,839/ha as of April 1, 2024. The Shellfish Land Value will be adjusted annually to account for CPI changes.

Phase-in: the current land values for existing shellfish sites are to be doubled each year until the above Shellfish Land Value is attained.

#### **Development Discount**

Any new shellfish tenure will be eligible for reduced pricing during the first 5 years. A developmental discount rate of 50% of the Shellfish Land Value is to be used.

The discount does not apply to new tenures that overlap or partially overlap sites previously approved for shellfish aquaculture or, to expanded areas of approved shellfish tenure agreements added as an amendment to the original tenure area.

The minimum rent of \$675+GST/year will apply.

### **9.2.2 Temporary Licence**

Temporary Licence \$250 for terms up to one year, or \$500 prepaid for 2 years.

### **9.2.3 Licence of Occupation**

Intensive areas annual rent is calculated as 4% of the Shellfish Land Value.

Extensive areas – annual rent is 4% of one half the Shellfish Land Value (i.e. 50% of intensive area land value).

Minimum rent per tenure is \$675+GST.

### **9.2.4 Lease**

Intensive areas – annual rent is calculated as 5% of the Shellfish Land Value.

Extensive areas – annual rent is 5% of one half the Shellfish Land Value (i.e. 50% of intensive area land value).

Minimum rent per tenure is \$675+GST.

## **9.3 Ancillary Residential Use**

Upland residential sites required to support aquaculture operations may be considered under the [Land Use Operational Policy - Residential](#). Fees and rents will be assessed in accordance with that program. See [APPENDIX 19 – Residential](#) for more information.

Floating facilities for residential use can be included as part of the general aquaculture tenure (licence or lease). At the time the original application is submitted there will be no additional application or processing fee if floating facilities for ancillary residential use are included within aquaculture tenure. The addition of residential facilities after the granting of the original tenure will require a new application and processing fee. An additional rent will be charged for residential use, with a minimum additional rent of \$675/year.

## APPENDIX 10 – COMMUNICATION SITES

### 10.1 Rent

#### 10.1.1 Licences, Leases and Statutory Rights-of-Way

Rent for Crown land used for communication purposes is based on the zone and user category rent table shown below. Refer to the zone maps [COMMUNICATION SITES – PRICING ZONE MAPS](#) for the zone locations.

#### Zone and Category rents – Effective April 1, 2024

User Category	Rental per site/year		
	Zone 1 (high density)	Zone 2 (medium density)	Zone 3 (low density)
1. Non-commercial radio communication provider or user	\$0	\$0	\$0
2. Radio communication user	\$8,898	\$5,082	\$1,017
3. Over-the-air television and radio broadcasters	\$10,167	\$5,719	\$1,271
4. Communication Site Facility Manager	\$11,435	\$5,719	\$1,271
5. Local telecommunications service provider	Contact Lands Branch		
6. Large, broad-based communication service provider	\$19,695	\$9,530	\$1,778
7. Cable and satellite AM/FM radio	\$21,600	\$10,167	\$1,906
8. Cable and satellite television	\$25,412	\$12,706	\$2,160

Definitions for each user category are provided in [Communication Sites Definitions for the User Categories](#). If a single user is engaged in multiple communication uses (e.g. television and radio broadcasting, plus telecommunication service provider), they will be considered at the highest applicable category.

Rents for communication sites are calculated on a site basis, based on the number of users on the site and the category of the users.

Rent is payable **annually** in advance by the tenure holder for all communication users on a site. Site rent is calculated as follows:

- 100% of the applicable category zone rent for the highest category user on the site + 50% of the applicable category zone rent for each additional user on the site = total site rent.

The category zone rates are to be used as the basis for calculating rent for new tenures, replacement tenures and when undertaking annual rent reviews of existing tenures.

The category zone rates are not to be applied retroactively. In-stream offers and billing notices that are based on the pre-December 15, 2014 change to the zone rates and pricing methodology are to be honoured.

Rent is **not** to be prepaid for the term of the tenure. For existing tenures where pre-paid rents were accepted, no additional payment of rent will be required. Upon replacement of pre-paid tenures, the prevailing pricing policy will apply to the replacement tenure.

Where a tenure holder notifies the Authorizing Agency, via an up-to-date Communication Site Inventory form, that a new user has been added to an existing site during the year, the rents will be adjusted to reflect the new user on the next invoice. Communication site users who leave the site during the year will not result in pro-rated credits or refunds of rent.

On April 1 of 2016 and each year after, the above zone rates will be adjusted to reflect the annual change in the Consumer Price Index for British Columbia during the preceding calendar year. Zone rates will be adjusted in this fashion on April 1<sup>st</sup> of each year.

**Calculating Rents for Communication Sites** provides examples of rent calculations using the above formula.

### **10.1.2 Reconciliation of Pricing – Communication Sites/Linear Uses**

Where a communication site and a linear use (public and private utility or roadway) are combined in one tenure, the communication site is treated separate from the associated linear right of way. The pricing for each use is to be calculated independently in accordance with respective policy and then added together.

Total payment = [payment for linear use] + [payment for communication site use]

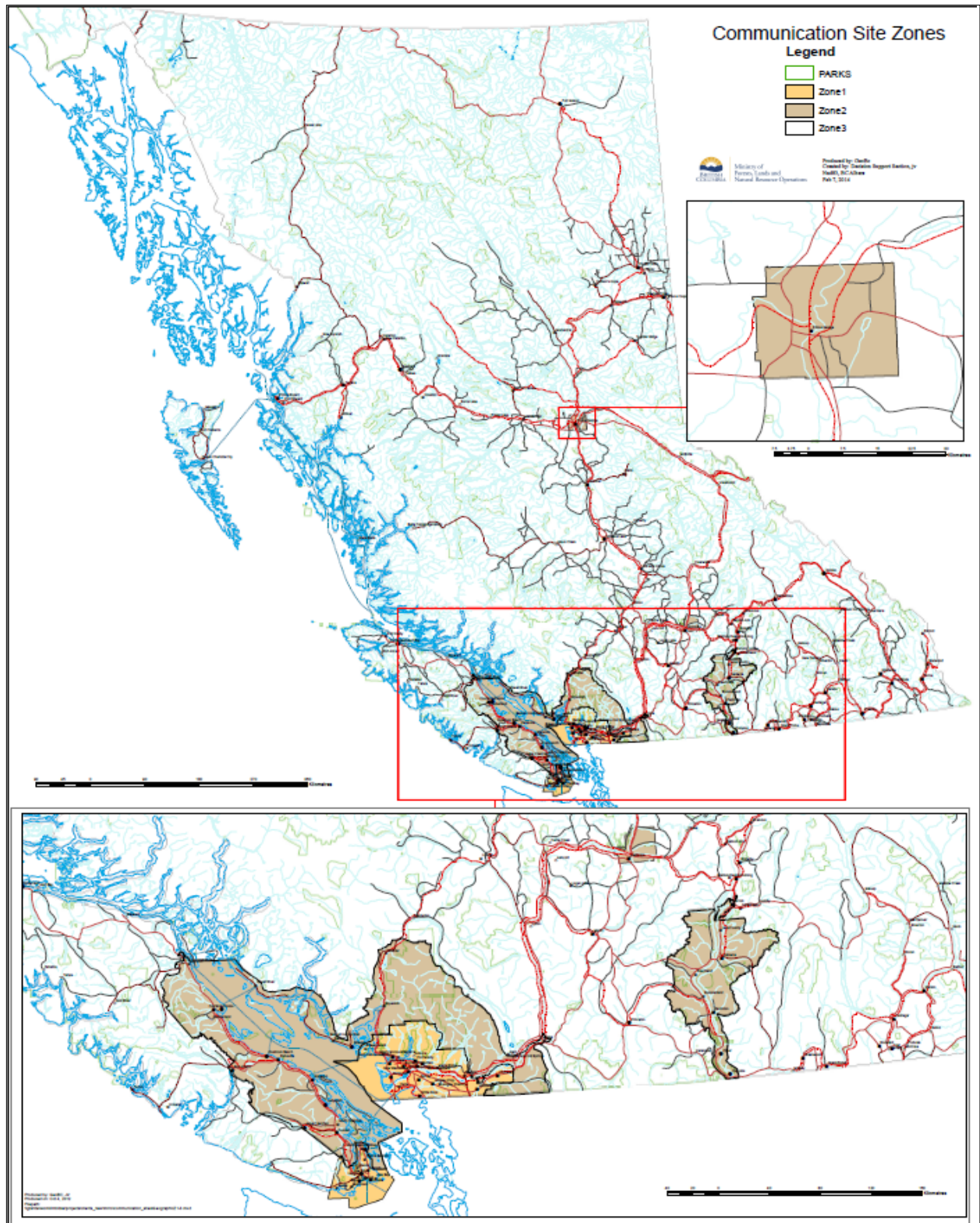
Where minimum payments are specified in a policy, these are to be applied to each use independently such that the total payment will not be less than the sum of all minimums. Pre-payment of the linear use is permitted.

The tenure for the linear use must provide for shared access to the mountain top for subsequent tenure holders.

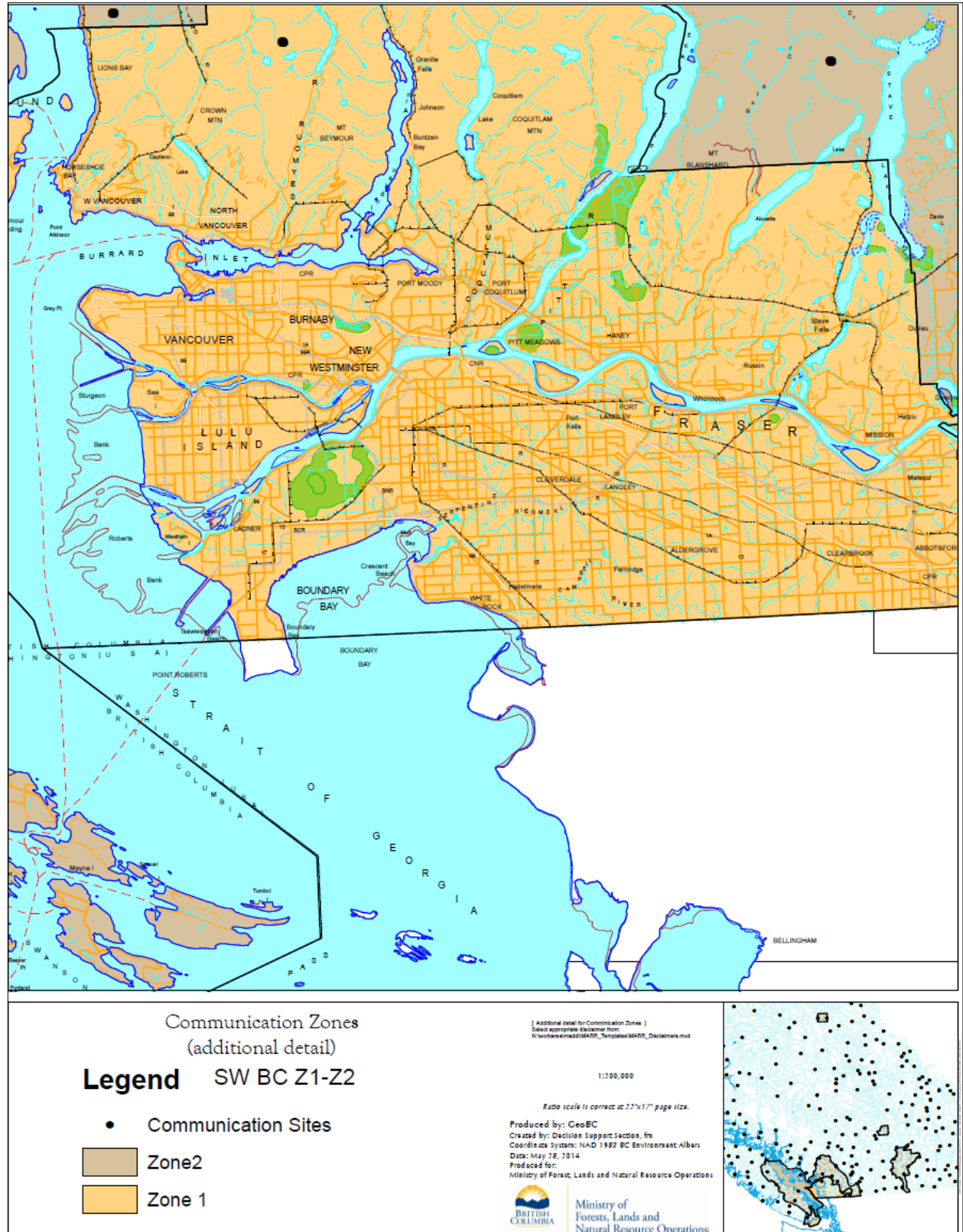
## **10.2 Sales**

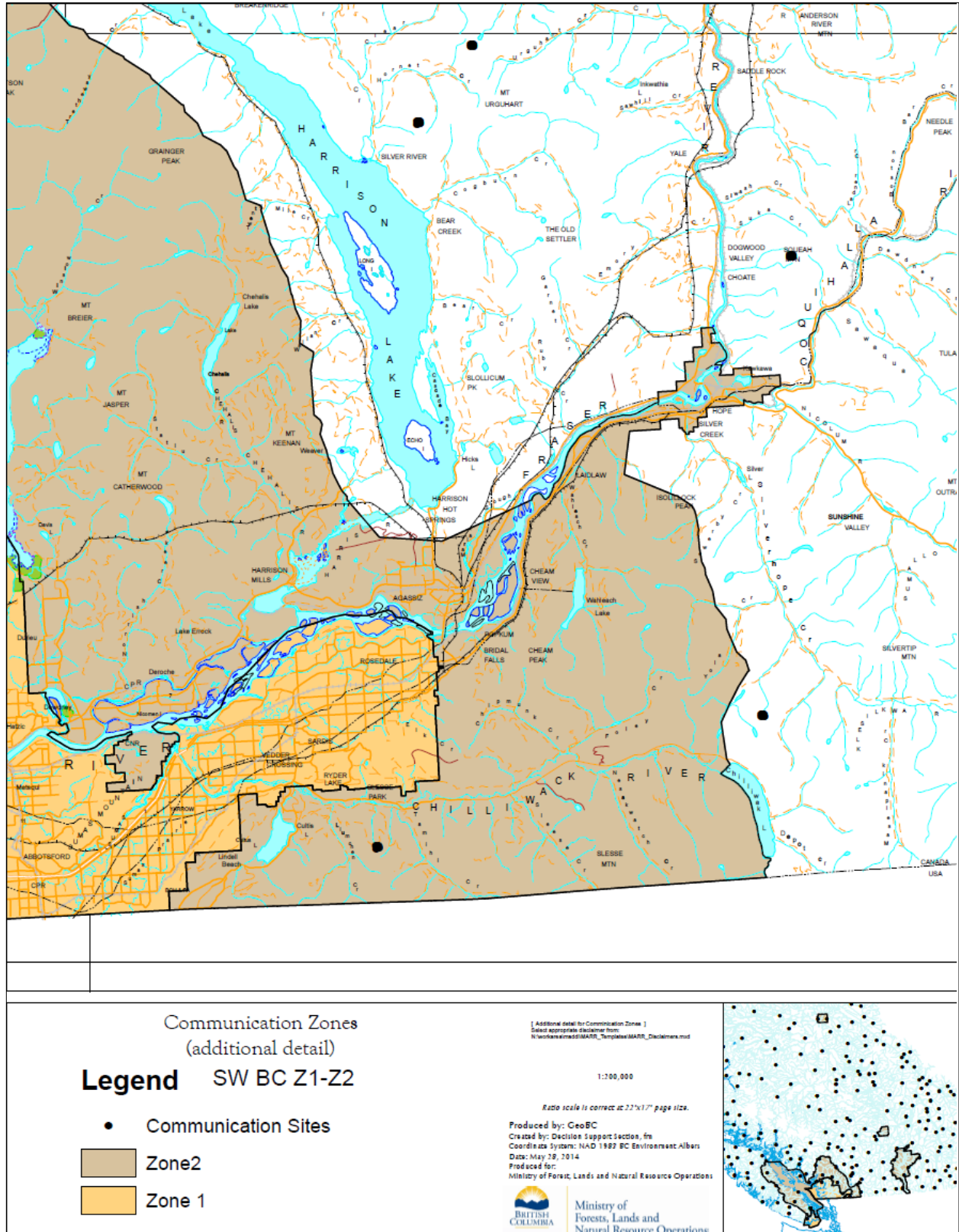
Fee simple dispositions are priced at the fair market value of the land.

