



BRIEFING

TO: Mayor and Council

FROM: Chris Prosser,
Chief Administrative Officer

SUBJECT: Lake Windermere Resort Lands Purchase

RECOMMENDATION: N/A

Date:	January 31, 2019
Meeting Date:	February 5, 2019

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

N/A

BACKGROUND:

Since the land was first acquired in 1994, the Lake Windermere Resort Lands held the potential to re-define the Athalmer neighborhood and expand economic opportunities within the Invermere and the valley. However, over 25 years nothing has occurred and under the current ownership, no new development is on the horizon.

When the proposal call was issued by the Province in the late '80's, the intended purpose was for Commercial Tourism development. The total purchase price proposed in 1990 was \$314,655.00. Since then fill has been added to the site, a lift station constructed, domestic water service provided and additional lands under Lake Windermere Garage acquired as part of the overall development lands.

Historically, the development of this land has been controversial within the community since the beginning. Throughout the mid 90's the land use planning process were legally challenged, the community divided and required several public hearings and processes to ensure a sound zoning process was undertaken. In 1999, a renegotiated development agreement and development permit saw the first potential signs that something could occur on the site, and there was finally some hope that the vision could be achieved.

However, funding for the developer was an issue and after several attempts to allow residential uses to be built first, the developer decided not to proceed. Past Council's firmly supported that tourist accommodation needed to occur first on the property; the land use zoning and covenants required it and Council did not wish to continue to see intensive residential development further isolated access to the waterfront.

The District's existing planning framework outlines the intended purpose and supports the original grant from the Province. While the existing land owners have submitted several proposals for single family and duplex style residences, Council has consistently denied those requests and supported the current land use plan and zoning.

Our current OCP strongly supports public access to the waterfront and commercial tourism accommodation and associated uses within the land area. Increased public access to lands adjacent to the lake and wetlands would provide an important public benefit to the community. And with a level of municipal services in the area, the potential exists to expand and promote re-development of the area based upon a comprehensive public process after the land is acquired.

Offers to Purchase

In early 2017, Council resolved in an In-camera meeting to make an offer to purchase the lands based upon the BC Assessment data of \$3.184 million. This offer was submitted and was rejected with a counter offer in the \$12,000,000 range. We continued to have discussions with them and were able to convince them to contribute to a Commercial Appraisal to assist in determining the value. The 2017 appraisal had the commercial value of the property at approx. \$3.7 million.

The District submitted an offer at appraised value and was rejected outright. Owners stated at that time they would not go below \$7.5 million. The project sat until we began discussing the lease renewal for Pete's Marina during the summer of 2018. During that discussion, the owners asked if we were still interested in acquiring the property. At that time, they provided a final price of \$5,000,000.

At that time, it was stated that we would take it back to Council. On August 14, 2018, Council directed staff via an in-camera resolution to secure a letter of intent / offer to purchase to ensure the land was not being sold to another party while we went through the appropriate processes to secure the funding.

At the same time, Council directed staff to prepare an opinion poll question for the general election as a method to assess the support for the potential purchase. On October 20, 2018, the poll question was voted on and over 66% of the electorate supported the purchase of the land for \$5 million.

Due to the tight timeframes and the new Council, we re-negotiated the purchase agreement to allow for conditions to be released no later than June 30, 2019. Conditions on the purchase relate directly the approval of the electorate to fund the purchase through a long term borrow process.

Lands to be Purchased

The lands to be purchased are identified on the map below and include the following:

<u>Legal Description</u>	<u>2018 Assessment</u>	<u>Taxes</u>
Parcel A, D.L. 267, K.D., Plan NEP18891	\$1,967,000	\$32,848.78
Crown Foreshore - Marina/Building	\$89,900	\$1,242.98
Lot A, D.L. 267, K.D., Plan NEP18804	\$147,000	\$2,560.91
Lot A, D.L. 267, K.D., Plan NEP18399	\$41,800	\$810.21
Lot 2, Block 2, D.L. 267, K.D., Plan NEP740	\$17,900	\$412.48
Lot 3, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 4, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 5, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 6, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 7, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 8, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 9, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 10, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 11, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 12, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 13, Block 2, D.L. 267, K.D., Plan NEP740	\$44,200	\$850.14
Lot 21, Block 2, D.L. 267, K.D., Plan NEP740	\$51,500	\$971.64
Lot 22, Block 2, D.L. 267, K.D., Plan NEP740	\$49,100	\$931.69
Lot 23, Block 2, D.L. 267, K.D., Plan NEP740	\$37,300	\$735.32
Lot 24, Block 2, D.L. 267, K.D., Plan NEP740	\$35,500	\$705.37
Lot 25, Block 2, D.L. 267, K.D., Plan NEP740	\$33,100	\$665.43
Lot 26, Block 2, D.L. 267, K.D., Plan NEP740	\$31,300	\$635.47
Lot 17, Block 8, D.L. 267, K.D., Plan NEP740	\$46,000	\$585.18
Lot 18, Block 8, D.L. 267, K.D., Plan NEP740	\$46,000	\$585.18
Lot 19, Block 8, D.L. 267, K.D., Plan NEP740	\$46,000	\$585.18
Lot 20, Block 8, D.L. 267, K.D., Plan NEP740	\$46,000	\$585.18
Lot 21, Block 8, D.L. 267, K.D., Plan NEP740	\$46,000	\$436.98
Lot 22, Block 8, D.L. 267, K.D., Plan NEP740	\$46,000	\$436.98
	<u>\$3,263,600</u>	<u>\$55,086.50</u>



One item for Council to be aware of, is the water lot lease associated with the Marina is currently non-transferable to a new owner. Staff will continue to work with the Province to attempt to transfer the lease to the District as part of the boat launch lease. However, there is a risk, that the marina may need to be removed as part of the purchase process in the short term.

Rationale for the Purchase

Previous Council's discussed the future of these lands since at least 2016. Prior to 2016, discussions included developer driven proposals that did not comply with the vision nor the policy framework of the Athalmer waterfront.

Over several years, we had received requests from the boating community about the state of the boat launch. In 2016, Council budgeted funds to begin the permitting to remove a gravel bar in front of the existing boat launch. Council directed staff to begin developing a plan to improve the boat access and included potential funding within the previous Resort Development Strategy.

When permitting work was being developed to seek approvals to improve the boat launch, it became clear that to have a properly functioning boat launch with adequate parking, adjacent lands needed to be acquired. Being a lake front community, our presence and access to the lake is minimal, with James Chabot Provincial Park and Kinsmen Beach being the only two public access points to Lake Windermere.

In addition, the lack of progress on the site impacts the overall re-development of the Athalmer commercial corridor. Increased tourist accommodation and commercial activity on the site has the

potential to spur on other new developments within the Athalmer area. With improved presence on the lake for both tourists and the public, Invermere and Athalmer in general, could become a significant tourist destination that continues to expand economic opportunities and employment within the community.

Conceptually, the creation of smaller parcels for development, could see the OCP vision being developed in that area, and the District's acquisition could be the catalyst to see new opportunities being created. If the purchase does not go forward, Council will need to discuss boat launch options and determine whether investing in the current site is feasible for the type of lake front community we wish to create.

OCP Policy and Land Use Planning Framework

Land Use Policies

Invermere and the Columbia Valley have become an international destination for tourists. The beauty of the natural environment, the recreational opportunities and the ongoing development of several resorts in the area has strengthened the attraction. In 2008, The District was designated as one of several 'Resort Communities' in British Columbia. This designation allows additional funds to be allocated to the development of capital infrastructure that supports and enhances the tourism experience.

- The District will encourage tourism development that continues to provide ongoing economic benefit to the community, while at the same time maintaining and strengthening local cultural, social and natural resources.
- The District of Invermere will strive to maintain the appropriate balance between the needs of the residents and the needs of the visitors in order to maintain the quality of life of permanent residents.
- The District will encourage the development of appropriate staff accommodation in conjunction with all new resort developments. Council will not support the development of staff accommodation in the Industrial Park or in environmentally sensitive or hazardous areas.
- The District will encourage compatibility between resort areas and nearby residential areas. This will require measures to mitigate any negative effect through adequate screening or urban design.
- The District will encourage events and activities in the winter and shoulder seasons to help diversify and expand the tourism activities, and to help develop thriving businesses in the District year-round.
- The District will encourage cooperation between destination marketing organizations, local chambers of commerce and other business groups within the Columbia Valley.
- The District will support the Whiteway, boat access to the lake, and public access to the wetlands and Lake Windermere.
- The District will support and encourage the development of cultural tourism events and businesses.

- The District will encourage educational and interpretive facilities that recognize and support the environmental value of the Columbia Valley Wetlands.

