

**Subject: District Policies: Low-cost leases to non-profit groups**

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**From:** Elizabeth James <cagebc@yahoo.com>

**To:** john hunter <hunterjohn@telus.net>, Mayor and Council <council@dnv.org>

**CC:** James Ridge DNV CAO <james\_ridge@dnv.org>, "Mr. B Rimmer" <brimmer@dnv.org>, fonvca@fonva.org

5 November 2003

DISTRICT POLICIES: LOW-COST LEASES TO NON-PROFIT GROUPS

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Dear Mr. Hunter:

The material you sent along to expand upon your November 3, 2003 presentation to Council on the Deep Cove Yacht Club lease is much appreciated. The points you make are eminently supportable. Further, your brief gives rise to some additional aspects which are also worthy of comment.

**1. Policies vs By-Laws:**

Current District policy requires that the term of such leases in the District not exceed a period of five years. Clr. Nixon was no doubt aware of this when he worded his motion to suggest a term of 27 [30] years, renewable every five years. That gives DCYC some reassurance but, even more important, protects taxpayers from liability for losses which might be caused as a result of the vagaries of real property values.

What remains of concern, however, is the format of the current overall process. As you point out, John, some essential definitions are missing from the descriptives. Further, once all of the District leases have been reviewed - as I believe was Clr. Nixon's original contention - perhaps consideration should be given to converting the present leasing policy into a leasing by-law, the terms of which should apply to all applicants - even-handed across the board. If this is possible from a legal point of view, it would appear to give Council stronger guidelines and more "teeth" in making its decisions.

That said, those members of Council who would prefer a system of charging "fair market rent" with a partial or full "grant in lieu", while still risking some favouritism in Council decisions, are definitely on the right track. At the very least such a system would be far more transparent to the taxpayer.

**2. Talking of the taxpayer.....**

It is too bad that Clr. Muri did not think to make **all** taxpayers as aware of the importance to their pocketbooks of last Monday's meeting, as she did members of the Deep Cove Yacht Club, following her swift deferral motion two weeks earlier. Had she done so, presentations to Council might have been more fairly balanced and less self-serving. Most people are reasonable folks; if DCYC truly is deserving of special consideration by taxpayers, if it truly is of benefit to everyone in the District, citizens would recognize that and support a special Council lease or grant.

Residents who have been around for a few years will remember that Clr. Muri was first elected on the wave of her laudable efforts to save Cove and Mountain Forest. Since that time, however, when voters outside of Deep Cove/Seymour place the X beside her name, they have a right to expect that, on all issues, she will have the best interests of all citizens in mind - not just of those living in Deep Cove/Seymour. There is no ward system in place in the District.

**3. DCYC "Benefit" to the community.....**

Longevity of presence, by itself, does not necessarily speak to the issue of benefit to the overall community. In this day and age, most organizations in Canadian communities strive to include youth and the less physically or mentally able in their events. So, as Brian Platts said, why should that set the DCYC apart from other District non-profit groups? As for the fact that emergency services personnel "have a key" to the dock, it benefits the Club at least as much as it benefits anyone else to have such personnel coming and going. As for the picture we were asked to conjure up of a man standing with a child held over his shoulders waiting for rescue....come on now. Does DCYC really suggest that, but for the presence of the Club, the pair would have been left to their own devices? No-one with a boat would have helped? And oh, yes, was that man perhaps a member of the Club?

If the DCYC is of sufficient benefit to the whole District community as to warrant a taxpayer subsidy then, perhaps, my Lynn Valley grand-daughters' music, riding and Highland Dance lessons should be subsidized by the District also. Indeed, such activities as those would likely be of much wider appeal than a club which charges a \$4,000 initiation fee and caters, in the main, to the tastes of only 188 District families [75% of 250].

**4. Dock fees.....**

With respect to wharfage rates, one cannot but wonder if these are not being kept artificially low so as to avoid putting the 50% rule in jeopardy?

and last but not least.....

5. **Potential bias, pre-judgement or conflict of interest.....**

Many have written or given courses on the complex matter of *conflict of interest*. Most authors seem to agree that the significance of a *perception* of conflict, or of the existence of *bias* or *pre-judgement* carry almost as much weight as the existence of an *actual* conflict arising out of a pecuniary interest.

In this instance, DCYC personnel made much of the tourism component of the Club's activities and the importance of their contribution to the bottom line of local businesses in the Cove.

On Monday evening, Clr. Muri also admitted to having a pre-existing and particular affection for the Club, due to the fact that her grand-father was once Commodore of the Club. She and her family live in the Cove. It is also said that members of her extended family still have many business interests in Deep Cove. It would be comforting for taxpayers to have had Clr. Muri's assurance that no family members are Club members, and that her individual and family ties to the Club are no closer than to any other operation in the District. As noted above, in the matters of bias and conflicts of interest, perception is at least as important as reality.

In closing, as you say in your email, Clr. Nixon and three councillors have led the way to an acceptable compromise on this issue; for that they are due our sincere thanks. If accepted, the Club will gain a degree of certainty as it uses its capital improvements, District taxpayers will receive a modest financial benefit from their land assets and other non-profit groups will be able to see the Club on a fairer footing than has been the case to date.

Now, we urge Clr. Nixon, other councillors and Staff to work on formalizing this arrangement, and to use the concepts behind the resulting agreement as a template for all other leases in the District. As is the case in most BC municipalities, Council is no longer in a financial position to forego fair market rent on any of its taxpayer-owned assets.

Thanks are due to all who contributed their input to making Monday night's extremely interesting and the DCYC decision possible.

Sincerely,

Liz James  
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