## COMMUNICATION SITES – PRICING ZONE MAPS





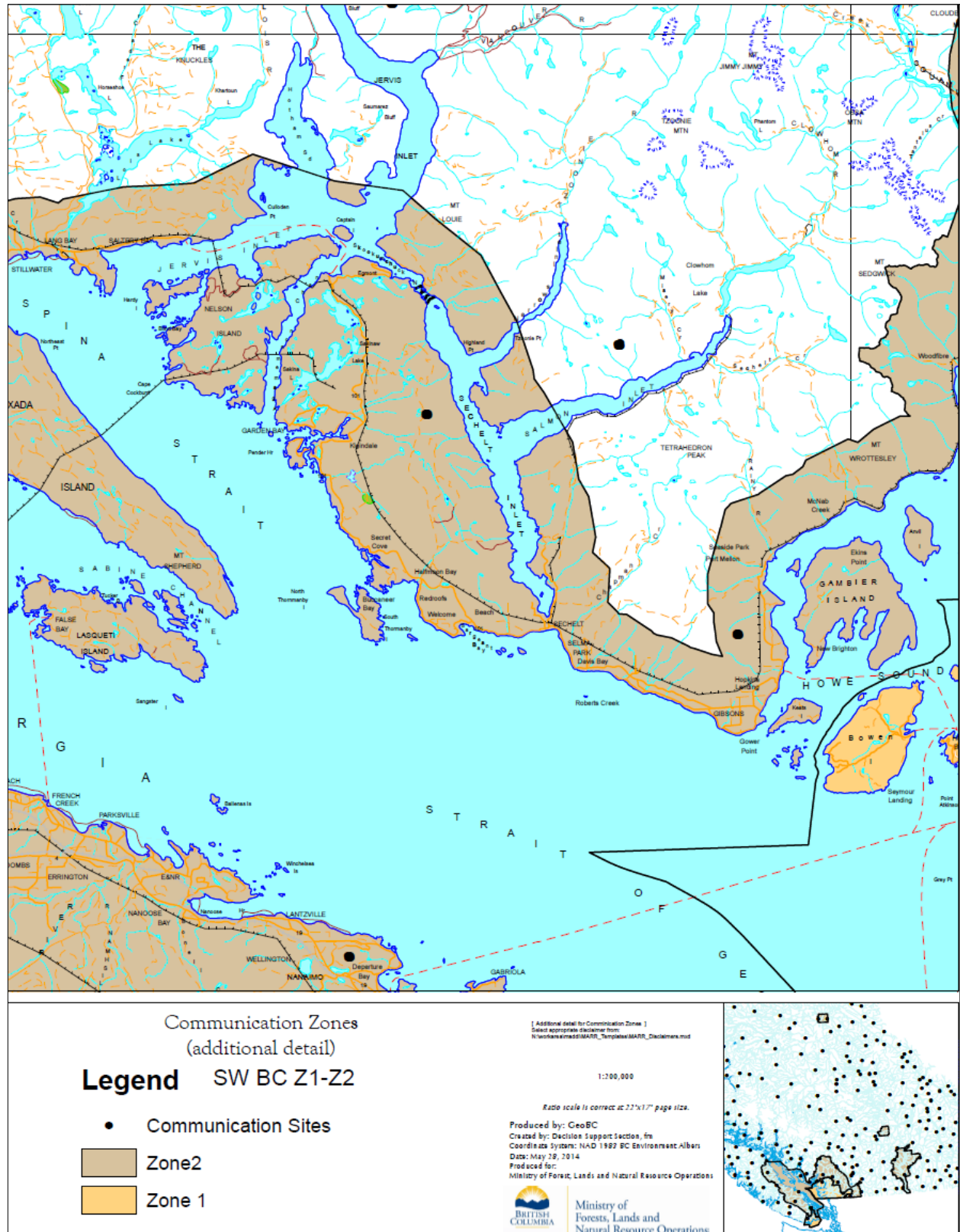


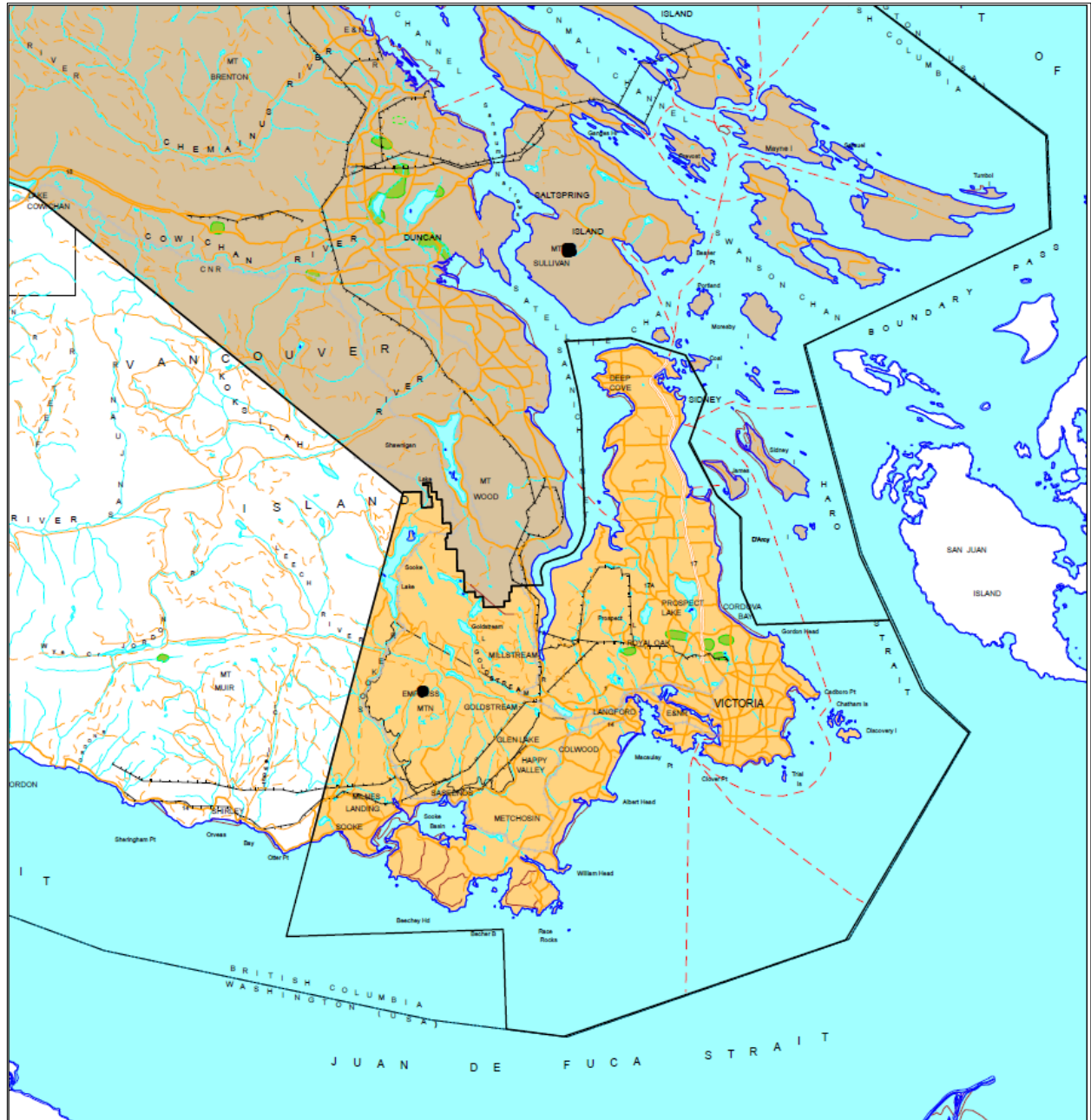




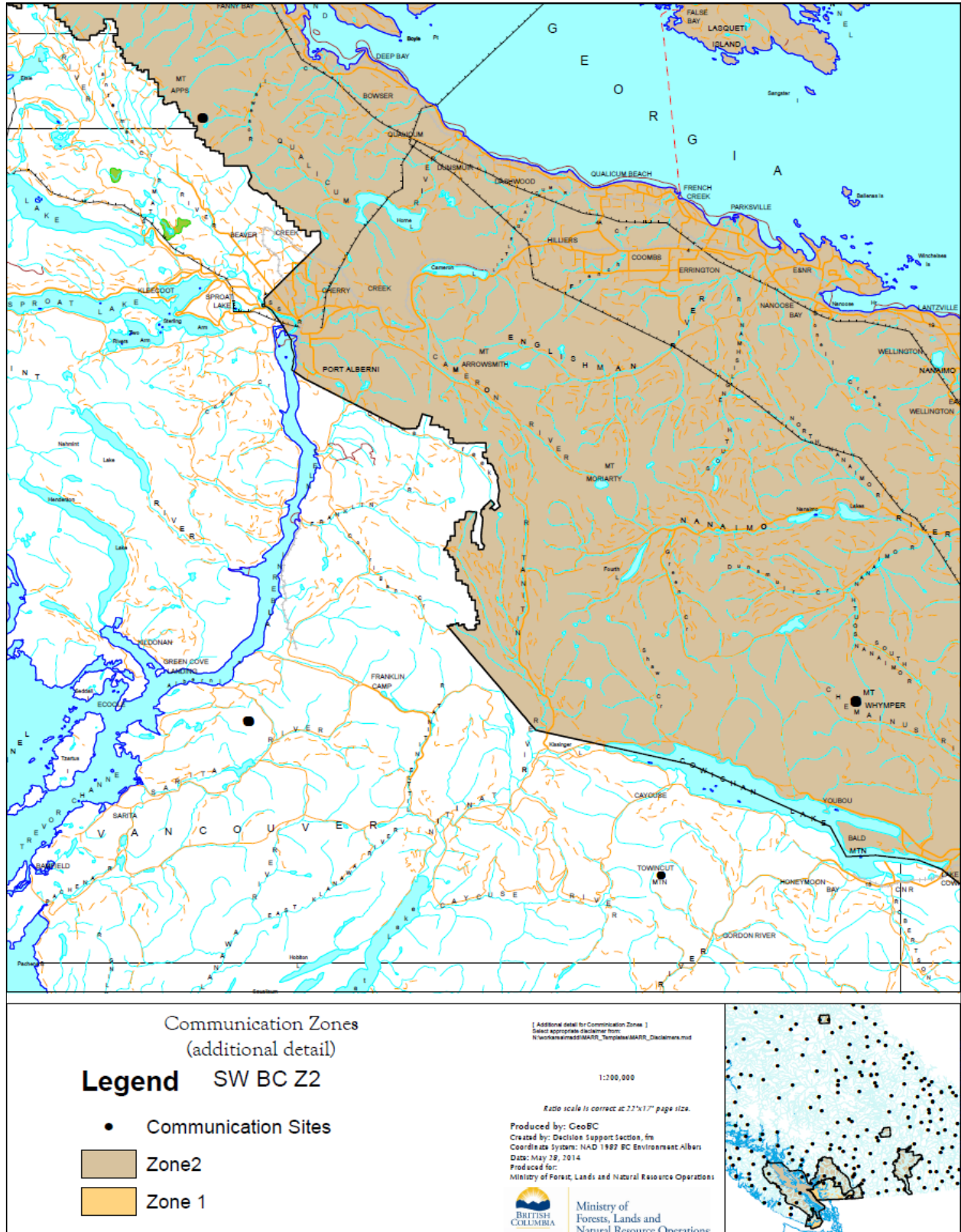


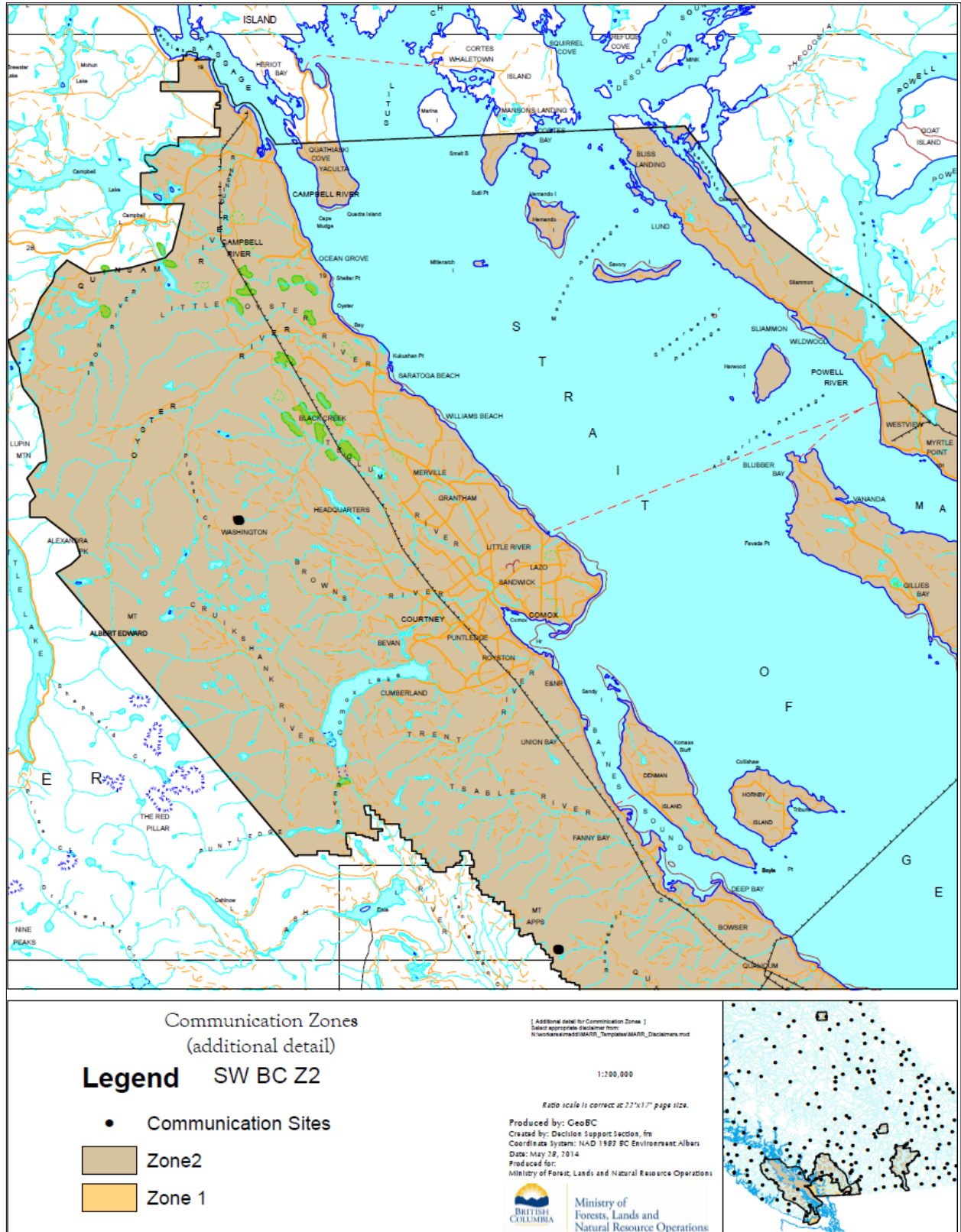






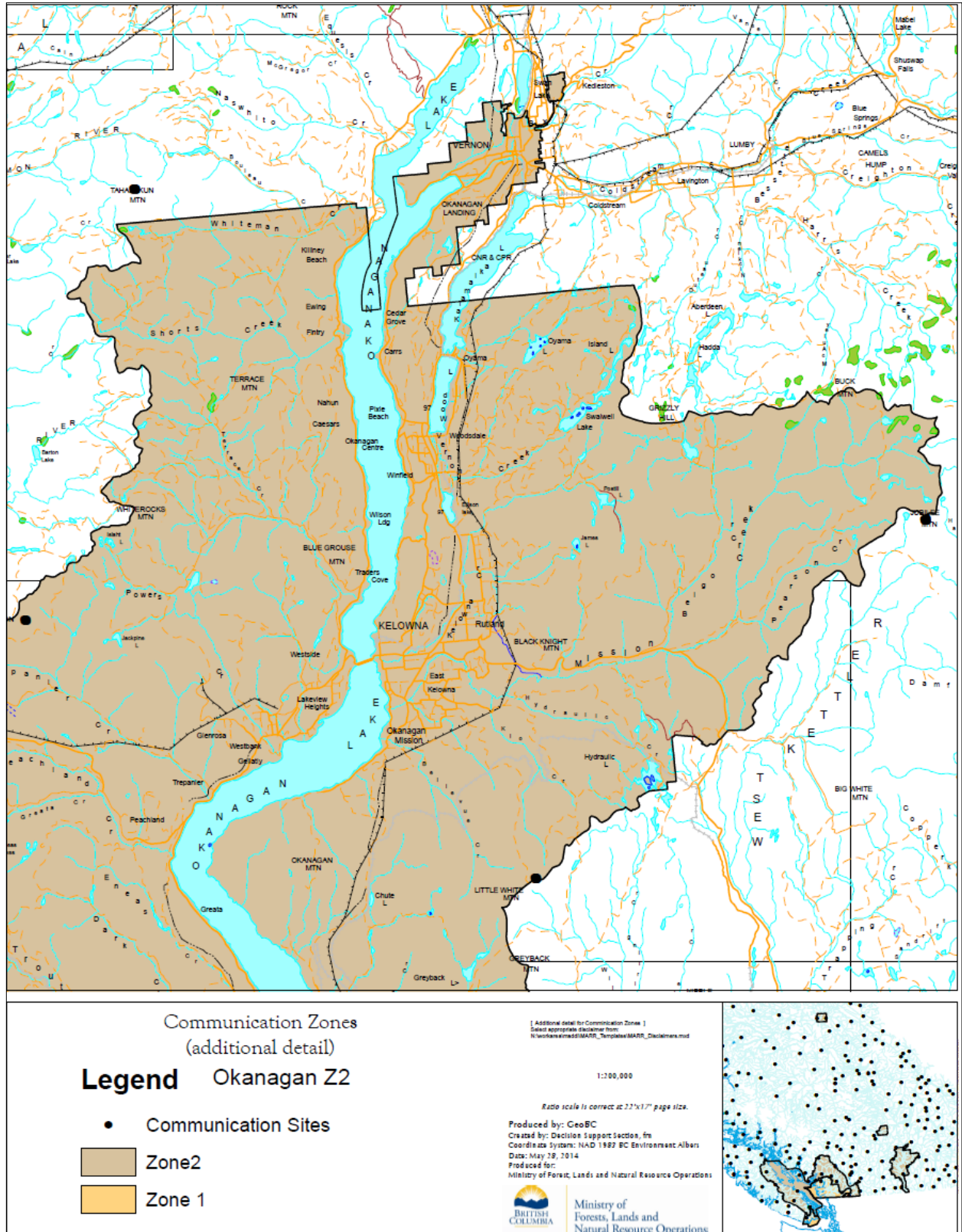




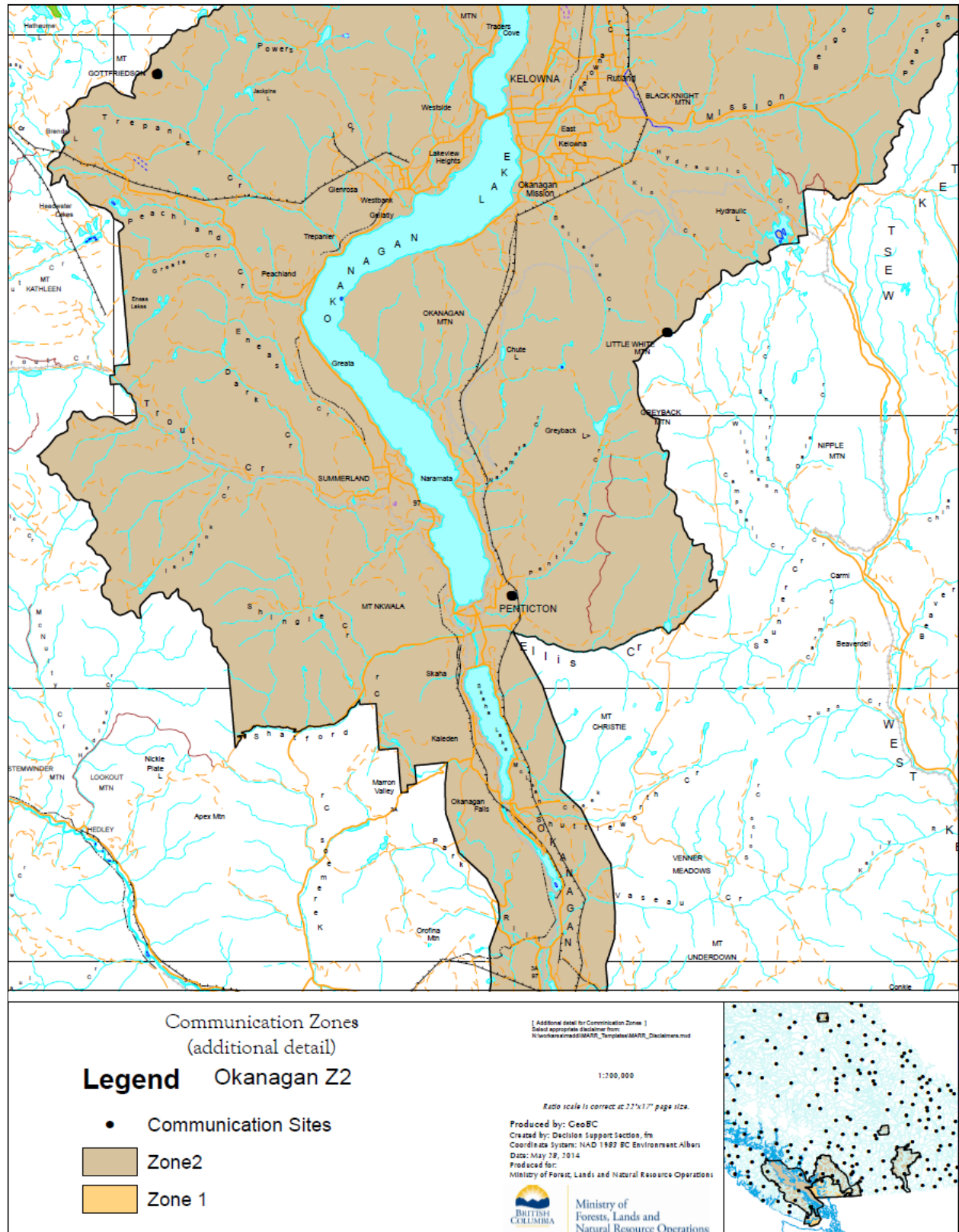


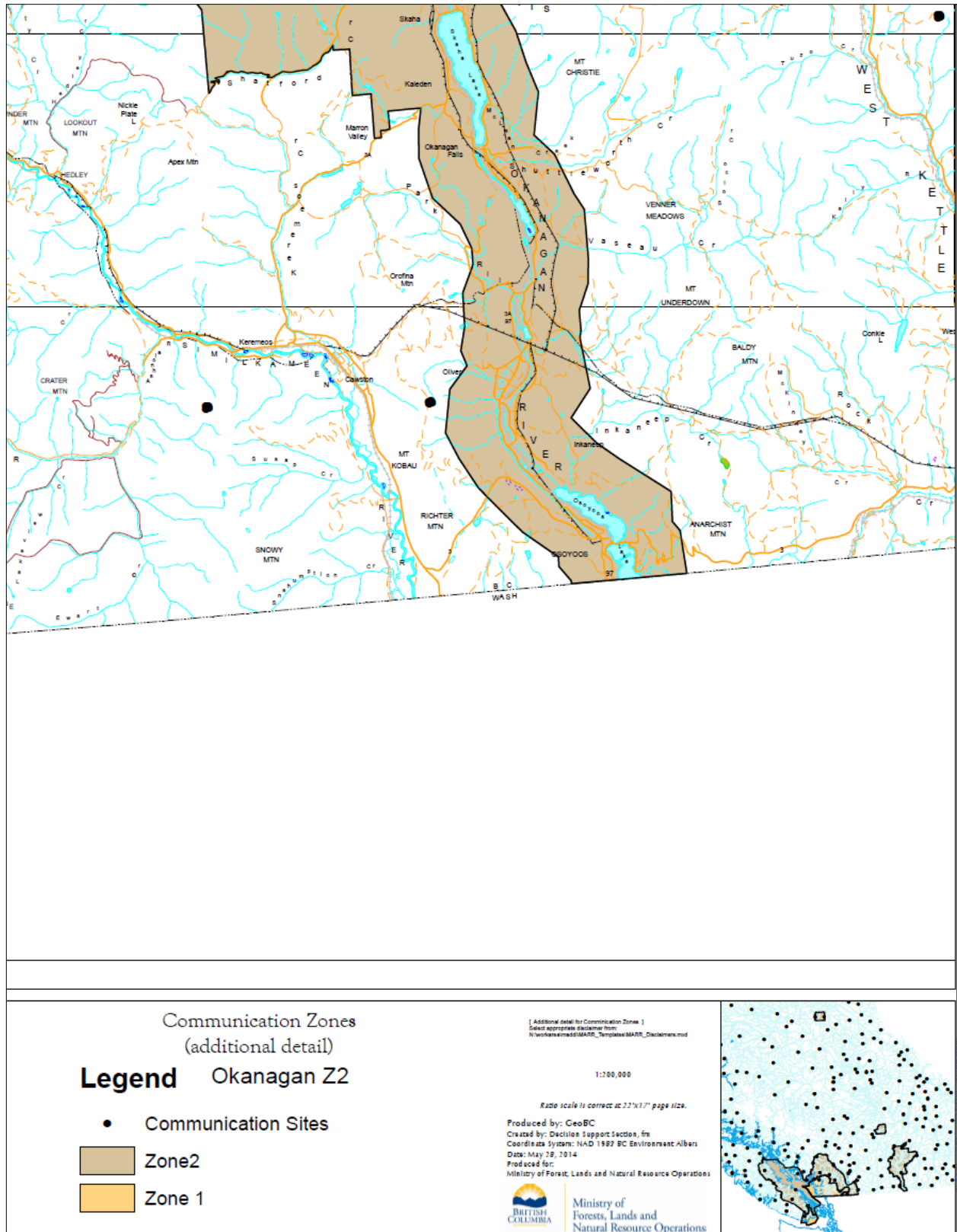
















## Communication Sites Definitions for the User Categories

The following are the general categories of communication site users for the purpose of determining site rentals. The telecommunications and broadcast field is always changing and expanding, which may require changes to these categories from time to time. However, it is expected that most communication site users will be able to recognize what category their company falls into.

### **Non-commercial Radio Communication Provider or User**

A non-commercial radio communication provider or user includes community organizations such as volunteer search and rescue associations and amateur radio clubs; not-for-profit societies; institutional users such as local governments, and police, ambulance and fire services; and government users, not including Crown Corporations.

### **Radio Communication User**

This category primarily consists of businesses that use point to multi-point mobile radio systems for the purpose of internal communications or monitoring. The service is not sold to others and the user is a non-communications business such as a pipeline, power or land management company, or railroad that uses microwave or radio signals in support of the user's primary business.

### **Over-the-Air Television and Radio Broadcasters**

A user that broadcasts UHF and VHF audio and visual signals, or amplitude modulation (AM) or frequency modulation (FM) for general public reception.

### **Communication Site Facility Manager**

A facility manager is similar to a telecommunication or broadcast provider in that it has been issued a tenure to use Crown land for communication purposes and provides rental space to other communication users or providers. A facility manager does not directly provide communications services to others for commercial gain, nor is it a communications user.

### **Local Telecommunications Service Provider**

This category includes small businesses which:

- provide communication equipment and services for commercial gain
- employ less than 100 employees
- operate within no more than 5 regional districts all of which are located within Zones 2 and 3 and constitute no more than a combined area of 200,000 km<sup>2</sup>.

This category includes:

- internet service providers using wireless technology to connect subscribers to the internet;
- commercial mobile radio service providers are businesses that provide mobile radio communication services to customers, such as two-way radio voice dispatch, community repeaters and paging services.
- local exchange networks that provides basic telephone service, primarily to rural communities.

**Large, Broad-based Communication Service Provider**

This category of user includes larger businesses that operate in higher density areas or over much of the province, which distinguishes them from Local Telecommunication Service Providers. Communication Service providers use a variety of non-broadcast technologies, such as cellular telephone, microwave, passive reflectors and wireless internet.

This category includes WiFi and WiMax uses and cellular provided internet services accessed directly by a laptop computer card, independent of a cellular phone.

**Cable and Satellite Radio**

This user transmits audio signals to multiple subscribers in an area over a wired or wireless network.

**Cable and Satellite Television**

This user transmits video programming to multiple subscribers over a wired or wireless network.

**Calculating Rents for Communication Sites**

Below are several examples to provide guidance in calculating rents for communication sites. Note: all of the examples use zone rates which were effective April 1, 2024.

**Single User, single user category**

A site in Zone 2 has a single radio broadcaster. The rent is calculated as 100% of the category zone rate or \$5,719.

**Single User, multiple user categories**

A site in Zone 2 contains a private mobile radio (radio communication use), an FM radio station and 2 TV stations all used by the tenure holder.

The annual rent is calculated based on the highest use category associated with the user.

Rent is therefore 100% of the appropriate zone rate for that particular category zone rate (i.e. \$5,719 for commercial television broadcasters in Zone 2).

**Multiple users**

Rent for the site is calculated as 100% of the highest category zone rate for any of the users on the site, plus 50% of the category zone rates for any additional users on the site.

A site in Zone 3 tenanted by a radio communication user (e.g. a forestry company), with two co-users: an AM/FM radio broadcaster, and a non-commercial radio communication provider or user (e.g. emergency dispatch), would be charged as follows:

User Category	Category/Zone rate and applicable percentage	Contribution to site rent calculation
AM/FM radio broadcaster	\$1,271 @ 100%	\$1,271
Radio communication user	\$1,017 @ 50%	\$508.50
Non-commercial radio user	\$0 @ 50%	\$0
<b>Total Site Rent</b>		<b>\$1,779.50</b>

