

**Subject: [Fwd: Formal Complaint (District Leasehold Properties)]**

**Date:** Tue, 05 Feb 2002 20:05:41 -0800

**From:** Brian Platts <brian\_platts@telus.net>

**To:** Corrie Kost <kost@triumf.ca>

---

**Subject: Formal Complaint (District Leasehold Properties)**

**Date:** Tue, 5 Feb 2002 19:47:23 -0800

**From:** "Dave Sadler" <davesadler@telus.net>

**To:** "Richard Zerr" <zerr@dnv.org>

**CC:** "Mayor and Council - DNV" <Council@district.north-van.bc.ca>, "don sigston" <sigstond@dnv.org>, "Gord Howie" <howieg@dnv.org>, "Agnes Hilsen" <ahilsen@district.north-van.bc.ca>, "FONVCA" <fonvca@fonvca.org>

David E Sadler  
277 Roche Point Drive  
North Vancouver, B.C. V7G 2G4  
Tel (604) 929-2090 Fax (604) 874-6097

The Corporation of  
The District of North Vancouver  
355 West Queens Road  
North Vancouver, B.C. V7N 2K6

Dear Mr. Mr. Richard Zerr: February 5, 2002

Re: Formal Complaint (District Leasehold Properties)

Thank-you for your timely response. Unfortunately I do not believe you have addressed my specific complaint, namely:

That at the District Budget Workshop held on January 12, the information provided by Mr. Sigston in regards to the District's land portfolio was "incorrect, misleading & deceptive."

In your 2-page letter, I can only find one sentence that pertains to my complaint. You state "His response (Mr. Sigston's) to Council questions at the District's January 12, 2002 budget workshop regarding this issue, constituted thoughtful responses to Council's queries on what you can most certainly agree is a complicated topic."

On January 28, I was pleased that Mr. Sigston took the initiative to present Council with factual information regarding this issue. Not only did it provide Council & the public with some clarity; it in fact substantiated my complaint or which you refer to as my 'accusation.'

On the District's \$65 million property portfolio (not including community leases), the 4.5% 'average return' originally stated by Mr. Sigston actually only pertains to 49% of the entire portfolio and is assessed at \$31 million. The balance of the portfolio on which we receive no annual return is in form of prepaid leases. Instead of \$3 million (4.5% of \$65M) in annual income, we only receive \$1.2 million.

Furthermore, even the 4.5% rate of return on the reduced \$31 million portion of the portfolio is incorrect. The correct rate of return is 3.85% resulting in an annual shortfall of revenue in excess of \$200,000 (0.65% of \$31M).

Therefore I am perplexed when you state that "the criticisms you make regarding the performance of his (Mr.Sigston) duty are inappropriate and unacceptable." On the contrary, I believe it paramount that Management give accurate information especially when it pertains to the Budget and the possibility of cut-backs in any District department.

As you regard Mr. Sigston's original incorrect information of January 12 as constituting a "thoughtful response to Council's queries," I believe it calls your own standards into question. In other words Mr. Zerr, do you approve of District staff providing Council & the public with false, incorrect & misleading information? What level of competence and accountability does the public deserve from District Managers earning in excess of \$100,000?

Even though you did not address my complaint, you close by stating: "I would strongly suggest that a statement regarding your derogatory comments regarding Mr. Sigston be withdrawn forthwith and an apology be registered in writing with our Mayor & Council immediately."

I regard your request as nothing short of audacious. You should be grateful that members of the public have brought out the truth.

Yours truly, Dave Sadler

----- Original Message -----

From: "Dave Sadler" <davesadler@telus.net>  
To: "Agnes Hilsen" <ahilsen@district.north-van.bc.ca>; "Gord Howie" <howieg@dnv.org>  
Cc: "FONVCA" <fonvca@fonvca.org>; "Mayor and Council - DNV" <Council@district.north-van.bc.ca>  
Sent: Monday, January 21, 2002 12:05 AM  
Subject: Formal Complaint

> *Dear Mr. Gordon Howie:* *January 21, 2002*  
>  
> *Formal Complaint*  
>  
> *During public input at the District Budget Workshop on January 12, Mr. John*  
> *Hunter suggested that a 1.3% rate of return on District leased land was*  
> *'pathetic' & felt a higher return was in order. He suggested a minimum*  
> *return of 5%, which he still considered well below market value.*  
>  
> *After Mr. Hunter had completed his presentation, Councillor Harris*  
remarked