Athalmer Development Permit Area

Justification and Objectives

- Tourism development is a key target of Invermere's economic development initiatives. Athalmer has been identified as having significant potential for various types and forms of commercial development catering to tourists and visitors to Invermere and the Windermere Lake area.
- The character and visual appeal of the area is an important feature and asset to the community. Athalmer is situated in a highly visible location and can be seen from various elevations and perspectives (i.e. approaches from above, from the lake, at eye level driving through). In order to ensure the visual quality is retained, the Development Permit Area will establish a high quality of development and contribute to the overall image of Athalmer.
- The main entry corridor from Highway 93/95 to the town center of Invermere and to Panorama Ski Resort runs through Athalmer. This entry corridor provides visitors and tourists with a first impression of the entire community which in turn contributes to the existing and future economic viability of Invermere. The Development Permit Area will improve the appearance of existing developments and ensure that new developments visible from the entry highway will be aesthetically appealing and of interest to tourists and residents alike.
- A significant portion of Athalmer fronts on Windermere Lake, which is heavily used for water-based recreation activities during the summer months. Windermere Lake has been identified as a very important asset to the community of Invermere. The development permit area will ensure that public access to the lake is maintained, that views to and from will be protected, and that development will minimize environmental impacts to the lake system.

Development Permit Area Objectives

Objectives:

- To ensure high quality development.
- To establish and maintain the visual character and quality of the area.
- To provide public access to the waterfront and pathways.
- To create a pedestrian friendly environment with sidewalks and pathways throughout the area, and to the Downtown.
- To establish appropriate styles, materials, and scale of development that contribute to a consistent, complementary and integrated architectural character.
- To minimize the impact of the developed landscape with substantial planting through landscaped grounds, buffers, street trees, and areas of open space.
- To create a unified and visually appealing streetscape.
- To create a high quality, unique gateway into Invermere.
- To ensure the Columbia River Wetlands are preserved as an environmental and recreational amenity for residents and visitors alike.

Site Specific Requirements

- Waterfront Marina

It is Council's intent to support public access to the lake for motorized and non-motorized boats. The availability of locations for motorized boat launches is constrained in the District due to existing development, feasibility of transportation infrastructure, and ownership. The existing marina is well suited for a non-motorized boat use because of its location at the mouth of a river channel; the current and future potential for congestion in the narrow channel; the close proximity to Salmon spawning beds; the limited amount of access and parking on site. Therefore, future intentions for the area include a minimal amount of commercial development associated with waterfront activities and users. At this time, it is proposed that the marina is converted for non-motorized boat use and rentals. However, Council will consider the direction for this site in the context of wider discussions about the provisions for a motorized boat launch in the District and seek to balance the constraints of the site with the overall community desire for appropriate access to the Lake.

- Ensure buildings are set back the required distance from the shoreline.
- Orient the main front facade toward the waterfront.
- Restrict building height to two storeys along the waterfront.
- Locate parking behind the buildings away from the waterfront.
- Develop a pedestrian oriented waterfront with boardwalks and outdoor spaces.
- Provide a central focal point on axis with Tarte Street.