### Tenure held by non-commercial client

A municipality holds tenure and has a **private mobile radio** on a site in Zone 1. The municipality would be in the non-commercial radio user category.

If the municipality subsequently sub-tenures a large, broad-based communication service provider to permit a **microwave repeater (2 dishes)** to operate on the site.

Rent would then be calculated as follows:

The municipality use would continue to be charged as a non-commercial use. The microwave repeaters would be charged at 100% of the category zone rate, since calculation of rent requires 100% of the category zone rate applies to the highest category user on a site. Rent for the site would then be \$19,695 per year.

Should another user (e.g. satellite radio user) subsequently occupy the site, rent for the site would still be based on 100% of the rate for the highest category user (in this example the satellite radio user would be the highest category user) + 50% of the rate for the other users.

Total site rent = \$21,600 + (\$19,695 x 50%) = \$31,447.00

## APPENDIX 11 – COMMUNITY AND INSTITUTIONAL

Appendix 11 provides guidelines for calculating the Fair Market Value and Concessionary Value for Nominal Rent Tenures (NRTs) and Sponsored Crown Grant (SCGs). It also provides guidelines for the use of BCA actual land value to estimate a Fair Market Value for the purpose of recording the value of SGC/NRT transactions for financial reporting.

### NRTs

Leases, licences of occupation and statutory rights of way issued under this policy or its predecessors, are charged a nominal rental of \$1.00, prepaid for the entire term of the tenure. The Province does not collect the \$1.00. See [Land Use Operational Policy - Community and Institutional Land Use Appendix 5 and Public Wharves Within the NRT Program](#) for special procedures for public wharfs.

Stumpage charges for timber removal may apply (see Section 9.6 of the [Land Use Operational Policy - Community and Institutional Land Use](#)).

Applicants who do not qualify for NRTs may be able to have their land use tenured under another land use policy subject to specified fair market rent. Rent in these cases will be calculated using the method specified in the appropriate policy.

### SCGs

SCGs are made free of charge to the applying organization, except for the following:

- application and administrative fees;
- assessed value of merchantable timber that is not reserved for the Crown;
- improvement costs including buildings and other developments created with public funds; and
- Book Costs incurred by the Province.

## Community and Institutional – Financial Guidelines

### Financial Guidelines

This Appendix provides guidelines for calculating the Fair Market Value of SCGs and the Concessionary Value of NRTs<sup>6</sup> for the purposes of determining if ministry sponsorship is required and for recording transactions against ministry budgetary allocations in the Crown Land Special Account (CLSA).

#### We do this to:

1. To determine Annual Foregone Rent (AFR) for accounting and recording purposes.
2. To calculate Concessionary Value (CV) to determine whether the NRT requires:
  - a) Ministry sponsorship if the amount is \$100,000 or more; and
  - b) Cabinet approval if the amount is \$1,000,000 or more.

Where the Authorizing Agency determines the Fair Market Value using BCA actual land values, the procedures for using BCAA values as described will be followed.

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<sup>6</sup> All SCGs; and those NRTs with an estimated Concessionary Value of more than \$1million must be approved by Cabinet – see Crown Land Use Policy -Community and Institutional Use.

Where the Authorizing Agency determines the Fair Market Value using an internal or external appraisal, these will be conducted based on standard procedures, see - [Land Procedure - Appraisals](#).

## **SCGs**

All SCGs must have sponsorship. The value of a SCG includes:

- the Fair Market Value of the land
- the assessed value of merchantable timber that is not reserved for the Crown;
- the current value of any improvements including buildings and other developments created with public funds.

The actual amount charged for a SCG will reflect all Book Costs incurred by the Province (application fees, development costs, advertising, appraisals, etc.).

## **NRTs**

The Concessionary Value of a NRT is the difference between total fair market rent and the nominal rent for the tenure. The principles below are to be applied to all NRT agreements: new and replacements.

### **Principles:**

#### **Leases: > 30 Years**

A lease with a term of 30 years or more is considered a disposal and requires a one-time financial transaction on the agreement effective date.

Thirty years is the point at which cumulative tenure rent payments are assumed to equal the value of the land. Therefore, the value of a NRT with a term of 30 or more years can be calculated as the Fair Market Value (FMV) of the land.

The financial transaction is recorded when the lease comes into effect. If the FMV is less than \$100,000 then no financial transaction is necessary.

Sponsorship and a financial transaction will be required when the FMV of a new NRT is \$100,000 or more. While replacements do not require sponsorship, a financial transaction will be required when a renewal meets the \$100,000 threshold.

