

## Land Procedure Allocation Procedures - Overview

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<b>NAME OF LAND PROCEDURE:</b>	Allocation Procedures - Overview
<b>APPLICATION:</b>	Applies to all tenure and sale dispositions
<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</i> (Ch. 245, R.S.B.C, 1996) <i>Ministry of Lands, Parks and Housing Act</i> (Ch.307, R.S.B.C, 1996) <i>University Endowment Land Acts</i> (Ch.469, R.S.B.C, 1996)
<b>RELATIONSHIP TO PREVIOUS LAND PROCEDURE:</b>	This procedure replaces the previous Allocation Procedures - Overview in effect August 16, 2004.



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MAY 26 2011

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Date:

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

**FILE:**11200-00

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<b>APPROVED AMENDMENTS:</b>		
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
May 1, 2013	BN 197274	Consequential amendment that added a reference to the new Allocation Procedure Expressions of Interest.
September 22, 2015	BN 217947	<i>Land Act</i> Reform phase 1 changes

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## 1. PURPOSE

The ministry responsible for the *Land Act* has the authority to issue land tenures and sell Crown land on behalf of the Province of British Columbia and has delegated some or all of this authority to other Crown agencies and ministries through delegation agreements. Crown land is available for a wide range of purposes to provide opportunities for sustainable economic development. The *Land Act* is the primary legislation under which the Authorizing Agencies operate, to authorize approximately 80% of the uses on Provincial Crown land.

The *Land Act* allows for the disposal of Crown land through an application or competitive process. These processes can be used to sell Crown land, or provide tenures in the form of a temporary licence of occupation, standard licence of occupation, lease or right-of-way. In addition, reserves preventing the disposition of Crown land may be created for purposes in the public interest and in treaty settlement. The *Land Act* also provides for Crown grants, free or otherwise, to government corporations or bodies.

Crown land, in some circumstances, may also be disposed of in accordance with the *Ministry of Lands, Parks and Housing Act* and *University Endowment Land Act*.

## 2. DEFINITIONS

**Authorizing Agency** means the Provincial ministry or agency responsible for the specific land use authorization.

**Competitive Process** means an offering for sale or tenure through an Expression of Interest, Public Lot Draw, Public Auction, Request for Offers to Purchase or Request for Proposals.

**Direct Sale** means fee simple disposition of Crown land 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.

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

**Treaty Settlement Purposes** means that Government is preserving negotiating options by protecting Crown land or by purchasing private land for a possible future treaty settlement.

## 3. OVERVIEW

Procedures have been developed to guide the disposition of Crown land through the allocation processes. The key allocation processes are:

- Applications – Individuals, corporations, institutions or First Nations Government in British Columbia can apply for specific areas of Crown land. Applications usually provide tenure dispositions but may result in sales of Crown land in

certain circumstances.

- Competitive Process – A number of competitive processes (e.g. request for proposals, expression of interests, auction) can be used to either sell Crown land or provide land tenures.
- Real Estate Industry Listing – Crown land is listed for sale on the open market through the Multiple Listing Services (MLS). This is a form of public offering and may be used for a request for offers to purchase competitive process.

Additional allocation processes, which rely on the above mechanisms, include:

- Planned Tenure Dispositions - this allocation process involves actively investigating and developing opportunities for Crown land tenures under specific land use programs. The Crown land is then disposed of in accordance with standard application procedures or by competitive process.
- Lease-Develop-Purchase – Some lease tenures provide the opportunity for the tenure-holder to purchase the site (e.g. extensive agriculture leases). The initial tenure is usually offered through an application process.
- Direct Sales – In some circumstances, the Authorizing Agency may sell Crown land directly to one or more interested parties. Direct sales usually occur through an application process.
- Major Projects/Sales – These are defined as dispositions valued at over \$2.5 million; expenditures over \$250,000 or any project or disposition of significance to the business, financial or economic goals of government. Major dispositions generally occur through a real estate industry listing or competitive process.

### **3.1 Agency Sales**

Where the lands are owned by other ministries, agencies or organizations, the Authorizing Agency will establish appropriate protocols and service contracts with the title holder.

### **3.2 Public Disclosure**

Information on Crown land dispositions is available to the public. The Authorizing Agency will generally provide copies of documents to requesters, subject to the relevant fees as per the *Land Act* Miscellaneous Fees Regulation. In addition, the status of all land Applications and Reasons for Decisions are available on the website.