> that "a lot of District land is occupied by non-profit organisations that  
> provide community programmes" which explained the low 1% return and asked  
> staff for clarification.  
>  
> The question was directed to Mr. Sigston who stated that 'Councillor  
Harris  
> is correct' & that when community leases are not included 'our return is  
> averaging about 4.5%.'  
>  
> When Councillor Harris asked if 'leases that are in the private sector  
paid  
> market rates?', Mr. Sigston said 'yes'.  
>  
> Accepting Mr. Sigston's explanations, Councillor Harris concluded by  
stating  
> that the District was 'meeting the test.' The next speaker, Councillor  
> Denault was similarly influenced who remarked that after hearing Mr.  
> Sigston's  
> explanation, that he considered Mr. Hunter's position as 'flawed'.  
>  
> Shortly thereafter another member of the public came forward and  
challenged  
> Mr. Sigston's statements. Mr. Kost stated that as over 90% of the land  
> portfolio were not leased as a community benefit, then the District did  
not  
> meet Councillor Harris's 'test.'  
>  
> If Mr. Sigston had thought that his information had somehow been  
> misconstrued, this would have been the opportunity to restate the facts.  
>  
> I believe Mr. Sigston's information was incorrect, misleading &  
deceptive.  
> In May, when this issue came before Council, Mr. Sigston stated that in  
fact  
> only 6% of the property portfolio were in the community benefit category.  
He  
> later itemized this list of properties for me (attached).  
>  
> Furthermore I believe that Mr. Sigston's assertion that the District is  
> averaging 4.5% is also incorrect. After subtracting the \$4million of  
> property leased to non-profit organizations, the District's lease  
portfolio  
> in 2000 was assessed at \$58,800,000 & returned \$916,000 in lease payments.  
> The rate of return is only 1.5%. If Mr. Sigston 'average' 4.5% rate of  
> return were correct, the income would have been \$2,646,000.  
>  
> It is not acceptable that a Manager working for a public institution  
should  
> provide Council & the public with vague, incorrect and deceptive  
> information. The fact that such an incident should occur during the  
> financial budget discussions further increases the seriousness of the  
> matter. I request that appropriate action be taken in regards to Mr.  
Sigston

>  
> *Yours truly, Dave Sadler*  
>  
> *cc Mayor & Council*  
> *FONVCA*  
>  
>  
> ----- *Original Message* -----  
> *From: "Don Sigston" <SigstonD@district.north-van.bc.ca>*  
> *To: "Dave Sadler" <davesadler@telus.net>*  
> *Sent: Thursday, May 10, 2001 10:19 AM*  
> *Subject: RE: Request for Information*  
>  
> *Non-profit Societies meeting Community Lease Policy Requirements (i.e.*  
> *paying \$1pa.):*  
>  
> *1. Norgate House Society - assessed value (land only) - \$1,658,000*  
> *1280 W 16th Street*  
> *Note: Seniors Apt Complex - this is a land lease with full reversion*  
> *at end of term*  
>  
> *2. Seymour Hts. Parent Participation Preschool - assessed value (land*  
> *only)*  
> *\$25,000 800 Lytton Street*  
> *Note: small piece of land with lessee's portable in south of Windsor*  
> *Sec. School's westerly gravel parking lot.*  
>  
> *3. North Shore Neighbourhood House - assessed value (land only.) \$105,000*  
> *399 Seymour River Place*  
> *Note: Daycare Facility*  
>  
> *4. North Vancouver Community Players - assessed value (land and building)*  
> *\$250,000*  
> *815 East 11th Street*  
> *Note: old community hall leased to Theatre Company*  
>  
> *5. RNB Dance - assessed value (land and building) \$448,000*  
> *3355 Mountain Hwy*  
> *Note: 50% of the building payed for by RNB Dance*  
>  
> *6. Seymour Area Youth Services Society - assessed value (land and bldg) -*  
> *\$250,000 2425 Mount Seymour Parkway*  
> *Note: Building provided by donation and built by community*  
>  
> *7. Capilano Tennis Club - assessed value - (land and bldg) -\$440,000*  
> *Located in between Cap Road and the Hwy 1 off-ramp*  
>  
> *8. North Shore Neighbourhood House - assessed value (land and bldg) -*  
> *\$184,000 3361 Mountain Hwy*  
> *Note: looks like it's part of RNB Dance*  
>  
> *9. Deep Cove Cultural Society - assessed value - (building only, I*  
> *think) -*

> \$391,000 4360 Gallant Ave  
> Note: Theatre, Art Gallery, etc. I say "building only, I think"  
because  
> it was built on parkland which I don't think is assessable.  
>  
> Total Assessed Value = \$4,009,000 or 6% of \$66,831,501.  
>  
>  
> -----Original Message-----  
> From: Dave Sadler [<mailto:davesadler@telus.net>]  
> Sent: May 09, 2001 8:07 PM  
> To: don sigston  
> Subject: Request for Information  
>  
> Dear Mr. Sigston:  
>  
> At Monday's Council meeting you indicated that 6% of the District's  
> property portfolio is leased out to non-profit organizations. I would  
> greatly  
> appreciate an address list of these properties, which organizations they  
> are leased to & the assessed value of each property.  
>  
> If you have any difficulty whatsoever in addressing this request, please  
> advise.  
>  
> Thanking you in anticipation, Dave Sadler  
>  
>