

City staff have negotiated the sale of the subject lands based on an independent appraisal commissioned by the Province and a subsequent review by the City's internal appraisal group.

One of the three parcels impacted by the highway taking is held under a lease by BC Buildings Corporation (BCBC). This lease was entered into on November 1, 1987 for a term of 50 years, with the term ending October 31, 2037. The leased area is 11.29 acres and is utilized for the Justice Centre (Courthouse and Remand Centre). At the lease commencement date in 1987, BCBC provided prepaid rent for the full term. As a result of the reduction in the lease area, the Province has agreed to pay for the loss of a .375 acre portion of the lease area and will provide compensation directly to BCBC for its leasehold interest in the lands taken for highway purposes.

Improvements

The Province has agreed to provide compensation to relocate a 900 ft.² steel frame gardener's warehouse building and to provide a temporary interim facility. The Province is also offering to replace an existing gravel surface parking area within the proposed highway taking area. Further, an allowance will be provided by the Province as compensation to reinstate landscaping that will be impacted by this highway project. The compensation offered by the Province has been reviewed by Parks, Recreation and Culture staff and independent construction companies, and has been deemed to be reasonable.

City's Extra Cost of Extension of Services

The Province has also agreed to provide funding for the relocation of certain City Hall utility services that are impacted by this highway project. Due to construction of the west City Hall addition, the City's building contractor, with prior Provincial (MoT) approval, commenced construction of services in advance of the Highway No. 10 construction so that City Hall construction delays would not occur because of the highway work. As a result of these early off-site works, the City will be compensated for its costs associated with the Highway No. 10 project.

CONCLUSION

The Province has approached the City with an offer to purchase portions of 14245 - 56 Avenue, 14340 - 57 Avenue, and 5625 - 144 Street. These portions of land are required for the widening of Highway No. 10 through the Border Infrastructure Program. The offer presented by the Province is indicative of market value for the land and has been validated by market value appraisals. In addition, BCBC will be compensated for the loss in value of its prepaid leasehold interest. The compensation for damages to relocate the garden building, utility services, replace the parking lot, and reinstate the landscaping is also considered reasonable. If the subject sale is approved by Council, the proceeds would be allocated to the City Hall expansion, as approved in Corporate Report R269 approved by Council November 1, 2004.

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cc - General Manager, Planning & Development
- General Manager, Parks, Recreation and Culture

Appendices:

I. Site Map

II. Aerial Photo

III. Proposed Realignment of Highway No. 10