#### **Leases: < 30 years**

A lease of less than 30 years is considered an operating lease, not a disposal. The financial transaction is calculated as the value of the annual lease, less any payments received.

The financial transaction is recorded annually, when the lease comes into effect and thereafter on the anniversary date. No present value discount is required. If the annual calculation is less than \$100,000 then no financial transaction is necessary.

Sponsorship is required when the present value of the full term lease (Concessionary value) for a new NRT is \$100,000 or more. NRT replacements do not require sponsorship.

## **Licences of Occupation and Rights of Way**

Licences of Occupation and Rights of Way are not considered disposals regardless of the length of the agreement. The calculation basis is the same as leases less than 30 years.

**Assumptions:**

**Fair market value (FMV)** is the assessed value of the parcel or a per hectare rate x the number of hectares.

**Rental rate** will always be 5%, approved as an average between the Crown land program range of 3.5% and 8%.

**Discount factor** = prime interest rate + 1.5%, for the appropriate year value in *Appendix 1 Land Policy -Pricing (2022)*.

**Example 1**

A fifteen-year term NRT

**Land value (FMV) = \$80,000**

Community Institutional Rent Rate (ARR) - 5%

Annual Rent (AFR) = FMV (\$80,000) x ARR (5%) = \$4,000 be

Concessionary Value (CV) = FMV x ARR x Discount Factor

DF - (2.45% winter 2022 value) + 1.5% = 3.95% for 15 years – Appendix 1 2022 (11.598076)

CV = \$80,000 x 0.05 x 11.598076

**CV = \$46,392 (This amount is less than the \$100K threshold so therefore, doesn't require Ministry sponsorship)**

Annual Foregone Rent (AFR) = **\$4,000** (There will be no financial entry to be recorded by FSB/CSNR since the amount is less than \$100K).

**CV calculation above was not necessary since original FMV is already less than \$100K and result will still be less than the threshold.**

**Example 2**

A fifteen-year term NRT

**Land Value (FMV) - \$100,000**

Community Institutional Rent Rate (ARR) - 5%

Annual Rent (AFR) = FMV (\$100,000) x ARR (5%) = \$5,000

CV = FMV x ARR x Discount Factor (prime rate + 1.5% for 15 years)

DF - (2.45% winter 2022 value) + 1.5% = 3.95% for 15 years – Appendix 1 2022

(11.598076) CV = \$100,000 x 0.05 x 11.598076

**CV = \$57,990 (This amount is less than the \$100K threshold so therefore, doesn't require Ministry sponsorship).**

Annual Foregone Rent (AFR) = **\$5,000** ((There will be no financial entry to be recorded by FSB/CSNR since the amount is less than \$100K).

**Example 3**

A fifteen-year term NRT

**Land Value (FMV) - \$200,000**

Community Institutional Rent Rate (ARR) -

5% Annual Rent (AFR) = FMV (\$200,000) x

ARR (5%)

CV = FMV x ARR x Discount Factor (prime rate + 1.5% for 15 years)  
 DF - (2.45% winter 2022 value) + 1.5% = 3.95% for 15 years – Appendix 1 2022  
 (11.598076) CV = \$200,000 x 0.05 x 11.598076  
**CV = \$115,981 (This amount is more than the \$100K threshold so therefore, requires Ministry sponsorship).**

Annual Foregone Rent (AFR) = **\$10,000** ((There will be no financial entry to be recorded by FSB/CSNR since the amount is less than \$100K).

#### Example 4

A fifteen-year NRT

**Land Value (FMV) - \$2,000,000**

Community Institutional Rent Rate (ARR) -  
 5% Annual Rent (AFR) = FMV (\$2,000,000) x  
 ARR (5%)

CV = FMV x ARR x Discount Factor (prime rate + 1.5% for 15 years)  
 DF - (2.45% winter 2022 value) + 1.5% = 3.95% for 15 years – Appendix 1 2022  
 (11.598076) CV = \$2,000,000 x 0.05 x 11.598076  
**CV = \$1,159,808 (This amount is more than the \$100K threshold so therefore, requires Ministry sponsorship AND Cabinet approval.**

Annual Foregone Rent (AFR) = **\$100,000** (This amount will be annually recorded by FSB/CSNR and reported to OCG at fiscal year-end).

### **Recording SCGs and NRTs Against Ministry Budgetary Allocations**

Sponsoring ministries are to ensure that all SCGs and NRTs are recorded in the appropriate fiscal year, based on GAAP and Office of the Comptroller General (OCG) fiscal year-end deadlines. ALL SCGs and NRTs that have been fully executed prior to March 31<sup>st</sup> should be accounted for in the current fiscal year, regardless of funding source.

Sponsoring ministries are required to prepare a journal voucher and forward it and supporting documentation to CSNR Financial Services Branch for processing. Supporting documentation should include the following:

- Copy of Order in Council for SCG;
- Copy of Application for Registration Receipt from Land Title Office for SCG;
- Copy of executed lease agreement for NRT;
- Current appraisal valuation for SCG and NRT.
  - *The appraisal may not be more than one year old at the date of title transfer or tenure agreement.*

For Ministries with allocations in the Crown Land Special Account (CLSA), the following expenditure service lines (SL) have been established:

- |  |       |
|--|-------|
| • Ministry of Advanced Education, Skills and Training  | 31415 |
| • Ministry of Education                                | 31416 |
| • Ministry of Energy, Mines and Low Carbon Innovations | 31426 |
| • Ministry of Environment and Climate Change Strategy  | 31413 |



• Ministry of Forests	31423
• Ministry of Health	31402
• Ministry of Jobs, Economic Recovery and Innovation	31418
• Ministry of Municipal Affairs	31420
• Ministry of Public Safety and Solicitor General	31422
• Ministry of Social Development and Poverty Reduction	31419
• Ministry of Tourism, Arts, Culture and Sport	31408
• Ministry of Transportation and Infrastructure	31404

To record the SCG and NRT values against a CLSA allocation, the following entries should be made on the journal voucher:

OKR 71855 "SL" 7703 7100000 00000      DR  
OKR 71855 "SL" 9003 7100000 00000      (CR)

For ministries that do not have a SCG/NRT allocation in the CLSA, have fully expended their allocations in the CLSA, or for other reasons wish to record a SCG/NRT expense against their own ministry operating votes, an inter-ministry journal voucher will be required to record the following entries:

Ministry coding      DR  
OKR 71855 31400 4365 7100000 00000      (CR)

The Ministry responsible for the *Land Act* will charge sponsoring ministries directly for the following costs:

- Any booked value of the land and/or improvements to be transferred/leased;
- Any legal conveyance, survey, appraisal, property transfer tax or other related fees

NRT replacements are not subject to ministry sponsorship. Those with a concessionary value over \$100,000 will continue to be **expensed** against the CLSA allocation of the previous ministry sponsor based on values provided by Ministry responsible for the *Land Act*.

### Financial Forecasting

CSNR Financial Services Branch is required to develop a monthly financial forecast for the CLSA. In order to complete this forecast, ministries with a SCG/NRT allocation in the CLSA will be requested to provide a monthly SCG/NRT forecast for the current year. CSNR Financial Services Branch will make requests for the forecast information to the individual Finance Branches of the sponsoring ministries.

## Using BCA Actual Land Values to Determine Fair Market Value for SCGs and NRTs

Using BCA actual land values to estimate a Fair Market Value (FMV) for the purposes of recording the value of a SCG/NRT transaction for financial reporting can be relatively fast, easy and inexpensive. However, BCA actual land values are not always accurate representations of FMV. Care must be taken when using BCA actual land values to ensure that the values reported for a SCG or NRT are a true reflection of FMV.

## Understanding BCA Actual Land Values

BC Assessment is charged under the *Assessment Act* and the *Assessment Authority Act* with maintaining a roll of the value of all occupied land and associated improvements in the Province. Occupied land includes privately owned land, as well as Crown land occupied by tenure-holders, and may include Crown land which is being used without authorization.

BCA actual land values and the value of improvements are provided to local governments and the rural taxation office of the Ministry of Finance for the purposes of determining the property tax liability for each owner/occupier. The 'actual land value' consists of the value of the land, with the value of the buildings being reported separately to allow for differential rates of taxation on land and improvements. Depending on circumstances, either the actual land value or the total assessed value (value of land and improvements) will be used to determine fair market value for SCG and NRT purposes.

BCA actual land values are the "market value of the fee simple interest in land" on July 1<sup>st</sup> of the year noted on the assessment notice. Assessment notices are distributed to owners/occupiers in late December/early January each year. This means that BCA assessed values may be six months out of date at the time that they are issued. By the time the assessment roll is finalized in April, the market information represented by the assessment is nine months out of date. In a particularly volatile market or segment of the market, that can result in the estimate of land values being "off" by a significant margin. Knowledge of local markets is required to determine if the market values for land are likely to have changed and by how much since the assessment date.

BC Assessment uses mass appraisal techniques in determining assessed values. Mass appraisal uses known information from land transactions to predict land values for properties where no transaction has taken place.

BCA does this by tracking and analyzing sales and lease transactions throughout the province, using key information about the property, such as parcel size and shape, zoning, size and quality of any improvements on the land as well as the sale or lease price. BCA uses this data set to construct valuation models based on geographic areas and types of land use. These valuation models are used to predict, based on the factors unique to a specific property, what the likely selling price for each parcel would have been on the assessment date.

Where there are many transactions or data points that go into constructing the valuation model, the results are often quite accurate, but where there are few transactions the results of the valuation model can be less reliable in terms of predicting a FMV. Where there is no information which can be used to construct a valuation model or there is no valuation model which is applicable to a particular parcel, BCA may assign a relatively nominal value (such as for submerged land or foreshore parcels) or conduct a specific appraisal using any or all of the three recognized appraisal approaches (direct comparison, replacement cost, or income approach) in order to determine a value.

## Regulated Land Values

It is also important to know that the BCA actual land values for some types of land and improvements are determined by regulation. The uses where the value is regulated includes: land for electrical transmission lines, farms, managed forests<sup>7</sup>, pipelines, ports and terminals, railways, and certain telecommunications facilities.

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<sup>7</sup> See <https://info.bcassessment.ca/Services-products/property-classes-and-exemptions/managed-forest-classification-in-british-columbia/understanding-managed-forest-classification-in-british-columbia> for

The value of properties falling into the property class of “supportive housing” is partially determined by regulation. Industrial types of properties have a complex set of valuation rules associated with them and should be used with care.

This means that if using BCA actual land values to determine the FMV of a parcel for a SCG or NRT, one must be aware of the property class and actual use of the parcel in question. BCA values for farm land, for example, may be significantly lower than the actual market value of the property if the property were marketed and sold either as an existing farm or for an alternative use (i.e. for condo development)<sup>8</sup>.

### **Guidance for using BCA Actual Land Values in determining Fair Market Value for SCGs and concessionary values for NRTs**

BCA actual land values can be used for determining the FMV for SCG and NRTs in the following circumstances:

1. The parcel is currently occupied therefore an actual land value for the parcel is available;
2. The parcel does not include land covered by water or foreshore (or the submerged/foreshore land makes up a minor portion of the parcel);
3. The parcel size and configuration is substantially similar to what it will be if the SCG/NRT is approved.
4. The current property class is the same as the one proposed for the SCG/NRT (e.g. the land is currently classed as “recreational” and would continue to be so if the SCG/NRT is approved);
5. The property class or land use for the parcel is not one which uses regulated values;
6. The parcel is located within a municipal boundary. If the parcel is located in a small municipality or an unincorporated area, judgment is required to determine if there is sufficient market activity in the location to result in a reasonably accurate valuation.

### **Guidance for Using BCA Values to Infer Land Values for a SCG/NRT**

If the first condition above (parcel currently occupied) is not met, BCA actual land values for other parcels which are similar in size, location, property class, etc. may be used to *infer* a FMV for the parcel of interest. The process of inference is similar to conducting an internal appraisal, and like an internal appraisal, the process should be defensible and clearly documented.

Staff conducting an inferential analysis should gather information on between three and six parcels which are comparable to the parcel of interest. The more similar the comparable parcels used in analysis are to the parcel of interest, the fewer comparable parcels are required. A short report describing the inferential analysis must be prepared and put on the file.

The report must include:

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important information before using BCA values for any lands which are or which were recently classed as managed forest land.

<sup>8</sup> The differences between regulated values and market values can be large. For example, in the 2013 assessment, a farm was valued at \$78,700 for farm use, but if it hadn't qualified as a bona fide farm, its value was \$1.48 million.

- a listing of the comparable parcels used as supporting evidence, noting their basic characteristics (location, size, services and other features), current and permitted uses, BCA property class and actual land values, and any significant differences and similarities between them and the parcel of interest;
- a narrative description of the analysis used (e.g. using known values to calculate an average \$/hectare rate), and
- the land valuation conclusion reached.

If the first condition above is not met, and a sufficient number of comparable parcels cannot be identified, the Appraisal Procedure should be followed. Depending on the circumstances, either an internal or external appraisal may be conducted. See the [Land Procedure - Appraisals](#) for more information.

### **Additional Considerations for determining FMV for SCGs/NRTs**

**Timber values** – The BCA actual land value does not include the timber value. The value of timber on the parcel is determined separately from the land value and is not determined by BCA. When issuing a SCG or NRT, the timber may be reserved to the Crown.

If the timber rights go to the recipient of the grant or tenure, the recipient must pay the assessed value of the timber (see Section 7.3 of the [Land Use Operational Policy - Community and Institutional Land Use](#)).

**Contamination** – if there is likelihood that the land being granted or tenured is contaminated, this will impact on the value of the land. Depending on the type and extent of the contamination, the impact on the land value may be nominal or it may render the land valueless for most uses.

Determining the type and degree of contamination is specialized work and should be undertaken by a qualified person. Similarly, determining the impact of contamination on the land value is complex and should be undertaken by a qualified appraiser.

Do not use BCA actual land values if contamination has been documented on the parcel (or in some cases, on an adjacent parcel) or if known previous uses of the land (i.e. industrial) make it more likely than not that there will be contamination.

Contaminated land should not be transferred if the recipient is not the party responsible for the contamination.

If, based on previous use of the property there is suspected but undocumented contamination, a preliminary assessment of contamination would be required before determining FMV. Contact Crown Land Opportunities and Restoration Branch for advice on contamination issues. In cases of documented contamination, use the Appraisal Procedure to determine FMV, preferably using an appraiser with expertise in valuing contaminated properties.

## **APPENDIX 12 – GENERAL COMMERCIAL**

## **12.1 Method of Valuation for Aquatic Land**

### **12.1.1 Filled Foreshore**

Unauthorized fills that are being legalized, pre-authorized fills created from materials dredged from adjacent aquatic lands, and fills that have been in place for a period greater than 10 years, are valued at 100% of upland value. Upland values may be determined from BCA actual land value or suitable market evidence where available.

Where special costs are incurred to create an authorized fill, the value of such areas may be discounted by a percentage of upland value not to exceed 50 per cent (discount to apply to rentals for a maximum of 10 years).

### **12.1.2 Aquatic Lands**

Where suitable market evidence for aquatic land is available (e.g. National Harbours Board's aquatic land leases), it can be used as a basis to establish Crown land values.

In the absence of comparable market values, the value of aquatic Crown land is established in relation to the value of upland property, as follows:

- the normal value relationship is 50 per cent of upland property value;
- the minimum value relationship is 10 per cent of upland value for areas considered by provincial staff to be unusable due to the presence of obstructions;
- the maximum value relationship is 100 per cent of upland value for integrated upland - foreshore uses.

In determining the upland value, upland parcels with similar commercial zoning, usage, services/amenities, and general location as the aquatic lands should be used.

If the use of the aquatic land tenure area is integrated with the uplands, then the land value of the immediately adjacent upland parcel should be used.

## **12.2 Rentals**

### **12.2.1 Temporary Licence**

\$250 for terms up to one year, or \$500 prepaid for 2 years.

### **12.2.2 Licence of Occupation**

Rental for Type A commercial tenures is 7.5% of BCA actual land value, or appraised land value where BCA values do not reflect market value of the land.

Rental for Type B commercial tenure is 4.5% of BCA actual land value, or appraised land value where BCA values do not reflect market value of the land.

See [Examples of Type A and B Commercial Uses](#) for examples of Type A and B commercial use.

Minimum annual rent is \$675.

#### **Commercial Film**

A licence of occupation for commercial film production is charged \$675 per year (or for any portion thereof) payable in advance.

### 12.2.3 Lease

Rental for Type A commercial tenures is 8% of BCA actual land value, or appraised land value where BCA values do not reflect market value of the land.

Rental for Type B commercial tenure is 5% of BCA actual land value, or appraised land value where BCA values do not reflect market value of the land.

See [Examples of Type A and B Commercial Uses](#) for examples of Type A and B commercial use.

Minimum annual rent is \$675.

### Golf Course

Annual rental for a lease for golf course developments is based on a negotiated percentage of gross revenues from the operation, including restaurant or other ancillary facilities located on the leasehold, but excluding revenues generated through the sale of liquor.

