



**District of  
North Saanich**

***STAFF REPORT***

To: Rob Buchan  
Chief Administrative Officer

Date: September 18, 2016

From: Anne Berry  
Director of Planning and Community Services

File: 3360-20-2011-03

Re: **Sandown Project Summary Report**

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**RECOMMENDATION(S):**

That Council receive the report for information and direct staff to post the report on the District's website.

**STRATEGIC PLAN IMPLICATIONS:**

This matter relates to the following Council strategic priorities:

***Protect and Enhance Rural, Agricultural, Heritage, Marine and Environmental Resources***

***Encourage Compatible Commercial and Local Business Development***

***Maintain a Strong Sense of Community***

***Ensure Strong Leadership, Fiscal Responsibility and Transparent Government***

Council's Strategic Plan calls for progressive leadership, service excellence, and outstanding stewardship of public assets. The Sandown Project is supported by various policy directives found throughout the Strategic Plan.

**PURPOSE:**

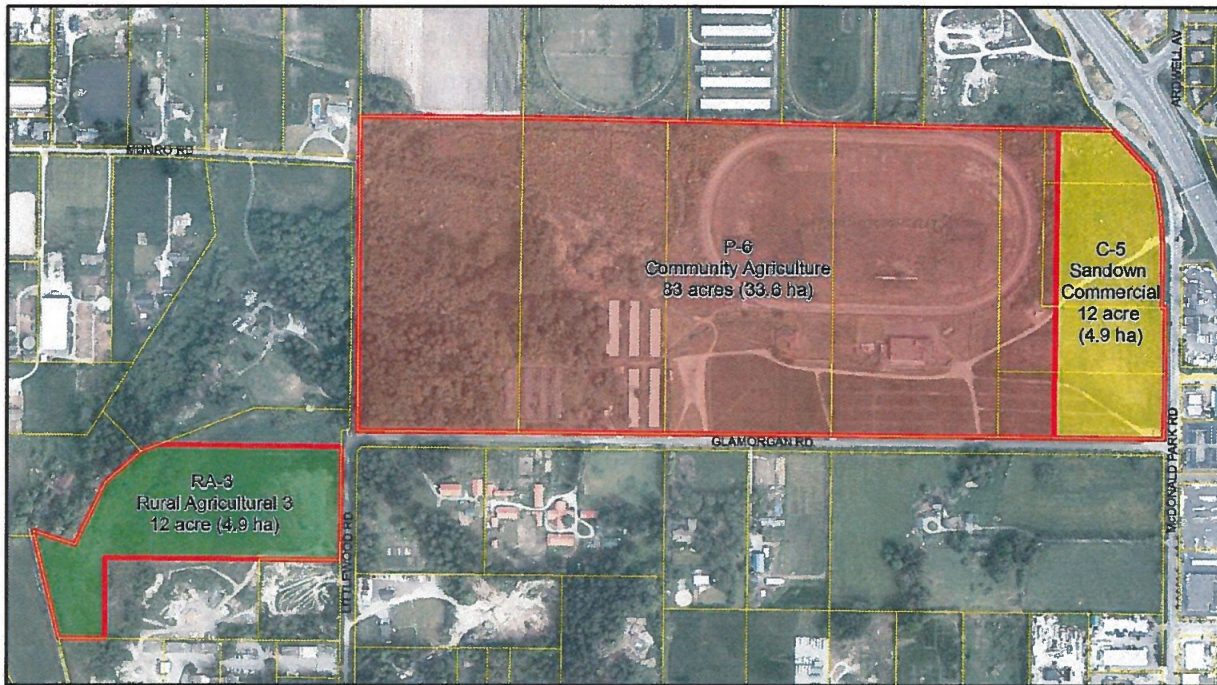
This report is intended to provide a summary of the Sandown Project to-date, per Council direction from the August 15, 2016, Regular Meeting and includes the following information:

- A project background summary;
- An update of relevant financial information including current property tax revenue;
- A summary of remaining Phased Development Agreement requirements;
- An estimate of project time-line significant milestones.

**BACKGROUND:**

Discussions regarding the Sandown site began in 2010. The current Sandown Project was first introduced to Council in 2011, when the owners of the Sandown Racetrack declared that the existing harness racetrack activities were no longer economically viable, and they expressed interest in applying to rezone the lands. The site is the location of the former Sandown Racetrack,

located at the corner of Glamorgan Road and McDonald Park Road, approximately 95 acres in size, and includes 8 different parcels of land.