- Lake Windermere Resort Site

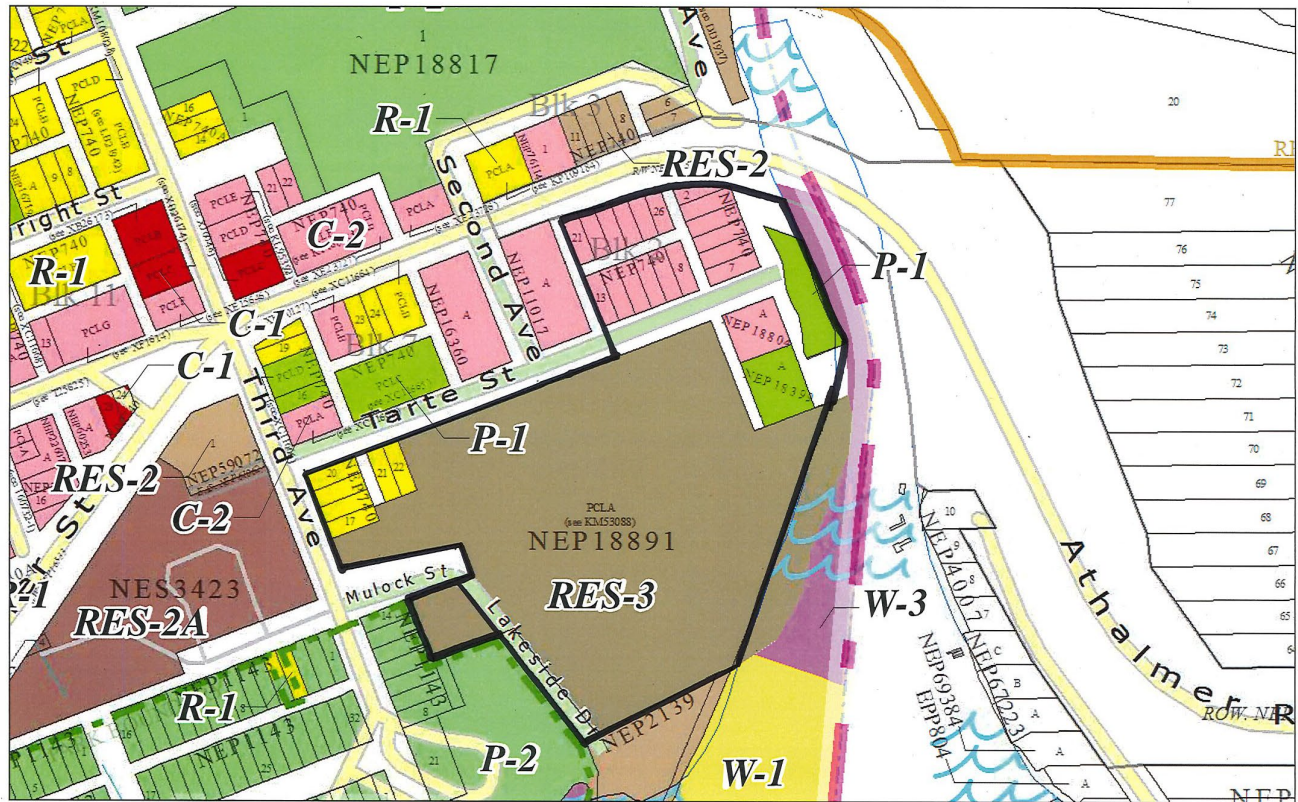
The conceptual design plan for the proposed Lake Windermere Resort development has been taken from plans drawn up by the developer.

- General considerations for the site include the following:
- Provide a public boardwalk along the waterfront.
- Link the waterfront boardwalk with a pedestrian pathway to James Chabot Provincial Park.
- Substantially landscape the site in order to minimize the mass and scale of development.
- Ensure that views to and from the site are maintained.
- Plant street trees along both sides of Tarte Street.
- Variety of overnight accommodations.



Current Zoning

The subject property is currently zoned as outlined on the map below:



C-2 (pink) is Highway Tourist Commercial and permits uses like motels, restaurants, gas bars, convenience stores and typical Highway commercial uses.

R-1 (yellow) is Single Family Residential and permits only single-family residences.

P-1 (green) is Public Institutional and permits schools, colleges, churches, group homes day cares and senior citizens centres.

Res-3 (brown) is Hotel Resort zoning and permits hotels, motels, multi-family dwelling units, indoor recreation facilities, lounges, bars and night clubs, general retail, marinas and boat launches, outdoor recreation facilities, RV Parks, conference centres and restaurants.

Public Approval Process – Borrowing scenario

The preferred process would be to proceed with the alternate approval process first and if it fails then proceed to the referendum within the required 80 days as outlined by the Province. If the alternate approval process is successful, then the cost of the referendum has saved about \$10,000. In both scenarios we can defer the long term borrow pending any funding agreement that we may be seeking or other potential funding options or when Council deems the project complete. We would interim finance through a Temporary Borrowing process for a maximum of 5 years. The amount of the loan and or the term of the loan could be reduced depending upon the outside funding that may be received over that 5-year term.

The potential timeline for the Alternate Approval process is outlined below:

1. **February 5, 2019** – Council approves a preferred financing strategy – potentially gives three readings to a borrowing bylaw (if bylaws deferred to Feb 26, 2019 the schedule is adjusted by the 3 weeks)
2. **February 6, 2019** – Borrowing Bylaw sent to Province for approval
3. **March 1, 2019** – Provincial approval received (hopefully)
4. **March 7 and 14, 2019** - Notices placed in local papers, website
5. **March 1 – 31, 2019** - Public Engagement process begins
 - a. Press release – March 7, 2019
 - b. Minimum of two (2) – Open Houses – March 20 and 27, 2019
 - c. Newsletter / Mail Drop – March 14, 2019 and April 3, 2019
6. **April 15, 2019** - Alternate Approval process ends
7. **April 23, 2019** – Council receives Alternate Approval Process results
8. **April 23, 2019** – Council adopts required Borrowing Bylaws (long term and temporary)
9. **May 24, 2019** – 30-day quashing period ends

There is some leeway in the above schedule and was built around existing Council meetings. If Council wanted to have special meetings, we can accommodate that process and could save a week or two. If the Alternate Approval Process fails, then Council will need to determine whether it is worth it to proceed to referendum or let the project die at that point. A referendum needs to take place no more than 80 days after the closing of the alternate approval process if it fails and General Voting Day must be on a Saturday. All other voting procedures would be followed with advanced and mail in balloting available.