The rental rate chosen should reflect local market conditions so as to eliminate any competitive cost advantage for the lessee. The standard minimum rate is 5% of gross revenue. A negotiated rate, higher or lower, may be set, based on local market conditions. A lesser rate may be applied during the first three years of a developing facility. The rental rate for the 4th and subsequent years of the lease should be adjusted to reflect local market conditions and golf course development.

For the first year of a replacement tenure, rent should be calculated as a percentage of the gross revenues from the previous year of operations at a rate that reflects local market conditions. An average revenue from two or more previous years of operations may be used when unusual market conditions may have affected revenues for the preceding year.

### Marina and Yacht Club Tenures

Refer to [General Commercial - Annual Rent Calculation for Marinas](#).

## 12.3 Sales

Fee simple dispositions are priced at the full market

## Examples of Type A and B Commercial Uses

### Type A Commercial Uses

- retail and wholesale outlets, wholesale distribution warehouses
- entertainment centres (commercially operated)
- repair centres
- motels and hotels
- gas/service stations
- fuel docks
- fuel storage depots
- equipment rental business
- air/boat charter facilities

- volume tourist attractions (exception: tourist attractions that are authorized under the AT Policy)
- restaurants
- commercial office buildings
- commercial education/instruction centres
- medical service centres, food and beverage processing/packing (where associated with production of commodity on an adjacent site)
- pubs
- cash (fish) buyers
- shopping malls
- trailer courts

### **Type B Commercial Uses**

- boat launching ramps
- seasonal marinas
- churches
- summer kiosks
- commercial helipad (exception: helipads authorized under the AT Policy)
- sewage disposal site/field for marinas, trailer parks
- docks and wharves required for moorage space associated with an upland hotel or motel on private land for which no moorage rate is directly levied

N.B. Both Type A and Type B commercial categories include aquatic land improvements that are associated with the particular use (fills, piling, wharves, docks, moorage, etc.)

### **General Commercial - Annual Rent Calculation for Marinas**

“**Ancillary marina use**” means the following where they are below the mean high water mark and not on fill:

Boathouses  
Fuel docks  
Marina ways (portion submerged at mean high tide)  
Launching ramps (portion submerged at mean high tide)  
Boat sales/dock  
Boat rentals/dock  
Boat charters/dock

The lineal footage of the above facilities will be calculated and added to the total lineal footage for moorage for purposes of calculating the annual potential gross income from moorage.

The total rental for marinas is the combined rental from moorage and ancillary uses and marina non-moorage uses as calculated below.

### **Moorage and Ancillary Use Rental**

- (a) "Potential Gross Income from Moorage" is the total potential income from boat moorage which a marina operation could receive in any given year. It is calculated as follows:

Potential Gross Income = (number of linear feet of moorage charged at month-to-month open moorage rate x month-to-month rate) + (number of linear feet of moorage charged at monthly open moorage rate based on prepaid, annual, non-discounted payment x monthly rate) x Number of Operational Months.

- (b) The annual rental for marinas and yacht clubs is 3.5% of potential gross income from moorage in the first 15 years of tenure and 4% of potential gross income thereafter. All replacement tenures are charged the 4% rate. For the purposes of determining rental, the first year of the licence of occupation is considered year 1 of the 30 year marina tenure period. Minimum annual rental is \$675 per tenure.
- (c) The lineal footage of moorage space, the moorage rates, the number of months of the year the marina is open for business, the list of ancillary uses, and the level of business operation in the period of closure are obtained by the Authorizing Agency in a Statutory Declaration from the tenure holder prior to the anniversary date of the tenure. In addition, provincial staff may request updates to the management plan indicating current improvements. To be eligible under this policy, a marina must be open for a minimum of 4 months per year.
- (d) The provisions of Section 12.1 regarding discounts in land value for filled areas are applicable only to non-moorage components of marina tenure.
- (e) Where a progression of tenures is used to accommodate staged marina development, the temporary licence is provided at a rental of \$250 per annum. The annual rental for a proposed development or expansion under a lease or standard licence of occupation is 3.5% of potential gross income for the moorage completed under the development/expansion at that time, plus 50% of 3.5% of potential gross income calculated for the facilities which remain to be completed under the management plan. A second discount of up to 50% will be applied to the annual rent from moorage, (as calculated above) for up to 10 years, where a marina management plan necessitates special costs for authorized filling, dredging, removal of dredged material, and breakwater construction within the tenure area. There is no discount for maintenance dredging. A list of ancillary facilities, for which rental is calculated on the basis of potential gross income, is provided in the definitions above.
- (f) Where a marina is undertaking a staged development as per (e) above, and the marina tenure has been in place for 15 years or more (as per (b) above), the percentage applied to gross potential income is 4% for the completed development/expansion, plus 50% of 4% of the potential gross income calculated for the facilities which remain to be completed under the management plan.
- (g) Rental is not charged for breakwaters established for marina development or enhancement provided that they are not used for any purpose other than a breakwater. Breakwater areas are included within the marina tenure area.

### **Non-Moorage Use Rental**



- (a) All marina and yacht club facilities not listed as ancillary uses are charged a rental based on % of land value, with minimum annual rent of \$675. The rate is dependent upon the classification of use as either Type A or Type B commercial use (see [Examples of Type A and B Commercial Uses](#)). The land value will be established by the Authorizing Agency and should be reviewed every 5 years, more frequently where market values are changing rapidly, by independent fee appraisal, using standard appraisal instructions. Appraisal for leasehold interest is based on existing use of the land rather than highest and best use. BC Assessment actual land value will not be used for rental calculation during the term of tenure.
- (b) Fill which is not purchased in fee simple is to be charged the upland commercial rate for rental purposes. The valuation of fill should be reviewed every 5 years as above.
- (c) The rental exclusive of floats will be reduced by up to 50 percent for up to 10 years for costs incurred by the marina or yacht club for site development (breakwater construction dredging and rock blasting). A \$675 minimum annual rent applies.

### **Statutory Declaration for Marinas**

Marina and yacht club tenure holders are required to complete an annual Statutory Declaration which identifies:

- (i) monthly moorage rate based on open moorage charges to boaters, and including both month-to-month rate and a monthly rate based on annual (non-discounted) prepaid charges;
- (ii) the amount of linear footage rented under the rates identified in (i);
- (iii) the number of months the marina is open for business;
- (iv) a list of ancillary uses in the marina development; and
- (v) the level of business operation during the period of marina closure.

A Statutory Declaration form will be provided to the tenure holder at the time of issuance of an annual notice.

The monthly moorage rate for yacht clubs is based on the nearest comparable moorage rate for a commercial marina.

### **Sale of Filled Areas**

For marinas and yacht clubs, the Province will dispose of filled areas in fee simple at current appraised market value, less up to a maximum discount of 50 percent of the purchase price for the cost of fill (using comparables). Appraisal is based on highest and best use and may accommodate discounting for various factors.

## **APPENDIX 13 – INDUSTRIAL GENERAL**

### **13.1 Method of Valuation**

Where no BCA value exists or where BCA values do not reflect the market value of the land, the Province will establish land value through an appraisal.

Crown land which is allocated for industrial purposes is to be appraised on the premise that the intended use is its highest and best use. In carrying out the appraisal, the appraiser is to use industrial land sales. There may be occasions when an appraiser will have to use industrial land sales outside the district of the subject property. In some cases, it may be necessary to consider sales of properties not zoned industrial but suitable for that purpose and most likely amenable to rezoning for industrial use.

#### **13.1.1 Filled Foreshore**

Unauthorized fills that are being legalized, pre-authorized fills created from materials dredged from adjacent aquatic lands, and fills that have been in place for a period greater than 10 years, are valued at 100% of upland value. Upland values may be determined from BCA actual land value or suitable market evidence where available.

Where special costs are incurred to create an authorized fill, the value of such areas may be discounted by a percentage of upland value not to exceed 50 per cent (discount to apply to rentals for a maximum of 10 years).

#### **13.1.2 Aquatic Lands**

Where suitable market evidence for aquatic land is available (e.g. National Harbours Board's aquatic land leases), it can be used as a basis to establish Crown land values.

In the absence of comparable market values, the value of aquatic Crown land is established in relation to the value of upland property, as follows:

- the normal value relationship is 50 per cent of upland property value;
- the minimum value relationship is 10 per cent of upland value for areas considered by provincial staff to be unusable due to the presence of obstructions;
- the maximum value relationship is 100 per cent of upland value for integrated upland - foreshore uses.

In determining the upland value, upland parcels with similar industrial zoning, usage, services/amenities, and general location as the aquatic lands should be used.

If the use of the aquatic land tenure area is integrated with the uplands, then the land value of the immediately adjacent upland parcel should be used.

### **13.2 Rent**

#### **13.2.1 Temporary Licence**

\$250 for terms up to one year, or \$500 prepaid for 2 years.

#### **13.2.2 Licence of Occupation**

Annual rent is 7.5% of land value, with a minimum of \$675 per tenure per year.

### **13.2.3 Lease**

Annual rent is 8% of land value, with a minimum of \$675 per tenure per year.

### **13.3 Sales**

Fee simple dispositions are priced at the full market value of the land.

## APPENDIX 14 – LOG HANDLING

### 14.1 Method of Valuation

#### 14.1.1 Aquatic and Upland Valuation

The value of an aquatic Crown land tenure is the sum of the valuations of areas of general log handling use and areas of intensive log handling use within the tenure boundaries.

Valuations for general log handling and intensive log handling use are determined in accordance with the methods outlined below.

**General Log Handling use:** valuations for general log handling areas (as defined in the Log Handling Land Use Operational policy) are based on the land area utilized and pricing zone values established by the Province. The valuation is calculated as the total area in log handling use multiplied by the rate of the pricing zone in which the area is located (see [Log Handling Pricing Zones and Zone Values](#)).

**Intensive Log Handling use:** valuations for intensive log handling use areas (as defined in the Log Handling Land Use Operational policy) are calculated as the total area in such use multiplied by two times (2x) the zone value established for the pricing zone in which the area is located (see [Log Handling Pricing Zones and Zone Values](#)).

The zone values described in [Log Handling Pricing Zones and Zone Values](#) will be adjusted periodically in relation to the market value of an appropriate industrial land base, or values being used for other comparable land uses. Where an area of general log handling or intensive log handling use occupies more than one pricing zone, the higher zone value will apply. The Province retains the right to adjust lease and licence rents pursuant to an adjustment in the zone values.

The value of land for an upland lease or licence of occupation is based on the BCA actual land value or appraised land value where BCA is not available. The Authorizing Agency may require an appraisal of a log handling tenure area that is contiguous to a processing plant, or where a prescribed zone value is considered not to reflect current market value for a particular tenure or group of tenures.

#### 14.1.2 Filled Areas Valuation

The value of aquatic lands for general and intensive log handling use is based on the methods outlined below.

#### 14.1.3 Procedure for Valuation for Filled Areas

**General Log Handling use:** fills are valued at a minimum of two times (2x) zone value.

**Intensive Log Handling use:** unauthorized fills that are being legalized, pre-authorized fills created from materials that have been dredged from adjacent aquatic lands, and all fills that have been in place for a period greater than 10 years, are valued at 100% of upland value. Where special costs will be incurred to create an authorized fill, the value of such areas will be discounted by a percentage of appraised market value of up to 50% for a period of up to ten years.

#### **14.1.4 Procedure for Valuation of Other Areas**

The maximum value relationship is 100% of upland value for integrated upland-aquatic lands uses where the subject aquatic lands are used in close conjunction with, or as a continuation of the adjacent upland (e.g. improvements such as wharves affixed to the upland and the substrate).

### **14.2 Rent**

#### **14.2.1 Temporary Licence**

\$250 for terms up to one year, or \$500 prepaid for 2 years.

#### **14.2.2 Licence of Occupation**

Annual rent for licences of occupation is based on 7.5% of land value (as determined in accordance with Section 14.1). The minimum annual rent is \$675.

#### **14.2.3 Lease**

Annual rent for leases is based on 8% of land value (as determined in accordance with Section 14.1). The minimum annual rental is \$675.

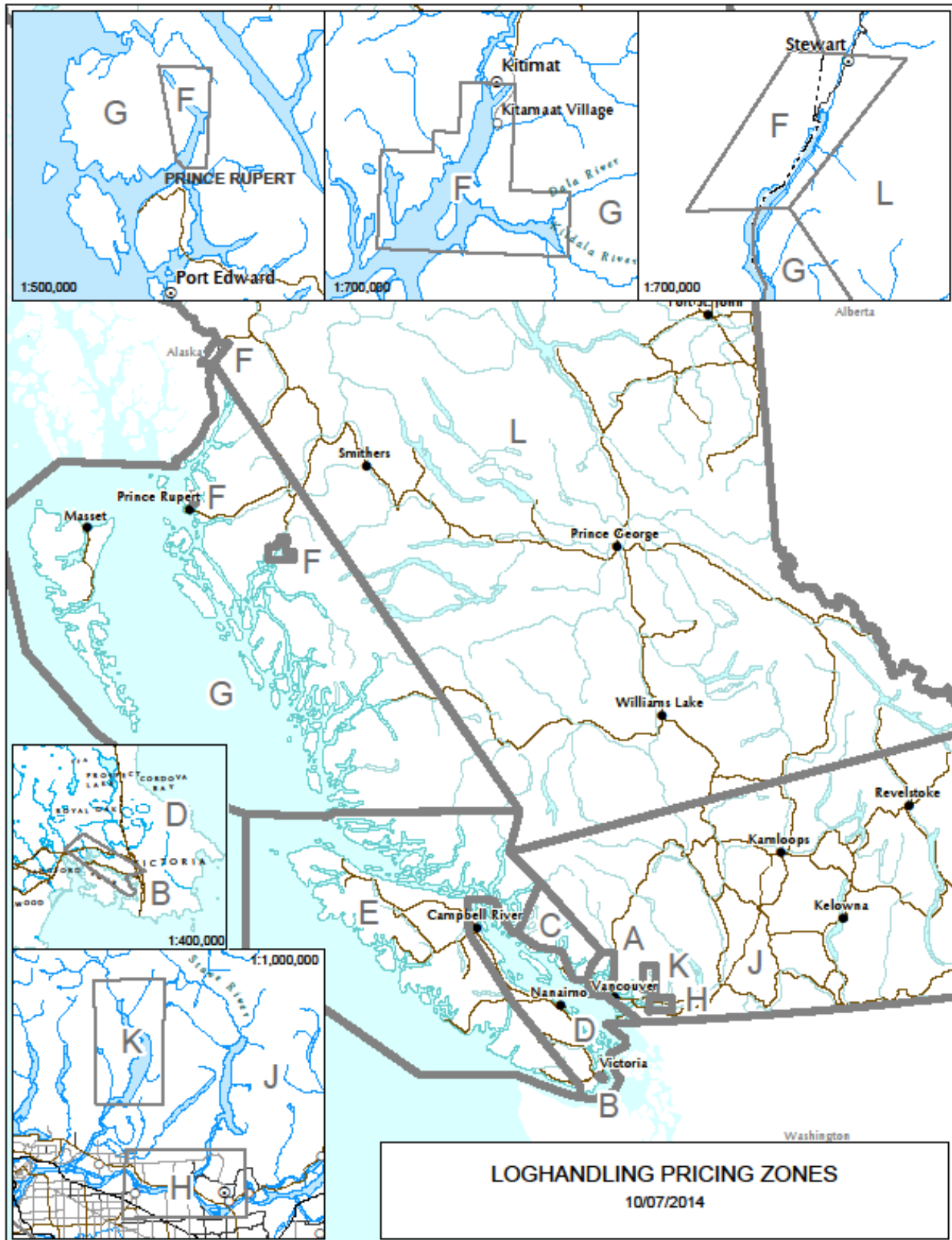
#### **14.2.4 Conversion of Lease to Licence of Occupation**

The lessee may request the Authorizing Agency to convert all or a portion of a lease to a licence of occupation (initial licence).

The annual rent for the initial licence is based on 7.5% of the licence value over all or any portion of the licence area which is not issued to a subsequent licensee. If all or a portion of the licence area is issued to a subsequent licensee, the initial licensee will pay an annual fee over the subsequent licence area of 2% (\$675 minimum) in order to retain a long term interest in the area, and the subsequent licensee will pay an annual fee of 7.5% (minimum \$675) of the licence value.

**14. 5 Log Handling Pricing Zones and Zone Values**

<b>ZONE</b>	<b>DESCRIPTION</b>	<b>VALUES (\$/HA)</b>
A	HOWE SOUND	6,178
B	VICTORIA HARBOUR * ABOVE CNR BRIDGE * BELOW CNR BRIDGE	7,413 8,649
C	SECHELT INLET-JERVIS INLET	3,768
D	SOUTH COAST	4,200
E	WEST COAST	2,718
F	KITIMAT, PRINCE RUPERT, STEWART	3,015
G	NORTH COAST	1,964
H	LOWER FRASER	5,127
J	UPPER FRASER – SOUTH INTERIOR	2,409
K	PITT LAKE	3,015
L	NORTH INTERIOR	1,964



## **APPENDIX 15 – MINING**

### **15.1 Method of Valuation**

Land value is determined initially on the basis of the appraised market value of the site for industrially-zoned land (excluding building improvements). In subsequent years, land value is based on Actual Land Value as established by BC Assessment.