*Reference Map – Sandown Site*

The application involved the following conditions of approval:

- Rezoning and Official Community Plan Amendments for the entire site
- Agricultural Land Reserve exclusion of 12 acres (plus inclusion of 12.05 acres of municipal land)
- The proponent entering into a Phased Development Agreement with the District

The proposal involved the exclusion and rezoning of 12 acres of the site at the Glamorgan and McDonald Park road intersection to commercial uses (Sandown Commercial). The remaining 83 acres of the site was to be rezoned and transferred to the District for various agricultural related purposes (Sandown Community Agriculture). In order to ensure no net loss of land in the ALR, the District offered to include 12.05 acres of municipal land into the reserve.

In November 2011, the Agricultural Land Commission (ALC) granted conditional approval to the exclusion/inclusion application. In March 2014 Council adopted the OCP amendment bylaw and a bylaw to enter into a Phased Development Agreement with the property owners. Subsequently, in November 2014, Council adopted the bylaw to rezone the property.

Currently the proponents are working to complete the requirements of the Phased Development Agreement (PDA). At the June 27<sup>th</sup>, 2016 and July 18<sup>th</sup>, 2016 meetings, the proponents presented their proposed Agricultural Reclamation and Drainage Plan to Council. The plan is one of several conditions required under the terms of the PDA and is a condition of ALC exclusion approval. The Plan is currently under review at the ALC offices as ALC approval is set to expire in November of this year unless an extension is granted. Further details are provided in the Discussion section of this report.

The C-5 Zone (Sandown Commercial) is intended to provide for a wide variety of commercial and other uses. The permitted uses (listed below) reflect the property's proximity to existing agricultural, light industrial, professional and commercial uses:

|   |  |
|---|--|
| Restaurants                             | Equipment sales                          |
| Service station                         | Agricultural supplies and feed           |
| Movie theatre                           | Educational, training and conference use |
| Light industrial                        | Lounges and pubs                         |
| Research facility                       | Grocery store                            |
| Professional offices                    | Convenience store                        |
| Office                                  | Building supplies                        |
| Motel/hotel                             | Bank/credit union                        |
| Retail sales                            | Veterinary clinic                        |
| Nurseries and Commercial greenhouses    | Furniture and Appliance store            |
| Automobile sales/service                | Off-farm Farmer's Market                 |
| Boat sales/service/storage (dry stocks) | Catering Establishment                   |
| Warehousing/distribution                | Pharmacy Store                           |
| Mini-storage                            | Print Shop                               |

Under the C-5 zoning, no retail, commercial unit, or store, may exceed 4,645m<sup>2</sup> (50,000 sf) in area. A maximum 40% lot coverage is permitted.

The P-6 Zone (Sandown Community Agriculture) is intended to provide for agricultural and farm uses, including related exhibition, research and equestrian facilities, or a combination thereof. The permitted uses reflect the history of the property and the District's commitment to agriculture:

|   |                                  |
|---|----------------------------------|
| Farm use  | Agricultural Exhibition facility |
| Equestrian facilities                                 | Farm Market and Exhibition       |
| Agricultural educational, training and conference use | Single Family Residential        |
| Agricultural research facility                        |                                  |

### **DISCUSSION:**

The Sandown Project involves multiple complex processes, several of which remain underway. Key components of the application/process are outlined below:

### **Agricultural Land Commission Conditions of Approval:**

The following provides a summary of the ALC conditions of approval:

1. The inclusion of the approximately 5.0 ha of municipal land.
2. An agreement entered into with the ALC to ensure that the future development of the site is in substantial accordance with the intent of the proposal and in accordance with the ALC's reclamation requirements.
3. The approval by the Commission of a reclamation and drainage plan prepared by a professional Agrologist or otherwise suitably qualified professional for the agricultural lands. That the source of any soil being added to the subject properties be inspected to ensure it is not contaminated and meets standards for agricultural use.
4. The construction of a fence and the planting of vegetation for the purpose of buffering the excluded lands from the remainder of the parcel.
5. The preparation of a subdivision plan consistent with the proposed exclusion area.

6. The registration of a covenant on title of the proposed consolidated parcel for the purpose of restricting use to agricultural and accessory uses and prohibiting park development on the site.
7. The zoning of the consolidated lot that remains in the ALR being changed from Exhibition to an appropriate Rural Agricultural zone.
8. The exclusion and inclusion is to be completed within five (5) years from the date of the ALC decision.

