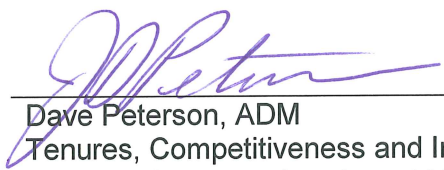




## Land Procedure Allocation Procedures - Major Projects/Sales

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<b>NAME OF LAND PROCEDURE:</b>	Allocation Procedures - Major Projects/Sales
<b>APPLICATION:</b>	Applies to complex land dispositions and to dispositions over \$2.5 million; expenditures over \$.25 million or any project or disposition of significance to the goals of Government.
<b>ISSUANCE:</b>	Assistant Deputy Minister, Tenures, Competitiveness and Innovation
<b>IMPLEMENTATION:</b>	Ministry of Forests, Lands and Natural Resource Operations
<b>REFERENCES:</b>	<i>Land Act (Ch. 245, R.S.B.C, 1996)</i> <i>Ministry of Lands, Parks and Housing Act</i> <i>University Endowment Land Act</i>
<b>RELATIONSHIP TO PREVIOUS LAND PROCEDURE:</b>	This procedure replaces the previous Allocation Procedures - Major Projects/Sales in effect August 16, 2004

  
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Dave Peterson, ADM  
Tenures, Competitiveness and Innovation  
Ministry of Forests, Lands and Natural  
Resource Operations

MAY 26 2011

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Date:

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**EFFECTIVE DATE:** June 1, 2011  
**AMENDMENT:**

**FILE:** 11480-00

APPROVED AMENDMENTS:		
Effective Date	Briefing Note /Approval	Summary of Changes:
June 1, 2011	BN 175892	Policy and Procedure update to reflect reorganization of resource ministries April 2011

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## **1. PURPOSE**

To establish and maintain an accountability framework for the disposition of land on behalf of the Province of British Columbia.

To provide operational procedures and guidance for Major Sales and Projects undertaken by the authorizing agency.

These procedures will:

- Develop clear accountabilities for decision-making.
- Conduct fair, open and accessible disposition processes.
- Maximize financial and/or economic value from land dispositions.
- Provide the most cost-effective solutions in disposing of land.
- Protect the real estate value and interests of government.

### **1.1 Disposition Objectives**

- Pursue disposition of Crown land as a means to achieve the social, economic and environmental objectives of government; and,
- Ensure that government recovers the optimum value for Crown land by making investments in site planning and limited property development where those investments enhance the value of land, or will promote the desired end use.

## **2. RESPONSIBILITIES**

### **2.1 Ministry Executive**

The Ministry Executive will:

- Approve strategic marketing policies and procedures that will guide disposition activities;
- Approve marketing objectives, marketing plans, and provide specific approvals on project budgets and business activities in accordance with approved revenue and spending authority matrices;
- Approve the entering into or withdrawing from projects that are or likely to be material to the authorizing agency; and
- Undertake a review of disposition activities as required.
- Set corporate strategies for disposition;
- Develop a prioritized schedule for the disposition of land;
- Approve marketing plans and major project plans;
- Ensure that current real estate industry market trends, needs and practices are considered in project development activities;

- Ensure that contracts are awarded, offers are accepted, and project budgets are approved in accordance with approved revenue and spending authority matrices; and,
- Ensure that project development processes and delegations of authority are followed.

### 3. DEFINITIONS

**Authorizing Agency** means the provincial ministry responsible for the specific land use authorization.

**Deposit** means the sum of money required to be submitted with the Offer to Purchase. A deposit may be by certified cheque, money order, or bank draft.

**Direct sale** means fee simple disposition of Crown land through the authorizing agency offices directly to one or more interested parties, without a public offering.

**First Nation** is a term that refers to the Indian peoples in Canada, both Status and non-Status. Although the term First Nation is widely used, no legal definition of it exists. Some Indian peoples in British Columbia have adopted the term "First Nation" to replace the word "band" in the name of their community.

**Major sale or Project** means dispositions over \$2.5 million; expenditures over \$.25 million or any project or disposition of significance to the economic, social and environmental goals of Government.

**MLS** means the Multiple Listing Services of the Real Estate Boards throughout the province.

**Public offering** means the use of a competitive process or real estate industry listing.

**Public Offering Document** includes MLS listings through real estate brokers, requests for offers to purchase, proposal calls, auction notices and any advertisements or notices of the foregoing.