### **3.3 Financial Options for Sale Dispositions**

Subject to Executive approval, the Authorizing Agency may consider providing vendor take back (VTB) mortgages on agreements of sale in accordance with policies developed by the Minister responsible for the *Land Act* Chief Financial Officer where and when it is determined that providing a VTB will assist in the disposition of an asset and/or achieve the best price for the asset.

## 4. DISPOSITION METHODS

An appropriate disposition option will be implemented by the Authorizing Agency. The selection of marketing techniques for sales and major dispositions will be selected based on the unique requirements of the property and relative marketplace.

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*. Where required, the Authorizing Agency will seek to obtain legislative and administrative approvals prior to marketing of the property.

### 4.1 Applications

The application process allows individuals and organizations to apply for Crown land tenures under specific land use programs, subject to the Crown Land Operational Policies of that program. Crown land may be available to eligible applicants by temporary licence of occupation, standard licence of occupation, lease, right of way or easement. Federal and provincial government agencies may apply for reserves and notations of interest. Fee simple disposition is available under some policies where the lot resulting from a survey of Crown land is of a standard suitable for registration in the Land Title Office.

For more detailed standard policy and procedures see [Applications](#) procedure.

### 4.2 Competitive Process

Types of competitive processes include:

- Expressions of Interest – the authorizing agency solicits interest for the potential use, development and acquisition of Crown land for a particular purpose where it is anticipated that there may be multiple interested parties. Through the EOI, a sole proponent Interim Agreement could be negotiated which would be in place until a process and timeline for future Crown land sale or lease could be arranged, providing ‘off-ramps’ for the parties should plans change;
- Request for Offers to Purchase – interested parties are asked to submit sealed financial bids for Crown land;
- Request for Proposals – interested parties are asked to submit sealed proposals outlining the intended use(s), purchase price (or bonus bid/rentals), and the terms and conditions of sale or tenure;
- Public Lot Draw – interested parties can include their names in a draw for the sale or lease of Crown land; and/or,
- Public Auction - interested parties can bid for Crown land in a formal auction process.

For more information see [Competitive Process](#) procedure.

### **4.3 Real Estate Industry Listing**

Crown land sales can occur through the Multiple Listing Services of the real estate industry. The Authorizing Agency may engage the services of the real estate industry to market either designated parcels, or Crown land in a specified geographic area. For more information see [Real Estate Industry Sales](#) procedure.

### **4.4 Planned Tenure Dispositions**

A planned disposition approach can be employed in major programs for Crown land disposition. Planned tenure dispositions may be used where planning among a variety of stakeholders is required or desired.

The suitability of the land for a particular use (commercial recreation, shellfish aquaculture, bear viewing, etc) is pre-determined through a marketing and development initiative, Crown Land Opportunity Study, or planning process. The designation of land for particular land uses can also occur through various general planning processes such as Land and Resource Management Plans and Landscape Unit plans.

Under a planned disposition project or study, Crown lands can subsequently be allocated by an Authorizing Agency or the Director of the Crown Land Opportunities Branch in accordance with either standard application procedures or by competitive process. See Competitive Process or Application procedures, as required.

### **4.5 Lease-Develop-Purchase**

Some tenures include a purchase option which may be exercised by the tenure-holder after certain conditions are met. In addition, existing lease holders may apply to purchase the tenured Crown land where applicable/appropriate and the tenure is in good standing.

### **4.6 Direct Sales**

Direct sales are available in specific circumstances. They provide for fee simple dispositions of Crown land directly to one or more interested parties, without a competitive process or other open market process. For more information see [Direct Sales](#) procedure.

### **4.7 Major Projects/Sales**

Major projects require additional analysis and assessment to ensure that government recovers the optimum value for the land by making investments in site planning and limited property development only where those investments enhance the value of land. Major projects may be disposed of through competitive process, real estate industry listing, or direct sale. For more information see [Major Projects/Sales](#) procedure and the Expressions of Interest procedure.

## **5. FIRST NATIONS**

The Authorizing Agency is responsible for ensuring the Province's obligations to First Nations are met in the disposition of Crown land. The Authorizing Agency carries out consultations with First Nations in accordance with its guidelines and policies on First Nations consultation to identify the potential for aboriginal rights or title over the subject



property and to determine whether infringement of either might occur (refer to the Aboriginal Interest Consideration Report form contained in the Land Use Report).