*Staff note: Further updates providing greater clarity regarding the conditions in the ALC decision were provided in a staff report to Council dated January 3, 2012:*

- *The 5.0ha of municipal land is not expected to be reclaimed within the 5 year timeframe. The ALC recognized the District's process of reclaiming the land using the District's Green Waste program.*
- *There is not a requirement to have all the improvements completed within the 5 year timeframe, however the agrologist plan and the covenant prohibiting park use must be complete.*
- *The above covenant is not required on the municipal property.*
- *The prohibition of park use does not preclude application to the ALC for trail access on the site.*
- *Buildings can be retained if put to an agricultural use.*

As the expiration of the 2011 ALC approval is approaching an extension may be required in order to continue to provide additional time for the applicants to meet the various project requirements. The applicants were directed by the ALC to submit the Agricultural Reclamation and Drainage Plan for approval in advance of the Commission considering a request for an extension to the 2011 decision. Currently the Plan and the applicant's request for an extension is under consideration at the ALC offices and staff anticipates a response from the Commission early this fall.

**Phased Development Agreement Conditions:**

Requirements under the Phased Development Agreement are summarized below:

**Remediation, Reclamation and Transfer of Agricultural Land:**

The Owner is required to remediate and reclaim the agricultural land (83 acre portion) at the owner's expense. The land is to be transferred to the District prior to the expiry date of the PDA and after the agricultural land has been remediated and reclaimed.

The Owner is not to use the commercial land for a commercial use (other than any commercial uses previously permitted prior to adoption of the current zoning) until the site remediation has been completed and the Reclamation and Drainage Plan has been prepared, approved, implemented, and the ALC advises that the agricultural land has been satisfactorily reclaimed.

Alternatively to the above requirements, the Owner may instead enter into an agreement with the District to allow the preparation and implementation of the Reclamation and Drainage Plan at a later date, and provide to the District a Letter of Credit to secure the Owner's obligations.

The District is entitled to withhold any development or building permit that would authorize any use that was not permitted on the commercial land prior to the adoption of the current zoning until the owner has either met the remediation and reclamation requirements or has entered in to the above agreement and supplied an appropriate Letter of Credit.

The District and the Owner may also agree to transfer the lands prior to the completion of the reclamation plan. If this option were pursued the District would require contractual arrangements for the completion of these works, and the provision of a security.

**Fence Installation:**

The Owner is required to construct a 6 foot tall wire fabric fence and install a vegetative buffer consisting of edible fruit and nut bearing plants and trees on the agricultural land immediately adjacent to the boundary with the commercial land. The owner is also required to construct a wire fabric fence 4 feet in height, to be installed along the entire Glamorgan Road property boundary of the agricultural land, to Littlewood Road. These works are to be undertaken prior to the PDA expiration date, and prior to the construction of any building or structure on the commercial lands.

**Subdivision:**

The Owner may subdivide the commercial land from the agricultural lands at any time prior to the PDA expiration, whether or not the plan further subdivides the commercial land, provided that the subdivision consolidates the agricultural lands into a single parcel, and the District's Approving Officer and the ALC have approved the subdivision.

**Termination of the Agreement:**

The terms of the agreement are to end on the expiry date, which is November 14, 2016, unless an extension to the 5 year ALC approval is granted (in which case the expiration would be earlier of the expiry of the term of ALC approval or ten years from the date of adoption of the bylaw to enter into the PDA).

The parties may terminate the agreement at any time by written agreement. If the owner has not performed its obligations under the agreement (as reasonable determined by the District, the ALC or the agrologist) the District may terminate the agreement by providing written notice to the owner. In order to provide written notice, the District must have advised the Owner of any alleged failure in writing, at least two months in advance and the Owner has not corrected the deficiency, or substantially commenced remedying the deficiency if it will take longer than two months to correct the deficiency within six months, to a reasonable satisfaction of the District, ALC or the agrologist as the case may be.

In order to have time for the owners to complete the requirements of the PDA, an extension to the ALC approval is likely necessary. Remaining PDA requirements are as follows:

- Site remediation
- Implementation of the Agricultural Reclamation and Drainage Plan
- Land transfer to the District of North Saanich
- Subdivision
- Fence installation

**Current and Future Development Applications:**

Currently the District is in receipt of a Development Permit application for a commercial retail development (Canadian Tire) on a portion of the commercially zoned lands. The application is in process and under review at this time.

In order to proceed with the transfer of land to the District, the proponents will be required to apply to subdivide the lands in order to create parcels consistent with the zoning layer and per the terms of the PDA. ALC approval of the subdivision will be required in addition to the District's Approving Officer. Issuance of a Development Permit will be a condition of subdivision approval.