**Purchaser** means purchaser, lessee, prospective purchaser, and prospective lessee.

**Team Leader** means Regional Executive Director or Director, Crown Land Opportunities Branch.

### 4. DISPOSITION FRAMEWORK

The Director will develop a multi-year marketing strategy by assessing market needs and developing an expanded inventory of available land. In addition, the Director will regularly review all assets in the portfolio to evaluate the priorities for disposition. The Director will also coordinate the preparation of, and revisions to, the marketing strategy and plan and make recommendations to the senior management committee and Ministry Executive regarding the timing and manner in which major sales or projects should be managed.

The Director will:

- Review the updated marketing plan/project plans to account for and prioritize assets under consideration and/or review for disposition purposes;
- Evaluate the allocation of staff and financial resources;
- Modify marketing plans and budgets in accordance with authority limits;
- Review listings of asset dispositions authorized by staff; and,
- Conduct a financial assessment of the portfolio to ensure that the resources of the authorizing agency are effectively coordinated to support the disposition program.

The Project Manager will identify and develop comprehensive disposition strategies for all Major Sales or Projects. The Project Manager is responsible for ensuring all appropriate approvals are in place, project work is reflected in the marketing plan/project plan and direction given by senior management with respect to each property is implemented.

All planning and sales activities will be monitored through regular project team meetings. These meetings will enable staff to update estimates of project revenues, expenses and circumstances that affect the disposition targets and timetable established.

Recommendation will be made to the Ministry Executive regarding updated project/dispotion schedules, budgets and projected revenues based on regular assessments of market conditions and prospects.

Activities undertaken to increase the use and value of assets, including obtaining planning/approvals, will be based on a business case cost-benefit analysis or socio-economic, social and environmental evaluation that can demonstrate a positive return.

Independent marketing, planning, environmental, and financial advisors may be retained as required throughout the disposition process to review strategies developed internally, and to evaluate the assumptions used in formulating and updating financial pro formas.

Joint ventures with the private sector, local government and First Nations, may be pursued on projects that present opportunities to optimize financial return and support government objectives.

On-going inventory development, marketing and planning activities and requests/initiatives are the means by which properties are identified as candidates for disposition or projects are initiated. Properties and projects are then assessed to determine an appropriate disposition approach. Various marketing procedures are initiated to achieve the greatest benefit to the government.

## **4.1 Disposition Planning and Priorities**

When a property is identified as a potential disposition candidate or major project, a project number (to be carried through the life cycle of the project) will be assigned.

The Project Manager will develop a Baseline Report on asset value and disposition strategy. The report will address the following topics:

- a) description - location, site area, zoning, building area, use and occupancy
- b) condition - physical and environmental attributes of the land and major improvements and available services
- c) appraised and/or assessed value
- d) planning and market potential - highest and best use, redevelopment potential and timing
- e) tenant/user information - identification of tenure holder
- f) provincial interest assessment - determine any provincial policies and directions respecting the property
- g) proposed disposition strategy, cost-benefit analysis and disposition options preferred (i.e., tenure vs. sale)
- h) issues list - factors that will affect the timely completion of the disposition process, including unique characteristics of the asset, location and market that may have a significant impact on achieving the stated objectives of the government, and communication issues
- i) record of consultation undertaken
- j) assessment of First Nations interests and Ministry of Aboriginal Relations and Reconciliation interests
- k) history of property - original disposition, private ownership and use, major tenures.

The report should be in a standard format (Appendix 1).

In addition to the Baseline Report, the authorizing agency will prepare an initial work plan, including resources and milestones.

In preparing the Baseline Report, the authorizing agency may rely on in-house and external financial, appraisal and marketing, environmental and legal expertise. Where required, the authorizing agency will retain the services of independent planning and development consultants to conduct the necessary reviews required to maximize public value.

With reference to the Baseline Report for major projects, one of the following disposition strategies may be recommended to the appropriate approval authority:

- a) disposition "as is" with investment restricted to appraisal, re-establishment of survey evidence, and costs associated with listing or tendering the property or transferring title;
- b) disposition following mandatory investments to address building code deficiencies, environmental protection and other conditions that limit the potential for disposition "as is"; or,



- c) enhanced disposition based on discretionary investments in site planning, property improvements and property development including preparation of plans of subdivision and secondary plans. These investments are intended to realize a higher net present value for the sale of public land.

Each of the above is to be followed by a process leading to the listing, tendering or transferring the title of the asset.

The Baseline Report will provide an objective assessment of asset value. This ranking will guide the decisions made by the Ministry Executive with respect to the allocation of resources to each project and will establish, at the onset, the disposition strategy.