If the alternate approval process fails the latest we could have a referendum is June 29, 2019. If Council chooses to proceed with the referendum we would try and hold the general voting day in late May/early June 2019, with bylaw adoption at the last meeting on June 25, 2019 and conditions release for June 30, 2019.

Future Land Uses and Planning Framework

Once the land is acquired, work planning can then proceed to develop the terms of reference for the land use planning process. The land use planning process would include these properties and would also encompass the entire Athalmer Neighborhood from the CPR tracks to the Columbia River and from Lake Windermere to RONA.

Grant applications to FCM are continuing to be prepared to review transportation, sewer, water and storm systems in the Athalmer neighborhood. While these funds will cover most of the infrastructure planning required, the land use planning context will require District funding of a minimum of \$50,000. Depending upon the scope to start and depending upon the level of detail and public engagement may increase.

This planning process would run 2019-2021 and would more than likely start in the fall of 2019 once the purchase is complete. Any comprehensive planning process would be a minimum of 12-18 months from kick-off to adoption.

With one of the main arguments for the acquisition to improve access to the water and a full re-build of the boat launch, capital funding would also need to be secured for the construction and permitting of the boat launch in that location. Preliminary high-level budget has a minimum of \$400,000 to improve the boat launching facilities.

With this being the only formal **public** boat launch on Lake Windermere, funding at the regional level should be considered. The boat launch and water front improvements are currently outlined in the current Resort Development Strategy (RDS) for funding and we are hopefully it will remain in the new RDS. Operational costs and maintenance could be recovered through a boat launching fee of some kind.

In addition, the potential exists to work with partners to explore extending the Dragonfly Boardwalk in James Chabot Provincial Park, to connect with the water front along the Columbia River into the wetlands and along the CPR tracks to provide a walkable connection from Athalmer into Downtown and to Kinsmen Beach and Rotary Park. The acquisition opens up options to increase public access and park space in consideration of other commercial and public uses.

Financial Considerations

Current tax revenue being generated by the property is limited to the current vacant land values. In 2018, the District collected \$55,086 in property taxes for all 29 parcels included in the purchase. In addition, the lease with Pete's Marina generates approximately \$2700 per year. If the land is acquired by the District, the tax revenue will be lost for the short term, but the increased opportunities for re-development will see increased taxation over the longer-term development of the property.

While difficult to forecast tax revenue on the site without improvements and land uses, a comparison to the taxes paid for tourist accommodation is the Invermere Inn at approximately \$61,000 per annum. The Inn is on 1.26 acres of land and the subject properties, to be purchased, excluding interior laneways is approximately 13.5 acres.

Property tax forecast below is making the following assumptions:

- 3 storey tourist accommodation of 44 rooms
- Restaurant and bar
- Parking area
- Area reduction of LWR lands of 30% for parkland dedication, roads and open spaces
- Both currently taxed as Class 6 Business /Other
- Assessed values 2018: LWR Lands \$3,316,200 Invermere Inn \$4,015,000 (\$1,050,000 land value \$2,965,000 building value)

Property	Taxes Paid	Land Area (sq. ft)	Current Taxes per sq. ft	Tax Revenue Projection
Invermere Inn	\$61,000	54,701	\$1.12	N/A
LWR Lands	\$55,086	588,100	\$0.09	\$461,070

Conclusion

While the acquisition of land is questioned by the community, the opportunity to acquire such an integral piece does not occur very often. The potential exists to engage the community to assist in defining the future of Athalmer and access to the waterfront. Being "Invermere on the Lake" and having ownership and future control of any waterfront lands is visionary and fosters long term planning and community development.

Report / Document:

Attached: ☐

Available: ☐

KEY ISSUE(S)/CONCEPT(S):

N/A

DESIRED OUTCOMES:

N/A

RECOMMENDED:

N/A

COMMUNICATIONS:

N/A

Reviewed by: Kindry Luyendyk

Other review: Karen Cote