### **15.2 Rent**

Rent for all tenures [except temporary licences] should be reviewed every 5 years, more frequently where market values are changing rapidly.

#### **15.2.1 Temporary Licence**

\$250 for terms up to one year, or \$500 prepaid for 2 years.

#### **15.2.2 Licence of Occupation and Lease**

Annual rent for a licence of occupation or lease is 7.5% and 8%, respectively, of land value for marketing/refining facilities.

### **15.3 Sales**

Fee simple dispositions are priced at the full market value of the land.



## APPENDIX 16 – OCEAN ENERGY PROJECTS

### 16.1 Land Valuation

Valuation of project components for Ocean Energy Projects are based on zone rates for linear features as shown in the map of Zone Land Values and described in [APPENDIX 21 – UTILITIES](#).

These zone rates represent 50 percent of the land value as they have been established for linear utility licences and rights of way (which are a “partial taking” and do not confer the same level of interest in the land). Zone rates are to be applied to the general area licence and to subsequent tenures for extensive use areas.

Where there is market evidence to suggest land values are significantly (25%) higher or lower than the zone rate the Authorizing Agency may, at its discretion, call for a market value appraisal of all or portions of the subject area. All appraisals (internal and external fee appraisals) should be conducted using the Appraisal Terms of Reference for linear dispositions template [TERMS OF REFERENCE, VALUE ESTIMATE FOR LINEAR CROWN LAND DISPOSITIONS](#) with reference to the Appraisals Procedure, particularly with respect to the Accredited Appraiser Canadian Institute minimum requirements for reports as described in that procedure.

Where an Ocean Energy Project crosses more than one zone, or involves one or more appraisals, each segment is valued independently and the total land value for the project is determined as the sum of the values of individual segments.

**Note:** In the event of a dispute over appraised values, refer to [Land Procedure - Disposition Price Resolution](#).

Refer to [APPENDIX 3 – Rental Rates by Land Use and Form of Tenure](#) for a summary of the pricing of Crown tenures available for Ocean Energy Projects.

### 16.2 Project Monitoring and Investigation Phase Rent

#### 16.2.1 Investigative Licence of Occupation

The annual rent is \$675 which normally includes up to five ocean energy devices.

### 16.3 Project Development and Operation Phase Rent

#### 16.3.1 Individual tenures or Multi Tenure Instrument schedules

Rent for each tenure or equivalent schedule attached to a Multi Tenure Instrument is calculated in the identical way. For example, an individual licence of occupation and a licence of occupation schedule are both priced at 7.5% of the Zone Land Value (zone land value described in the [APPENDIX 21 – UTILITIES](#)). Rental rates are described below.

#### 16.3.2 General Area - Licence of Occupation

Annual rental is 7.5 percent of the Zone Land Value (zone rate/ha x land area [ha]) from [APPENDIX 21 – Utilities](#).

#### 16.3.3 Extensive Use - Licence of Occupation

Annual rental for the extensive use areas is 7.5 percent of the Zone Land Value established in

**APPENDIX 21 – Utilities.****16.3.4 Intensive Use - Licence of Occupation**

Annual rental for the intensive use areas is 7.5 percent of two times (2x) the Zone Land Value established in [APPENDIX 21 – Utilities](#) or 7.5 percent of revised land value if appraised.

**16.3.5 Intensive Use - Lease**

Annual rental for intensive use areas is 8 percent of two times (2x) the Zone Land Value; or 8% of the revised land value if appraised.

The minimum annual rent for licences and leases is \$675.

**16.3.6 Road - Licence of Occupation or Statutory Right of Way**

See [APPENDIX 20 – Roadways](#).

**16.3.7 Transmission Lines - Licence of Occupation**

Prepaid - Prepaid rental is based on 7.5 percent of zone land value times the appropriate discount factor as per Appendix 1 - Discount Factors For Prepaid Rent and Refunds

Annual - The minimum annual rent is 7.5 percent of the Zone Land Value as outlined in [APPENDIX 21 – Utilities](#).

**16.3.8 Transmission Lines - Statutory Right of Way**

Prepaid - Statutory right of way consideration is prepaid for the full term of tenure based on 100 percent of Zone Land Value (or revised land value as above) and subject to adjustment upon completion of a legal survey.

Replacement rights of way for longer term tenure are issued for a nominal \$1.00 fee (plus application fees) where the original tenure was prepaid as a consideration.

Annual - Annual rental is 7.5 percent of the Zone Land Value, or revised land value as above, as outlined in [APPENDIX 21 – Utilities](#).

The minimum prepaid consideration is \$675 for the entire term. The minimum annual rent is \$675.

**16.3.9 Quarry**

See [APPENDIX 5 – Aggregates and Quarry Materials](#).

**16.3.10 Communication Sites**

See [APPENDIX 10 – Communication Sites](#).

**16.3.11 Ocean Energy Participation Rent**

In addition to the land rents noted above, an annual Participation Rent based on gross revenue derived from energy produced by the proponent will be payable. The Participation Rent will be reviewed periodically. The review will ensure that the rent model is consistent with government

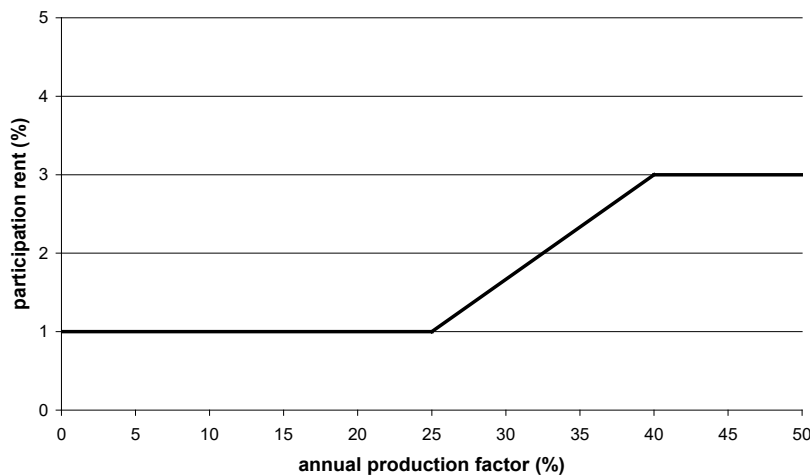
objectives and that it is warranted for future tenure holders given the state of maturity of the ocean energy sector at that time.

The annual Participation Rent, as set out in this operational policy, will be payable as follows:

- Participation Rent will not be payable during a 10-year grace period to allow industry to develop and mature. The grace period will extend until the tenth anniversary of the Commencement Date.
- After the 10-year grace period has concluded, an ocean energy tenure holder will be charged an annual Participation Rent ranging from one percent to three percent of gross annual revenues, based on their Annual Production Factor (see Figure 1).
- The Annual Production Factor is defined as the actual energy produced on the site and delivered to a purchaser during the previous 12 months, divided by the total Nameplate Capacity of the site multiplied by the number of hours in a year, expressed as a percentage.

$$\text{Annual Production Factor (\%)} = \frac{\text{Energy Produced in previous year (MWh)}}{\text{Total Nameplate Capacity (MW)} \times (8760 \text{ hours per year})} \times 100$$

**Figure 1: Ocean Energy Participation Rent**



As Figure 1 illustrates:

- Rent will be one percent of gross annual revenue when the Annual Production Factor is 25 percent or less;
- Rent for Annual Production Factors greater than 25 percent and less than 40 percent will range from one to three percent of gross revenue as per the following formula

$$1 + [(\text{Annual Production Factor} - 25) \times 2/15];$$

- Rent will be three percent of gross revenue when the Annual Production Factor is at or above 40 percent.

Under this approach, rent will be two percent of gross revenue at an Annual Production Factor of 32.5 percent, which may be considered to be the average output for Ocean Energy Projects.

The Participation Rent model will be supported by tenure agreements which require the tenure holder to supply a statutory declaration to the Authorizing Agency annually. The Authorizing Agency has the right to audit information, including Annual Production Factor data, provided by the Ocean Energy Project tenure holder.

## **APPENDIX 17 – OIL AND GAS**

### **17.1 Method of Valuation**

#### **17.1.1 Valuation for Production Field Facilities/ Well Sites**

Land value for Production Field Facilities and Well sites and for statutory rights of way is determined by using the Utilities Policy zone values. As established by policy, the per hectare zone rate may be adjusted to reflect market values as established by an accredited appraiser. Values for individually appraised sites may be applied more broadly (e.g. Well fields) in situations where land values are relatively consistent across the broader area.

#### **17.1.2 Valuation for Major Facilities** (For LNG Major Facilities see section 17.1.3)

Land value for Major Facilities is determined initially on the basis of the appraised market value of the site under the assumption that its highest and best use is the intended use as a Major Facility. In subsequent years, land value is based on Actual Land Value as established by the BC Assessment Office.

In carrying out the appraisal, the appraiser is to use comparable oil and gas land transactions wherever possible. There may be occasions when an appraiser will have to use land sales outside the district of the subject property. In some cases, it may be necessary to consider sales of properties not zoned industrial but suitable for that purpose and most likely amenable to rezoning for industrial use.

The Province and the Commission must be listed as an intended user and client in the appraisal reports.

Appraisals are to be conducted as per the [Appraisal Land Procedure](#).

#### **17.1.3 Valuation for LNG Facilities**

The value of land used for LNG Facilities is determined initially on the basis of the appraised market value of the site, under the assumption that its highest and best use is the intended use as an LNG Facility (see the LNG Appraisal Terms of Reference template in Annex 1 below). In subsequent years, rents will be based on the actual land value as determined by BC Assessment. The land may be re-appraised if there is reason to believe that the assessed value is not representative of the actual market value of the land.

If the area of the tenure is amended, the Authorizing Agency may require that the land be re-appraised within six months of the application for amendment being received.

In commissioning appraisals, the Province will use the LNG Appraisal Terms of Reference template and will adhere to the Appraisal Land Procedure. Appraisals conducted subsequent to the initial appraisal for an LNG facility will reference and reproduce the methodologies and data sources used in the previous appraisals of the facility to the greatest extent practicable.

The Province must be listed as an intended user and client in the appraisal reports.

In carrying out the appraisal, the appraiser is to use comparable LNG Facility land transactions wherever possible. The appraisal will likely have to use land sales outside the district of the subject property. In some cases, it may be necessary to consider leases or sales of properties not zoned for the proposed use but suitable for that purpose and most likely amenable to rezoning.

## **17.2 Rentals**

### **17.2.1 Temporary Licence**

\$250 for terms up to one year or \$500 prepaid for 2 years.

### **17.2.2 Licence of Occupation**

Annual rental for a licence of occupation is:

- for Major Facilities, is 7.5% of land value, with a minimum of \$675 per tenure per year;
- for LNG Facilities, is a percentage of the land value, with the applicable percentage to be determined by appraisal, or a minimum rental of \$675 per tenure per year;
- as per the Utilities Policy zone rates (minimum \$675 per tenure) for Production Field Facilities and Well sites.

### **17.2.3 Lease**

Annual rent for a lease for Major Facilities is 8% of land value, with a minimum of \$675 per tenure per year.

Annual rental for LNG Facilities, is a percentage of the appraised land value, with the percentage to be determined by the appraisal, or a minimum rental of \$675 per tenure per year.

### **17.2.4 Statutory Right of Way**

Annual rental for a right of way is based on the zone rates of the Utilities Policy, with a minimum rental of \$675 per tenure.

Where a lease with purchase provisions is issued over an existing right of way, the right-of-way rental is payable to the Crown until such time as the purchase provisions of the lease are exercised and the lease converted to fee simple interest.

## **17.3 Sales**

Fee simple dispositions are priced at the full market value of the land as determined by appraisal.

**ANNEX 1 - TERMS OF REFERENCE FOR A REAL PROPERTY APPRAISAL ON CROWN LAND FOR A LIQUIFIED NATURAL GAS FACILITY**

1. The Ministry of Forests (FOR) and {name of Proponent}, require a full narrative appraisal to determine the current market value of the land only for the following parcel (the “Land”) known as the {name of facility} for the purpose of a Liquified Natural Gas (LNG) facility. The parcel is situated within the vicinity of {nearest municipality}, BC, and is approximately {total size of the unified subject parcel} hectares in size.

The facility is proposed to consist of: {include major components of the proposal i.e., gas inlet stations, processing and storage facilities, moorage for tankers, etc. Temporary facilities used only during construction do not need to be included, unless additional land which will be used only during the construction phase is required}.

The Contractor is to assume that the parcels described below, and shown on the map in Attachment 1, have a unified title:

- {insert legal description and approximate sizes of all of the subject parcel(s), including any foreshore and/or water lots.}

In addition to providing the current market value of the land, FOR also requires a determination of a market rental rate (expressed as a percentage of the fair market value of the land) for the land as there may be some portion of the land which is to be leased rather than sold. The Contractor should assume that up to 100% of the unified parcel may be leased.

{Any additional areas of Crown land which will be used to service the parcel, such as access roads, power lines or pipelines, the pricing for which is determined by a different pricing policy such as the Roadways and Utilities policies, should be included here. The description should make it clear that the additional service areas are required for the viability of the subject parcel but are separate from the appraisal assignment. Note the approximate size of the additional land for services, and indicate it on the map, but specify that the land is to be excluded from the appraisal. However, note that under the Utilities policy, lands with a value which is estimated to be significantly higher than the zonal land value provided in the policy **may be appraised** to determine the actual land value. If that is the case, the land should be designated as a utility corridor in the land description above and on the map and included within the appraisal assignment.}

2. The Contractor will consider that the Land is subject to the following [i.e. standard permitted encumbrances associated with the sale of Crown land]:

- a) all subsisting exceptions and reservations of interests, rights, privileges and titles contained in any previous Crown grant(s) of the Land.
- b) all the interests, rights, privileges and titles contained in section 50 of the Land Act.
- c) any conditional or final water license or substituted water license issued or given under the Water Act, or any prior or subsequent enactment of the Province of British Columbia of like effect, and to the rights of the holder of it to enter on the Land and to maintain, repair and operate any works permitted on the Land under the license at the date of the Crown grant(s).
- d) all subsisting grants to, or subsisting rights of any person made or acquired under the Mineral Tenure Act, Coal Act or Petroleum and Natural Gas Act or under any prior or subsequent enactment of the Province of British Columbia of like effect.

3. In arriving at a value conclusion, the Contractor will assume that:
  - a) The Contractor is to assume that the highest and best use of the land is that of an LNG facility.
  - b) any other encumbrances (e.g., timber licenses, Land Act tenures) have been cancelled as of the appraisal date and shall not be considered in the appraisal.
  - c) based on a hypothetical condition that the site has been remediated to industrial standards and that the Certificate of Compliance (COC) has been granted and that there are no hidden or unusual soil conditions present which would impair the utility or value of the Land.
  - d) a market for the export of liquefied nature gas from North America to Asia exists.
  - e) a currently undetermined portion of the Land is suitable for the purpose of constructing and operating an export facility for liquefied natural gas.
  - f) setbacks of 15-30 meters will be required from all streams.
  - g) the area being appraised has been surveyed and legal title raised.
  - h) all zoning, land-based permits and land approvals are in place to allow for the intended use of the property.
  - i) adequate servicing is provided on or to the subject, including riparian-oriented access and/or docks/jettys, power, and pipelines; and
  - j) **If applicable:** {the Proponent} has acquired a tenure for the aquatic lands identified on the site map for the purposes of supporting the LNG facility.
4. The contractor will be responsible for incorporating into the value conclusion the market value of any timber resources present on the land, noting that any such market value is only one component of the overall value of the Land.
5. {The Contractor is to also provide a market value of the land disregarding the portion of 3(b) where it states "...there are no hidden or unusual soil conditions present which would impair the utility or value of the Land" and instead recognizes that there are costs for ongoing mitigation and management measures under the existing Certificate of Compliance issued on {date}. This will be supplied to the Contractor after the contract has been awarded. Those ongoing costs must be deducted as a lump sum amount from the value reflected in 3(b) above.}
6. The Contractor will be provided access to the site by {transportation method} from {departure location} by {Proponent}. **Or** No on-site inspection will be done and this will be an extraordinary limiting condition of the report. The appraiser is to rely on aerial surveys/photographs and topographical mapping in lieu of inspecting the site.
7. In the quote, the Contractor is required to provide separate fees for professional services and disbursements/expenses.
8. The Contractor is required to contact the Client to obtain direction and clarification prior to invoking any assumptions, limiting or hypothetical conditions (including as to the brownfield nature of the property) to be considered in the valuation of the property.
9. The Contractor must include sufficient data to support the value conclusion. The data required includes reasons for adjustments of any comparable sales, which should be presented in tabular form for ease of reference. The data must include maps showing the location of sales, topography, and forest cover, zoning details, a discussion of time trends and any other factors used to adjust the comparable sales that have been relied upon. A



narrative discussion must be included detailing adjustments, if any, that were considered or applied in the valuation of the subject property. If two or more valuation approaches are used, then a detailed discussion on the most relevant approach that provides the best estimate of market value is required.