## **4.2 Property Review and Preparation**

The primary and immediate objective of all disposition activities is the disposition of land for terms that maximize the social, economic and environmental return to the province.. To accomplish this objective and to ensure that a parcel is available and suitable for disposition, the following activities will be undertaken:

- a) A land status (including title search) will be conducted to confirm the status of the property.
- b) The authorizing agency will procure the services of an accredited appraiser to prepare a description of the property and valuation. See [Appraisals](#) procedure.
- c) A Site Profile and, if indicated by the Site Profile, a Site Profile or Phase I environmental site assessment conforming to provincial and federal standards will be prepared and a more detailed assessment will be undertaken as required.
- d) Following receipt of the title search, property valuation, and Phase I Environmental Assessment, the authorizing agency will review and update the Baseline Report.
- e) The authorizing agency may engage the services of a legal advisor to review the legal issues associated with the site.
- f) Where the property includes significant physical structures, the authorizing agency will ensure that up-to-date building condition reports have been obtained and any certifications are obtained where necessary.
- g) In circumstances where the achievement of Government goals may be enhanced by changes to the development potential of a site, bundling properties for investment potential or transactions involving sale lease-back scenarios, the authorizing agency will undertake an evaluation of the site(s) to determine the optimal option to pursue.
- h) Once the decision to proceed has been made, the authorizing agency will develop a communication strategy.

### **4.3 Market Valuation Determination**

The authorizing agency will acquire an appropriate market valuation for any land under consideration as per the standard [Appraisals](#) procedure.

### **4.4 Property Marketing and Sales**

The selection of marketing techniques for major dispositions will be selected based on the unique requirements of the property and relative marketplace. Major projects may be disposed of through [Competitive Process](#), [Real Estate Industry Sales](#), or [Direct Sales](#) in limited circumstances. See the specific allocation procedures for details.

Dispositions may be subject to the processing of a variety of legislative and administrative instruments in accordance with the *Land Act*, *Ministry of Lands, Parks and Housing Act*, and *University Endowment Land Act*. The authorizing agency will to obtain legislative and administrative approvals prior to marketing of the property so as not to hinder the expeditious disposition of land.

## Appendix 1. Baseline Report

### SECTION 1. Property description and status

Property Name	
File #	
Project #	
Legal Description	
Address & Location	
Size	
Title Search	
Assessment Search/value	
Tantalis Search & Tenures	
ALR/FLR	
Provincial Forest	
Historic use, from file information	Original Crown grant issued: Forfeited to Crown/Purchased by Crown:

### SECTION 2. File review

Date	
Issues Identified from File Review	

### SECTION 3. Property inspection

Date /Person	
Access, Legal	
Access, Physical	
Neighbouring land uses	North: South: East: West:
Power	
Water	
Sewer	
Indication of unregistered utilities	
Survey Evidence Contamination	
Timber	
Topography	
Ecological Sensitivity	
Other	
Market conditions	
Highest and best use	

**SECTION 4. Correspondence with Municipality/RD on the authorizing agency's intentions**

Municipality:	
Official:	
Date	
OCP designation	
Zoning	
Response	

**SECTION 5. Correspondence with Government Goals**

Land and Resource Management Plan	
Regional Growth Strategy	
Sustainable Resource Management Plan	
Other plans	
Other government goals	

**SECTION 6 FN Review/Status**

Proximity to IR	
Physical Evidence	
Assessment of FN interest	
APR Date	
First Nation Land Use Plan Objectives	
Band goals	
Ministry of Aboriginal Relations and Reconciliation interest	

**SECTION 7. Project evaluation**

Issues list	
Potential investment cost	
Other expected costs and impacts	
Expected social, economic and environmental benefits generated	
Provincial interests	

**SECTION 8. Project recommendation**

Rationale of issues list	
Potential value/costs	
Disposition strategy (cost benefit)	

analysis/options preferred)	
Project team	
Work plan/timing	

Project Manager:		Date:	
Regional Manager:		Date:	
Director,		Date:	
Assistant Deputy Minister		Date:	

## Appendix 2. Project Marketing Plan

<b>File #</b>	
<b>Project Name:</b>	
<b>Project #</b>	
<b>Region:</b>	
<b>Land Description:</b>	
<b>Marketing Rationale:</b>	
<b>Marketing Technique:</b>	
<b>Marketing Period:</b>	
<b>Appraised Value:</b>	
<b>Asking Price:</b>	
<b>Terms Offered:</b>	
<b>PROJECT TEAM</b>	
<b>Project Manager:</b>	
<b>Regional Manager:</b>	
<b>Director,</b>	
<b>ADM:</b>	
<b>Approval to Proceed:</b>	
<b>Date:</b>	
<b>Signing Authority:</b>	