

**Subject: Re: Agenda Item: Leasing of Public Land**

**Date:** Sun, 23 Sep 2001 12:32:12 -0700

**From:** Bill Tracey <bill\_tracey@telus.net>

**Organization:** Systek Engineering Ltd.

**To:** John Hunter <johnhunter@idmail.com>

**CC:** "Corrie Kost" <kost@triumf.ca>, "Elizabeth James" <cagebc@yahoo.com>, "Dave Sadler" <davesadler@telus.net>, eandersen@seatradeshopping.bc.ca, "Dan Ellis" <ellis7880@home.com>, "Norm Epp" <normepp@home.com>, "David Knee" <pairofknees@telus.net>, "Brent Mayall" <bmayall@direct.ca>, "Val Moler" <valeriem@blaze.ca>, "Hugh Murray" <Hugh\_murray@telus.net>, "Brian Platts" <brian\_platts@telus.net>, "Al Price" <alprice@quik.com>, rmadams@wimsey.com, "Peter Thompson" <bedeconsulting@home.com>, "Angela Trudeau" <a.trudeau@canada.com>, weemalkies@telus.net, "FONVCA" <fonvca@fonvca.org>, annettem@digital-rain.com, "Outlook" <newsroom@northshoreoutlook.com>, "northshore news" <editor@nsnews.com>

John,

It might be difficult to get a "real estate type" to present to council -- after all, an encroacher might be in the market to sell their property one day, and who do you think would not want to be on the list of potential agents?

I think a very strong argument against the "unfairness" of a boost in encroachment fees can be made when one looks at the boost in recreational fees for seniors in the District. Read Ernie's e-mails. Most of these incroachers are paying less for the encroachment than a senior would pay to use the rec centres!

There is real value to the encroachments, for the encroachers and thus for the District. I have a neighbour who encroaches (free) by using a closed laneway, and has for years. Without the encroachment (which includes part of the garage), the value of the main property probably would drop by at least \$25,000 (from close to \$400,000). \$200, or even \$500 or more, a year for the encroachment would be a very good deal for the neighbour, amounting to less than \$50/month to maintain property value and provide excellent and secure parking. They would pay less to park at an apartment if they lived in one!

Sure, some encroachers might scream hardship, but I think many would just suck it up and acknowledge they have had a pretty cheap ride for the past several years. They might even see their property taxes rise a little less, partly offsetting the increase.

Bill

John Hunter wrote:

> *Could we find a real estate type to present to council at the public  
> meeting on encroachments re the value of land?*  
>  
> *It seems to me NVD should charge these encroachers, who in my view we  
> owe nothing special to, what it would cost them had they bought the land  
> originally cost in today's terms) or if they rented the land today at  
> market.*  
>  
> *Or sell them the land if it does not negatively affect others.*  
>  
> *Good work Corrie.*  
>  
> *Guys, we need a plan and strategy for this public meeting.*  
>  
> *John*  
>  
> -----Original Message-----  
> *From: Bill Tracey [mailto:bill\_tracey@telus.net]*  
> *Sent: September 22, 2001 11:44 PM*  
> *To: Corrie Kost*

> Cc: Elizabeth James; Dave Sadler; eandersen@seatradeshipping.bc.ca; Dan  
> Ellis; Norm Epp; johnhunter@idmail.com; David Knee; Brent Mayall; Val  
> Moler; Hugh Murray; Brian Platts; Al Price; rmadams@wimsey.com; Peter  
> Thompson; Angela Trudeau; weemalkies@telus.net; FONVCA;  
> annettem@digital-rain.com; Outlook; northshore news  
> Subject: Re: Agenda Item: Leasing of Public Land

> Corrie,

> Nice work. I think you present a very persuasive argument. This is  
> the kind of stuff that also should get into the newspapers if council  
> does not act on it.

> Regards,

> Bill

> Corrie Kost wrote:

> > It appears that council as a body is not convinced that the current  
> > situation is a poor return for the use of district assets. Not only  
> > that, they are unwilling to remedy the situation for many years to  
> > come since it is now proposed that the current poor return (i.e.  
> > subsidy to those who have occupied public property) continue until the  
> > property is sold. To add some clarity to just how little money  
> > is paid to the district for return of occupying public property I  
> > have attached a graph (pdf) showing the annual rent vs the area  
> > encroached for all properties. Note that I have not included the  
> > Cascades/Woodlands access roads as they constitute a special  
> > case for which the encroached area is not provided.

> > The bottom line is:

> > An annual return of less than \$1 / sq-ft.

> > Another way to view this is to note that the total area encroached (  
> > 9425 sq-ft) is about the size of a lot - now typically worth at least  
> > \$250,000. Since a lot can only have structures on about 35% of the lot

> > and these encroachments cover 100% of the area it should be argued  
> > that the value is closer to \$714,000 (100/35x250,000). A return of  
> > even 7.5% on \$714,000 is about \$53,000 . We got only \$8913.

> > The 2.5% figure based on a pro rata formula using the "Maximum Floor  
> > Space" is more than fair - generating about \$22,000 in rent. I urge  
> > everyone to support

> > an immediate 1.5% charge (generating about \$13,000)  
> > with a 5 year phase-in to 2.5%.

> > I find it strange that council supported an immediate 50% increase in  
> > recreation fees to seniors (which Burnaby will phase in over 4 years,  
> > and Vancouver

> > will phase in over 3 years), while they propose a phase in, for those  
> > who have had a "sweet deal" on the use of public property for many  
> > years, of what may well average more than another 20 years. Some  
> > inequity in fairness!

> > Corrie Kost