10. The Contractor will complete the appraisal in strict accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) as adopted by the Appraisal Institute of Canada.
11. These Terms of Reference must be included as a schedule to the appraisal report.
12. All dimensions must be shown in both metric and imperial measures.
13. The effective date of the appraisal will be the date of inspection.
13. Further information regarding the property may be obtained from {name of contact person}, FOR {email address for contact person}, {phone number for contact person}.

**B. THE CONTRACTOR ACKNOWLEDGES AND AGREES THAT:**

1. The purpose and intended use of the appraisal is for the disposition of an interest in certain lands and adjacent submerged lands related to the hypothetical subject property.
2. The intended users of the appraisal are the Ministry of Forests and {Proponent name}.
3. Confidential information the Contractor may receive through this assignment must not be divulged to anyone other than persons who are authorized to receive the information. When you are in doubt as to whether certain information is confidential you must ask FOR before disclosing it. Caution and discretion in handling confidential information extends to disclosure made inside and outside of government and continues to apply after the assignment is complete. Confidential information the Contractor receives through their assignment must not be used by the Contractor for the purpose of furthering any private interest, or as a means of making personal gains.
4. The Contractor undertaking the appraisal will be a registered member in good standing with the Appraisal Institute of Canada who holds the use of the grade or rank of Accredited Appraiser Canadian Institute (AACI) and who has the requisite knowledge, skill and ability to perform the specific appraisal assignment.
5. The appraisal may be subject to a request pursuant to *the Freedom of Information and Protection of Privacy Act (the "Act")* and FOR cannot guarantee that the appraisal report will not be released to the public pursuant to a request under the *Act* or otherwise.
6. The affairs or financial interests of the Contractor shall not conflict, or result in a perception of conflict, with the Contractor's duties or responsibilities under the General Service Agreement.
7. A draft version of the narrative appraisal will be delivered to FOR for comment and approval within {insert time for assignment; 6 to 10 weeks is appropriate} from the Start Date of the General Service Agreement.

8. The final version (two hard copies and one electronic copy) of the narrative appraisal will be delivered within {insert duration; 1 to 3 weeks is appropriate} of receiving comment and approval of the draft version from FOR.
9. Payment of the account will not be authorized until the review has been completed and the report is found satisfactory to FOR. Please place our file number and contract number on the invoice.

**ATTACHMENT 1 – MAP(S) OF SUBJECT PARCEL**

{Include an overview map showing the general vicinity of the parcel(s) in relation to highways, water bodies, population centres, etc. In addition, include a site map which shows the various upland, foreshore and any water lots parcels, as well as any service corridors for the land, such as for access roads and utilities. All parcels should be labeled with PIDs (if available) and sizes. Relevant natural and man-made features, such as steep terrain, streams, wet-lands, and roadways should also be included on the site map. If the service corridors are to be excluded from the appraisal assignment be sure to indicate that on the map.}

**APPENDIX 18 – PRIVATE MOORAGE**

## **18.1 Rentals**

### **18.1.1 Permission**

There is no rent charged for General or Specific Permissions.

### **18.1.2 Lease**

A rental charge of \$200 per annum is levied for a private moorage facility lease. Where the area of aquatic Crown land required for a lease exceeds 2000 square metres, an additional annual charge of \$1.00/square metre is levied to a maximum total annual charge of \$400.

## APPENDIX 19 – RESIDENTIAL

### 19.1 Method of Valuation

Lease and licence tenures for which rentals are paid annually are valued on the basis of:

- actual land value as established by BCA for taxation purposes, or
- the market value of the land, as appraised by the Authorizing Agency or a fee appraiser (as per the Appraisal Procedure).

BCA actual land values are the standard method of valuation; however, appraisals may be used to determine the land value where there is evidence to suggest that BCA values do not represent market values for the land. The Authorizing Agency may, at its discretion, use a market value appraisal of all or portions of the subject area. All appraisals (internal and external fee appraisals) should be conducted with reference to the Appraisals Procedure, particularly with respect to the minimum requirements for reports as described in that procedure. Where there is a dispute regarding the land value, the Disposition Price Resolution Procedure should be used.

If using the BCA actual land value for the purpose of calculating the rent, the actual land value of a parcel may be discounted by up to 50% if the area under tenure is ineligible for sale due to:

- deficiencies in parcel size, access, soil percolation or stability, or
- the presence of a flooding reserve; and
- these factors were not considered in the BCA valuation.

The use of a discount on the BCA actual land value must be approved by the Regional Executive Director and the rationale for the amount of the discount to the land value must be documented on the file. The use of a discount factor should be reviewed every five years to ensure it is still appropriate.

In the case of new dispositions (i.e. where BCA actual value is not yet established for the land), the Authorizing Agency recommends to BC Assessment that the actual land value for the first tenure year be set at the market value of the land, as appraised by the Authorizing Agency in advance of the disposition.

### 19.2 Annual Rent

#### 19.2.1 Licence of Occupation

Aside from the exceptions noted below, the rental charged for a licence of occupation is 4.5% of the BCA actual land value or appraised land value, with a minimum of \$675 per annum.

#### Thermal Loops

Rental is determined the same as for licenses of occupation for utilities, which can be prepaid for the term, with a minimum rental of \$675 per term.

#### Ancillary Residential Uses

For situations where annual rent is calculated well below minimums the Authorizing Agency may consider charging pre-paid rent for the term.

#### Remote Residential Uses

The calculation of annual rent will vary depending on whether the licence of occupation is for temporary (seasonal) use or for permanent use.

- **Temporary (Seasonal) Use**

The annual rental for temporary or seasonal remote residential licences of occupation is 3% of BCA actual land value or appraised land value, with a minimum annual rental of \$675.

- **Permanent Use**

The first year of annual rental for permanent remote residential licences of occupation is 3% of BCA actual land value or appraised land value, with a minimum annual rental of \$675. For subsequent years, rental will be the lesser of two values:

- The previous year's rental plus the yearly allowable rent increase as determined by the [Residential Tenancy Branch](#); or
- 3% of BCA actual land value or appraised land value, with a minimum annual rental of \$675.

The annual "determined by owner" (i.e. with the Crown as owner) rental schedule is to be used, and an annual rent review is to be applied wherever possible.

### **19.2.2 Lease**

#### **Shoreland Recreational / Residential – Temporary (Seasonal) Use**

The annual rental for temporary or seasonal residential leases is 3% of BCA actual land value or appraised land value, with a minimum annual rental of \$675. Some existing tenure agreements for seasonal tenures may have fixed rents (as per earlier policy) which would mean that they would not be subject to new rates until the tenure is replaced.

#### **Urban/Rural and Shoreland Recreational / Residential – Permanent Use**

The first year of rental for urban and rural residential and other permanent residential leases is 3% of BCA actual land value or appraised land value, with a minimum annual rental of \$675. For subsequent years, rental will be the lesser of two values:

- The previous year's rental plus the yearly allowable rent increase as determined by the [Residential Tenancy Branch](#); or
- 3% of BCA actual land value or appraised land value, with a minimum annual rental of \$675.

The annual "determined by owner" (i.e. with the Crown as owner) rental schedule is to be used, and an annual rent review is to be applied wherever possible.

### **19.3 Sales**

Where Crown land is disposed in fee simple, the price is full appraised market value, plus the value of any residual timber. However, at no time will the Province sell for less than the costs incurred in developing and marketing the parcel.

### **19.4 Residential Strata Title and Group Moorage**

#### **19.4.1 Rent**

The amount of rent for a single berth of a multi-berth moorage facility is 25% to 50% of the private moorage rates shown below, in accordance with established regional practice:

- For leases a charge of \$200 per annum is levied for a single private moorage facility. Where the area of aquatic Crown land required for a lease exceeds 2000 square metres, an

additional annual charge of \$1.00/square metre is levied to a maximum total annual charge of \$400.

- For a licence of occupation for a single private moorage facility rent is \$400 for the full term of tenure. Where the area of aquatic Crown land required for a private moorage licence exceeds 600 square metres, an additional rent of \$1.00/square metre (to a maximum total fee of \$600) is charged. (Note: Although licenses of occupation are no longer issued for private moorage facilities, the above rates reflect what was in place previously, and continue to apply to group / strata moorage).

The total rent for a strata title or group moorage facility under a license of occupation is normally pre-paid for the term of the tenure.

Group moorage tenures issued to non-profit community organizations may qualify for a nominal rent tenure under the Community and Institutional Policy.

Rents for strata moorage facilities that include commercial activities are based on pricing for similar uses under the General Commercial or Commercial Marina pricing policies (see [APPENDIX 12 – General Commercial](#)).

## **APPENDIX 20 – ROADWAYS**

### **20.1 Method of Valuation**

Valuation is normally based on zone rates shown in the map of zone land values for utilities (see [APPENDIX 21 – Utilities](#)).

Zone rates will be adjusted periodically to reflect changes in land values.

#### **20.1.1 Licence of Occupation**

##### **Prepaid Rents**

Where a 10 year licence of occupation fee is prepaid in advance the rental is equal to 100% of the utilities zone land value. The minimum prepaid consideration is \$675 for the entire term. (Most short roadways accessing private residential parcels will pay minimum rents.)

##### **Annual Rents**

Where a licence of occupation fee is paid annually, the rental is calculated at 7.5% of double (2x) the utilities zone land value. The minimum annual rent is \$675.

##### **Interim Licence**

Where a licence of occupation is issued as an interim tenure pending project construction and completion of legal survey, the tenure holder prepays the right of way consideration in advance for the full term of the right of way. The licence rental is included in the right of way consideration, and where prepaid, the statutory right of way will be issued subject to completion of the legal survey for a nominal \$1.00 fee (plus any additional application fees).

#### **20.1.2 Statutory Right of Way**

Statutory right of way consideration is prepaid for the full term of tenure based on double (2x) utilities zone land value and subject to adjustment upon completion of a legal survey. The minimum prepaid consideration is \$675 for the entire term.

#### **20.1.3 Public Road Allowances**

There is no rent charged for a Section 79 public road allowance.  
Subject to the below, there is no rent charged for a Section 80 road.

The market value of the land (\$675 minimum) is charged if there is existing access to the subdivision and the road allowance is requested to improve access or development potential.

## APPENDIX 21 – UTILITIES

### 21.1 Method of Valuation

Valuation is based on zone rates shown in the map of Zone Land Values (see [Land Values for Utilities and Map of Zones](#)). Zone rates represent the average market value of land outside of municipal boundaries. This approach means that there may be some minor variation from market values on individual tenures, but overall, the zone rate is representative of the zone as a whole. Where there is market evidence to suggest land values are significantly higher or lower than the zone rate (e.g. a variation of greater than 25% above or below the zone rate), the Authorizing Agency may, at its discretion, call for a market value appraisal of all or portions of the subject area. All appraisals (internal and external fee appraisals) should be conducted using the Appraisal Terms of Reference for linear dispositions template [TERMS OF REFERENCE, VALUE ESTIMATE FOR LINEAR CROWN LAND DISPOSITIONS](#) and with reference to the Appraisals Procedure, particularly with respect to the minimum requirements for reports as described in that procedure.

Where an appraisal is undertaken, the land value is normally calculated as a percentage (50%) of the appraised market value of similar land over which the utility passes, as utility uses are generally considered a partial taking. Where dispute arises over appraised land values, resolution should be adjudicated and resolved in accordance with the [Land Procedure - Disposition Price Resolution](#).

Where a public or private utility crosses more than one zone or involves one or more appraisal, each segment of the utility is valued independently and the total land value for the utility is determined as the sum of the values of individual segments of the utility line.

Zone rates will be adjusted periodically to reflect changes in land values. The Province retains the right to adjust considerations and licence fees pursuant to adjustments to zone rates where provided for under terms of an individual tenure document.

Refer to [APPENDIX 11 – Community and Institutional](#) for pricing of utility tenures for institutional and/or community use.

### 21.2 Rentals

#### 21.2.1 Temporary Licence

\$250 for terms up to one year, or \$500 prepaid for 2 years.

#### 21.2.2 Licence of Occupation

##### Prepaid Rents

Rent is normally prepaid based on a rental rate of 7.5% of zone land value, as follows:

Prepaid Rent = 7.5% X Zone Land Value [zone rate/ha X number of ha] X the appropriate discount factor.

The minimum rent for prepaid tenure terms longer than 1 year is \$675 regardless of term. Where minimum rents are prepaid, the discount factors apply.



### **Annual Rents**

Annual rents, based on 7.5% of zone land value, remain available at the request of the client. The minimum annual rent is \$675.

### **Interim Licence**

Where a licence of occupation is issued as an interim tenure pending project construction and completion of legal survey, the tenure holder prepays the right of way consideration in advance for the full term of the right of way. The licence rental is included in the right of way consideration, and where prepaid, the statutory right of way will be issued subject to completion of the legal survey for a nominal \$1.00 fee (plus any additional application fees).

## **21.2.3 Statutory Right of Way**

### **Prepaid Considerations**

Statutory right of way consideration is prepaid for the full term of tenure based on 100% of zone land value and subject to adjustment upon completion of a legal survey. The minimum prepaid consideration is \$675 for the entire term. Replacement rights of way are issued for a nominal \$1.00 rent (plus application fees) where the original tenure was prepaid as a consideration.

### **Annual Payments**

Annual payments based on 7.5% of zone land value remain available at the request of the client where an existing annually paid right of way is undergoing rent review. The annual minimum rental payment is \$675.

## **21.2.4 Existing Tenures - Rent Review**

Rental reviews (when provided for in tenure documents) should reflect current pricing policy. Where an annual rental is provided for, this may be continued or prepaid, at the client's request. The following formula applies for pro-rated consideration:

Pro-rated consideration = full consideration X (yrs. remaining in existing /tenure term of existing tenure)

## 21.3 Land Values for Utilities and Map of Zones

### Utilities Zone Land Values

Zone	Rate per hectare (Effective July 1, 2007)	Rate per hectare (Effective June 1, 2011)
A – Kootenay	\$788	\$1506
B – Thompson/Okanagan	\$1080	\$1557
C – E. Island/Lower Mainland	\$2243	\$3260
D – Cariboo/Central Coast	\$1037	\$1498
E – Omineca	\$685	\$799
F – Northern BC	\$530	\$680
F <sub>A</sub> – Peace Block	\$675	\$867

### Utilities Pricing Zones and School District Chart

Utility Pricing Zone	School Districts
A - Kootenays	5, 6, 8, 10, 19, 20, 51
B – Thompson/Okanagan	22, 23, 53, 58, 67, 73, 74, 83
C – E. Island/Lower Mainland	33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 61, 62, 63, 64, 68, 69, 71, 75, 78, 79
D – Cariboo/Central Coast	27, 28, 49, 70, 72, 84, 85
E – Omineca	50, 52, 54, 57, 82, 91, 92
F – Northern BC	59 (except Peace Block), 60 (except Peace Block), 81, 87
F <sub>A</sub> – Peace Block sub-zone	Map coordinates - bounded on the north by a line, along the northern boundary of DL 2381, 2777, etc., the top of the Province's Fort St. John map NTS Map 94A – scale 1:250,000 a line running southerly along the western edge of NTS 94A and NTS 94B (Dawson Creek) and then a straight line east along the southern boundary of Township 77, south of Chetwynd and Dawson Creek to the Alberta border. (Map sheets 93P6/100, 94A1-100).



## 21.4. TERMS OF REFERENCE, VALUE ESTIMATE FOR LINEAR CROWN LAND DISPOSITIONS

These Terms of Reference may be used in situations where the zone rate in APPENDIX 21 – Utilities (utilities pricing), that would otherwise be applicable, appears unreasonable in the context of the subject Crown Land and proposed Taking.

### 1. Background

***[Insert a description of the nature and extent of the linear development project being a highway, a railway, hydro or other electric transmission or distribution line, a pipeline or a sewer, water or drainage line or main to be undertaken by a government, public or private utility company, etc. (the “Purchaser or Expropriation Authority”) that requires the Crown land.]***

#### ***Example for illustrative purposes only:***

The City of Surrey (“City”) is constructing and realigning Scott Road along with associated public and private utilities from 96<sup>th</sup> Avenue to 103A Avenue. The existing 2-lane road is being widened, and portions realigned, to a 4-lane divided arterial standard (the “Project”).

In order to complete the Project, the City requires certain land, including portions of the Crown land referenced in section 2 below, to widen the existing road right-of-way to accommodate the limits of construction.

### 2. Crown land

Civic Address: \_\_\_\_\_

Parcel Identifier: \_\_\_\_\_

Legal Description: \_\_\_\_\_

\_\_\_\_\_

Dimensions: Frontage – \_\_\_\_\_ X Depth – \_\_\_\_\_

Gross Area: \_\_\_\_\_

In situations where the Crown land is a larger un-alienated area, the Contractor will identify and rationalize a hypothetical lot configuration to establish the subject Crown land parcel, or parcels as the case maybe, based on readily available information such as: (1) subdivided lots typical for the general area; (2) local government official community plans, zoning or subdivision bylaws; and (3) market data.

### 3. Owner

The purpose of the assignment, an Owner is considered:

- (a) Her Majesty the Queen in right of the Province of British Columbia, represented by the Minister responsible for the *Land Act*; and
- (b) where applicable, a person who is in legal possession or occupation of the Crown land (i.e. lease, statutory right-of-way, license of occupation, temporary licence etc.)