Building Permit issuance for the proposed commercial development will be subject to Development Permit approval and subdivision approval, and the terms of the PDA.

Through the Development Permit and subdivision processes, the District is requiring a traffic impact analysis for the proposed commercial development, and staff note that a Section 219 Restrictive Covenant will be required.

**Financial Information:**

The following provides a summary of current property tax revenue and additional financial analysis information:

- In 2016, municipal property tax revenue associated with the Sandown lands was \$10,367.
- In 2012 an appraisal of the lands was conducted resulting in an appraised market value of \$2.4 million for the 83 acre agricultural portion (assuming rezoned and consolidated), and \$7.8 to \$10.45 million for the commercial portion (assuming rezoned and serviced).

If current Class 6 Business/Other mill rates were applied to the 2012 estimates, the municipal portion of the taxes collected on the commercially zoned lands would range from approximately \$75,974 to \$101,786.

In order to provide updated market values a new appraisal including current market conditions would be required.



**CHRONOLOGY OF APPLICATION MILESTONES:**

| <b><u>Zoning Amendment Bylaw (No. 1281)</u></b>                   | <b><u>OCP Amendment Bylaw (No.1280)</u></b>                                     | <b><u>Phased Development Agreement (No.1343)</u></b>  | <b><u>Agricultural Land Commission Application</u></b>                      | <b><u>Current Development Activity</u></b>   |
|---|---|---|---|--|
| 1 <sup>st</sup> and 2 <sup>nd</sup> Reading<br>September 12, 2011 | 1 <sup>st</sup> and 2 <sup>nd</sup> Reading<br>September 12, 2011               | 1 <sup>st</sup> and 2 <sup>nd</sup> Reading<br>January 13, 2014                               | Approval granted – November 14, 2011  | Development Permit Application submitted September 9, 2016<br><br>(Application under review) |
| CRD approval received<br>December 14, 2011                        | CRD approval received<br>December 14, 2011                                      | 3 <sup>rd</sup> Reading<br>March 3, 2014  |   |  |
| Public Hearing<br>March 3, 2014                                   | Amended at 2 <sup>nd</sup> Reading<br>January 13, 2014                          | PDA Bylaw adopted March 3, 2014   | Agricultural Reclamation and Drainage Plan submitted to ALC August 10, 2016 |  |
| 3 <sup>rd</sup> Reading<br>March 3, 2014                          | Public Hearing<br>March 3, 2014<br><br>3 <sup>rd</sup> Reading<br>March 3, 2014 |   |   |  |
| Bylaw Adoption<br>November 3, 2014                                | Bylaw Adoption<br>March 3, 2014   | Agricultural Reclamation and Drainage Plan presented to Council June 27, 2016 & July 18, 2016 |   |  |

**Vision Sandown**

The District retained the consulting services of the Capital Region Food and Agriculture Initiatives Roundtable (CRFAIR) to conduct an assessment of the community's vision and priorities for the 83 acre portion of the site that is to remain as agricultural land. The Vision Sandown Report is the product of the community consultation process undertaken by the District to assist Council in its decision making regarding specific agricultural uses for the Sandown site.

CRFAIR submitted the Vision Sandown: What We Heard, Community Input on the Development of Sandown Report for Council's consideration of the results of the engagement process initiated to obtain public input on future community agricultural uses at the Sandown site. The Report includes a developed community vision and outlines the key community values and priority activity areas identified by the participants and concludes with a series of next steps for the District to consider.

The Vision Sandown report has been referred to the District's advisory committees and staff will report back to Council with a review of the report and options for consideration. Staff has been directed to bring this report back when the land transfer process is being undertaken. Options are to include the requirement for a covenant to keep the lands for agricultural use in perpetuity.

**OPTIONS:**

Council can:

1. Receive this report for information and direct staff to post the report on the District's website; OR
2. Other.

**LEGAL IMPLICATIONS:**

None identified.

**CONSULTATIONS:**

None required.

**INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:**

This report has been circulated to the Directors for review and comments.

**SUMMARY/CONCLUSION:**

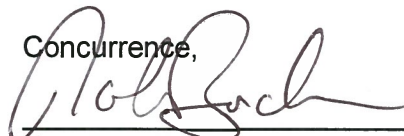
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Respectfully submitted,



Anne Berry  
Director of Planning & Community Services

Concurrence,



Rob Buchan  
Chief Administrative Officer

Concurrence:



Stephanie Munro, A/Director Financial Services



Eymond Toupin, Director Infrastructure Services



Curt Kingsley, Director Corporate Services



John Treford, Director Emergency Services