#### 4. Taking

***[Insert a description of the nature and extent of the estate, interest, right or title in or to the Crown land that is required for the linear development. Attach the proposed tenure agreement, survey or sketch plan, as applicable, as a schedule to these Terms of Reference.]***

***Example for illustrative purposes only:***

- (a) 5 m wide, 100 m long linear taking along the easterly lot line of the Crown land for dedicated public road in perpetuity to widen the existing road;
  - (b) 10 m wide, 100 m long linear taking adjacent to and contiguous with the above linear road taking for a Works Licence for a 2-year term commencing on the effective date of valuation;
  - (c) 30 m wide, 10 km long linear taking running diagonally through the Crown land for a License of Occupation for utilities for a 10-year term commencing on the effective date valuation; and
  - (d) 60 m wide, 50 km long linear taking along the westerly lot line of the Crown land for a Statutory Right-of-Way for so long as required for utilities.
- (collectively the "Taking").

all as shown on the sketch plan attached hereto as Schedule "A".

#### 5. Purpose of the Assignment

The purpose of the assignment is to identify and estimate the quantum for the heads of claim for each Owner that would likely result from the Taking or from the construction or use of the Project that each Owner, acting reasonably, would prudently assert. The heads of claim may include, but are not limited to, the market value of the Crown land or limited interest in the Crown land taken, the value of the improvements taken, the reduction in market value to the remaining Crown land or improvements, and damages for disturbance.

For purposes of this assignment the Contractor will:

- (a) assume the Taking was expropriated, at the effective date of the appraisal, in accordance with provisions of the *Expropriation Act*, RSBC 1996 Chapter 125, as amended; and the regulations, if any, made under Section 8 of the *Expropriation Act*;
- (b) use Part 6 the *Expropriation Act* as the basis for compensation as modified by the regulations, if any, made under Section 8 of the *Expropriation Act*;
- (c) provided that the title to the Crown land is not registered under the *Land Title Act*, assume such title is held by the province in Fee Simple subject to the exceptions and reservations under Section 50 of the *Land Act*, and the permitted encumbrance, if any, granted pursuant to the *Land Act*;
- (d) provided the Contractor makes a lot configuration determination under the above section 2, and such lot does not have legal and/or physical road access, assume the Crown land is capable of subdivision and road access;
- (e) provided the Crown land is designated or being used for a public purpose, such as, without limitation, a school, park or road, assume the highest and best use of such Crown land is the "next alternative highest and best use";

- (f) assume that the term described as “for so long as required” within a statutory right-of-way agreement or other tenure, where applicable, means the term is “in perpetuity”.

## **6. Scope of Work**

The Contractor will confine his opinions to his areas of expertise. Where necessary, the Contractor may sub-contract, where pre-approved by the Client, specialized services (e.g. timber cruise) to complete the assignment so the report is a comprehensive document embodying evidence to identify and estimate the quantum for the heads of claim.

## **7. Intended Use of the Report**

The report may be used to assist the parties in concluding negotiations for the possible purchase and sale of the Taking for the Project. The report may be reviewed by each party, the prospective purchaser and others, including, but not limited to, any of the above party’s representatives or consultants.

## **8. Effective Date of Valuation**

The valuation date shall be the date the Contractor initially inspects the Crown land.

## **9. Other Requirements**

The Contractor will:

- (a) deliver to the parties a full narrative appraisal report (plus 2 certified copies) within \_\_\_\_ weeks of accepting the assignment;
- (b) be a registered member in good standing with the Appraisal Institute of Canada who holds the use of the grade or rank of Accredited Appraiser from the Canadian Institute (AACI), or the rank of R/W or SR/WA from the International Right of Way Association, or the rank of RI (BC) with Appraisal option from the Real Estate Institute of BC, and has the requisite knowledge, skill and experience to competently undertake and complete the assignment;
- (c) undertake and complete the assignment in full compliance with Appraisal Institute of Canada’s Canadian Uniform Standards of Professional Appraisal Practice;
- (d) where reasonably practical, inspect the comparable sales used in the appraisal report, and if there are sales that cannot be inspected you will indicate why; and
- (e) not divulged any confidential or sensitive information to any person, other than persons who are authorized in writing by the Client to receive such information, that the Contractor may receive through this assignment.

## **10. Freedom of Information and Protection of Privacy Act**

The Contractor acknowledges and understands that the appraisal report may be subject to a request made pursuant to the *Freedom of Information and Protection of Privacy Act*, and such report or portions thereof could potentially be released in accordance with the legislation.

## APPENDIX 22 – WATERPOWER PROJECTS

### 22.1 Land Valuation

Zone land values in [Land Values for Utilities and Map of Zones](#) and BCA actual land value will be applied where they reflect current land value. However, in most cases annual rental calculations for final tenures will be based on appraised land values. Zone and BCA land values are considered minimums.

The project site will be appraised based on two separate markets:

- Powerhouse- comparable **industrial** markets;
- Linear components and transmission lines - comparable **utilities** markets

One appraisal contract will be used to value both components.

Note: Appraisal Terms of Reference and the choice of independent appraiser should be agreed upon in advance with the applicant.

In the event of a dispute over appraised values, refer to standard policy regarding the Disposition Price Resolution Procedure.

The rental rate for the major improvements reflects current pricing policy for industrial - general use ([APPENDIX 13 – Industrial General](#)) and utilities use ([APPENDIX 21 – Utilities](#)) due to the nature of the improvements.

### 22.2 Project Monitoring and Investigation Phase Rent

#### 22.2.1 Investigative Licence of Occupation

The annual rent is \$675.

### 22.3 Project Development and Operation Phase Rent

#### 22.3.1 Individual tenures or Multi Tenure Instrument schedules

Rent for each tenure or equivalent schedule attached to a Multi Tenure Instrument is calculated in the identical way. For example, an individual licence of occupation and a licence of occupation schedule are both priced at 7.5% of the Zone Land Value (zone land value described in [APPENDIX 21 – Utilities](#)). Rental rates are described below.

#### 22.3.2 General Area – Licence of Occupation

Annual rental is 7.5 percent of the Zone Land Value (zone rate/ha x land area [ha]) from the [APPENDIX 21 – Utilities](#).

#### 22.3.3 Powerhouse Site – Licence of Occupation

Annual rent is calculated at 7.5% of appraised land value based on comparable industrial markets (or BCA actual land value where they reflect current market value), with a minimum annual rental of \$675.

#### 22.3.4 Powerhouse Site – Lease

Annual rent is calculated at 8% of appraised land value based on comparable industrial markets (or BCA actual land value where they reflect current market value), with a minimum annual rental of \$675.

#### 22.3.5 Linear Components – Licences of Occupation

Licences of occupation may be provided for linear components such as the penstock including the intake and transmission lines. The term of the licences will be the same as the term of the electricity purchase agreement and will have the same expiry date. The licences will also require that the improvements be constructed by the commercial operation date within the electricity purchase agreement.

##### Pricing

Prepaid - Rent is normally prepaid based on the rental rate of 7.5% of zone land value from the [APPENDIX 21 – Utilities](#) (zone rate/ha x land area [ha] x the appropriate discount factor from Appendix 1 - Discount Factors For Prepaid Rent And Refunds).

Annual - Annual rental is 7.5 percent of the zone land value as outlined in the [APPENDIX 21 – Utilities](#). The minimum prepaid consideration is \$675 for the entire term.

The minimum annual rent is \$675.

#### 22.3.6 Linear Components – Rights-of-Way

Right-of-Way may be provided for linear components such as the penstock including the intake and transmission lines. Rent is normally prepaid for the entire term. Valuation is normally based on zone rates as per [APPENDIX 21 – Utilities](#). These are considered minimum rates only. Where there is market evidence to support higher rates, the Authorizing Agency may call for a market value appraisal of all or portions of the subject area. Where an appraisal is undertaken, the new land value is normally calculated as a percentage (50%) of the appraised market value of similar land over which the utility passes.

Prepaid - Statutory right of way consideration is prepaid for the full term of tenure based on 100 percent of zone land value, or revised land value if appraised, and subject to adjustment upon completion of a legal survey.

Replacement rights of way are issued for a nominal \$1.00 fee, plus application fees, where the original tenure was prepaid as a consideration.

Annual - Annual rental is 7.5 percent of the zone land value, or revised land value if appraised, as outlined in the [APPENDIX 21 – Utilities](#).

The minimum prepaid consideration is \$675 for the entire term. The minimum annual rent is \$675.

#### 22.3.7 Intake Structure – Licence of Occupation

Rent is normally prepaid based on the rental rate of 7.5% of zone land value from the [APPENDIX 21 – Utilities](#) (zone rate/ha x land area [ha] x the appropriate discount factor from [APPENDIX 1 - Discount Factors For Prepaid Rent And Refunds](#)).



The minimum rent for prepaid tenure terms longer than 1 year is \$675 regardless of term.

#### **22.3.8 Intake Structure – Lease**

Annual rent is calculated at 8% of appraised land value based on comparable industrial markets (or BCA actual land value where they reflect current market value), with a minimum annual rental of \$675.

#### **22.3.9 Road - Licence of Occupation or Statutory Right of Way**

See [APPENDIX 20 – Roadways](#).

#### **22.3.10 Quarry**

See [APPENDIX 5 – Aggregates and Quarry Materials](#).

#### **22.3.11 Communications Sites**

See [APPENDIX 10 – Communication Sites](#).

## APPENDIX 23 – WINDPOWER PROJECTS

### 23.1 Land Valuation

Valuation of project components for Wind Power Projects are based on zone rates for linear features as described in the [APPENDIX 21 – Utilities](#).

These zone rates represent 50 percent of the land value as they have been established for linear utility licences and rights of way (which are a “partial taking” and do not confer the same level of interest in the land). Zone rates are to be applied to the general area licence and to subsequent tenures for extensive use areas.

Where there is market evidence to suggest land values are significantly (25%) higher or lower than the zone rate the Authorizing Agency may, at its discretion, call for a market value appraisal of all or portions of the subject area. All appraisals (internal and external fee appraisals) should be conducted using the Appraisal Terms of Reference for linear dispositions template [TERMS OF REFERENCE, VALUE ESTIMATE FOR LINEAR CROWN LAND DISPOSITIONS](#) and with reference to the Appraisals Procedure, particularly with respect to the Accredited Appraiser Canadian Institute minimum requirements for reports as described in that procedure.

Where a Wind Power Project crosses more than one zone, or involves one or more appraisals, each segment is valued independently and the total land value for the project is determined as the sum of the values of individual segments.

**Note:** In the event of a dispute over appraised values, refer to [Land Procedure - Disposition Price Resolution](#).

Refer to [APPENDIX 3 – Rental Rates by Land Use and Form of Tenure](#) for a summary of pricing of Crown tenures available for Wind Power Projects.

### 23.2 Project Monitoring and Investigation Phase Rent

#### 23.2.1 Investigative Licence of Occupation

The annual rent is \$675 which normally includes up to five towers.

### 23.3 Project Development and Operation Phase Rent

#### 23.3.1 Individual tenures or Multi Tenure Instrument schedules

Rent for each tenure or equivalent schedule attached to a Multi Tenure Instrument is calculated in the identical way. For example, an individual licence of occupation and a licence of occupation schedule are both priced at 7.5% of the Zone Land Value (zone land value described in the [APPENDIX 21 – Utilities](#)). Rental rates are described below.

#### 23.3.2 General Area - Licence of Occupation

Annual rental is 7.5 percent of the zone land value (zone rate/ha x land area [ha]) from the [APPENDIX 21 – Utilities](#).

#### 23.3.3 Extensive Use - Licence of Occupation

Annual rental for the extensive use areas is 7.5 percent of the zone land value established in the [APPENDIX 21 – Utilities](#).

#### **23.3.4 Intensive Use - Licence of Occupation**

Annual rental for the intensive use areas is 7.5 percent of two times (2x) the zone land value established in the [APPENDIX 21 – Utilities](#) or 7.5 percent of revised land value if appraised.

#### **23.3.5 Intensive Use - Lease**

Annual rental for intensive use areas is 8 percent of two times (2x) the zone land value; or 8 percent of the revised land value if appraised.

The minimum annual rent for licences and leases is \$675.

#### **23.3.6 Road - Licence of Occupation or Statutory Right of Way**

See [APPENDIX 20 – Roadways](#).

#### **23.3.7 Transmission Lines - Licence of Occupation**

Prepaid – Prepaid rental is based on 7.5 percent of zone land value times the appropriate discount factor as per [APPENDIX 1 - Discount Factors for Prepaid Rent and Refunds](#).

Annual - Annual rental is 7.5 percent of the zone land value as outlined in the [APPENDIX 21 – Utilities](#).

#### **23.3.8 Transmission Lines - Statutory Right of Way**

Prepaid - Statutory right of way consideration is prepaid for the full term of tenure based on 100 percent of zone land value, or revised land value if appraised, and subject to adjustment upon completion of a legal survey.

Replacement rights of way are issued for a nominal \$1.00 fee, plus application fees, where the original tenure was prepaid as a consideration.

Annual - Annual rental is 7.5 percent of the zone land value, or revised land value if appraised, as outlined in the [APPENDIX 21 – Utilities](#).

The minimum prepaid consideration is \$675 for the entire term. The minimum annual rent is \$675.

#### **23.3.9 Quarry**

See [APPENDIX 5 – Aggregates and Quarry Materials](#).

#### **23.3.10 Communication Sites**

See [APPENDIX 10 – Communication Sites](#).

#### **23.3.11 Wind Power Participation Rent**

In addition to the land rents noted above, an annual Participation Rent based on gross revenue derived from energy produced by the wind turbines will be payable. The Participation Rent will be reviewed periodically. The review will ensure that the rent model is consistent with

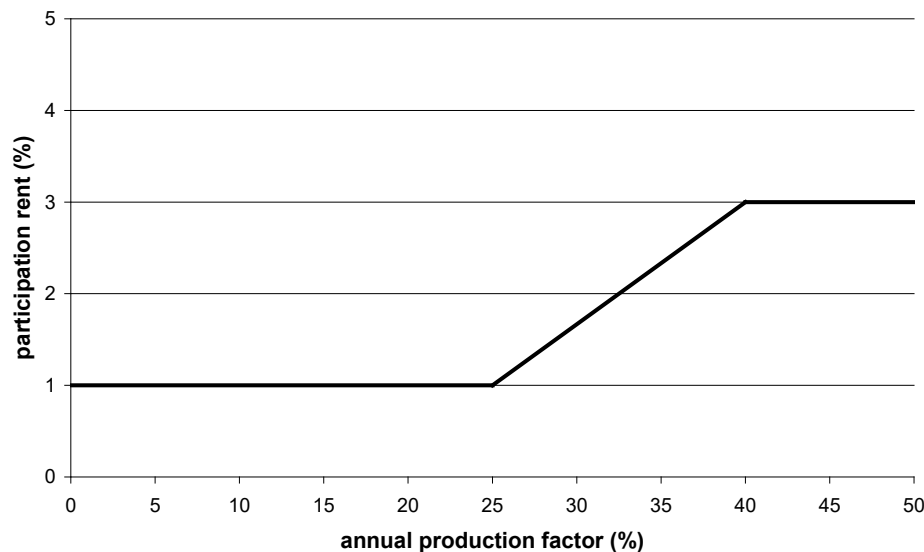
government objectives and that it is warranted for future tenure holders given the state of maturity of the wind energy sector at that time.

The annual Participation Rent will be payable as follows:

- Participation Rent will not be payable during a 10-year grace period which will allow industry to develop and mature. The grace period will extend 10 years from the date the project operation phase begins.
- After the 10-year grace period has concluded, a wind power tenure holder will be charged an annual Participation Rent ranging from one to three percent of gross annual revenues, based on their Annual Production Factor (see Figure 1 below).
- The annual production factor is defined as the actual energy produced on the site and delivered to a purchaser during the previous 12 months, divided by the total nameplate capacity of the site multiplied by the number of hours in a year, expressed as a percentage.

$$\text{Annual Production Factor (\%)} = \frac{\text{Energy Produced in previous year (MWh)}}{\text{Total Nameplate Capacity (MW)} \times \text{hours in year}} \times 100$$

**Figure 2: Wind Participation Rent**



As Figure 1 illustrates:

- Rent will be one percent of gross annual revenue when the Annual Production Factor is 25 percent or less;
- Rent for an Annual Production Factor greater than 25 percent and less than 40 percent will range from one to three percent of gross revenue as per the following formula

$$1 + [(\text{Annual Production Factor} - 25) \times 2/15]; \text{ and}$$

- Rent will be three percent of gross revenue when the Annual Production Factor is at or above 40 percent.

Under this approach, rent will be two percent of gross revenue at an Annual Production Factor of 32.5 percent, which may be considered to be the average output for Wind Power Projects.

The Participation Rent model will be supported by tenure agreements which require the tenure holder to supply a statutory declaration to the Authorizing Agency annually. The Authorizing Agency has the right to audit information, including Annual Production Factor data, provided by the wind power tenure holder.