

Dailey, Sharon H FLNR:EX

From: Lohr, Christine P FLNR:EX
Sent: Monday, December 18, 2017 9:23 AM
To: Dailey, Sharon H FLNR:EX
Subject: RE: Update on appraisal contract / discussion with Linda Hastings: FW: D.L. 36

I hope it helps! I know I was not expecting such a large difference either. s.22

Christine Lohr, RPF
Land Officer
Crown Lands Authorizations Division / Kootenay Boundary Region
845 Columbia Avenue
Castlegar, BC V1N 1H3
(250) 365-8627
Forests, Lands and Natural Resource Operations

**If you have a question on how to apply for a Crown Land use: please call: FrontCounter BC (Toll free): 1-877-855-3222

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

From: Dailey, Sharon H FLNR:EX
Sent: Friday, December 15, 2017 7:09 AM
To: Lohr, Christine P FLNR:EX
Subject: Re: Update on appraisal contract / discussion with Linda Hastings: FW: D.L. 36

You're the best!! Thank you so much for talking to Linda and getting this information :)

From: Lohr, Christine P FLNR:EX
Sent: Thursday, December 14, 2017 6:16 PM
To: Dailey, Sharon H FLNR:EX
Subject: Update on appraisal contract / discussion with Linda Hastings: FW: D.L. 36

Hi Sharon, I discussed this with Linda this afternoon. She was aware that the purpose of the appraisal was for the exchange and she did also research the Elizabeth Lake land. Linda said that the appraisal she has provided is for bare land, "as is", and unfortunately, it is not really comparable with the Elizabeth Lake parcel. The reason is that the Elizabeth Lake parcel is land-locked, swampy and good for birds, probably high water table with limited building potential - so not great for development. The Crown parcel on Mt Baker road is close to schools, good roads, and right next to developed properties, whereas the Elizabeth lake parcel is not. The appraised value is based on similar parcels in the area, and is reflective of the "as is" nature of the parcel - yet its location and characteristics is what makes it more valuable than the Elizabeth lake parcel.

As an aside, discussion with Linda Hastings and Pete Jansen, we thought that even with this "inequitable value", that possibly the Crown land parcel could be reduced in size (cut off a piece) so that the result is equal in \$ value to Elizabeth Lake. Not sure what the Fiorentino's think of swapping different-sized parcels, but if we are swapping similar \$\$ value, (with the Mt Baker parcel having better building sites, good access, utilities, etc.,) it may look enticing to them. Anyway, just putting it out there, that we could proceed with the swap, but just with a smaller Mt Baker parcel. It would be, of course, up to the Fiorentino's to accept the swap based on this reduced size.

Hope this helps Sharon!

s.22

in the office all next week. Take care! :)

P.s. I discussed with Ray Morello, and he is agreeable to extending the contract term. This will Linda more time to produce the reports, based on our discussions. So the contract modification to extend the term should be approved and done by the time you get back.

s.22

Christine Lohr, RPF
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-----Original Message-----

From: Linda Hastings [mailto:lhastings@ekappraisals.com]
Sent: Thursday, December 14, 2017 4:41 PM
To: Lohr, Christine P FLNR:EX
Subject: RE: D.L. 36

As requested. I will be making every attempt to have this completed by early next week.

Linda

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

From: Lohr, Christine P FLNR:EX [mailto:Christine.Lohr@gov.bc.ca]
Sent: December-14-17 5:06 PM
To: 'lhastings@ekappraisals.com'
Subject: RE: D.L. 36

Hi again Linda! I am sorry for the confusion, but the other email I sent you (to proceed with the finals) was sent a bit too hastily, as Sharon was able to review the report, and had a few questions. (But the report is excellent, nevertheless). Thus the reason for my email below, is per Sharon's request. So I still would like to discuss with you if you have some time today.

I am attaching a form in case we need to extend the contract a few weeks, would you be so kind as to sign and return to me as soon as you can, as the contract expires tomorrow. Thank you and look forward to hearing back from you.

Kind Regards,

Christine Lohr, RPF
Land Officer

Crown Lands Authorizations Division / Kootenay Boundary Region
845 Columbia Avenue
Castlegar, BC V1N 1H3
(250) 365-8627
Forests, Lands and Natural Resource Operations

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

From: lhastings@ekappraisals.com [mailto:lhastings@ekappraisals.com]
Sent: Thursday, December 14, 2017 1:59 PM
To: Lohr, Christine P FLNR:EX
Subject: RE: D.L. 36

I am away from the office and without phone reception. I will call tomorrow morning or about 4:30 your time this pm.

Linda

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

From : Lohr, Christine P FLNR:EX[mailto:Christine.Lohr@gov.bc.ca]
Sent : 12/14/2017 2:42:49 PM
To : lhastings@ekappraisals.com
Cc :
Subject : RE: D.L. 36

Hi Linda - Thank you for the opportunity to look at the draft report. Sharon asked me to call you, as she had some questions about highest and best use: primarily as the purpose of this appraisal is for a land exchange for another similarly-sized acreage (near Elizabeth Lake), that the Crown wishes to "exchange" with the land owner. Both are "rural acreages" and indeed, both have potential for subdivision. The appraisal for that Elizabeth Lake acreage was quite a bit less though, and so I just want to confirm whether our Terms of Reference (TOR) was clear in what the subject Land's use was. We acknowledge and will defer to your professional appraisal!

Would you please be able to call me to discuss? Thanks so much!

Kind Regards,

Christine Lohr, RPF
Land Officer
Crown Lands Authorizations Division / Kootenay Boundary Region
845 Columbia Avenue
Castlegar, BC V1N 1H3
(250) 365-8627
Forests, Lands and Natural Resource Operations

**If you have a question on how to apply for a Crown Land use: please call: FrontCounter BC (Toll free): 1-877-855-3222

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

From: Linda Hastings [mailto:lhastings@ekappraisals.com]
Sent: Thursday, December 14, 2017 9:41 AM
To: Lohr, Christine P FLNR:EX
Cc: Dailey, Sharon H FLNR:EX
Subject: FW: D.L. 36

Hello Christine:

The attached is a draft of the first document for this project. If you have time to review the document I would appreciate the feedback.

Does it give the reader enough (or too much) information for the final value opinion?

Regards,
Linda Hastings, AACI, P.App.
E.K. Appraisals.
(250) 426-6564

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

From: Dailey, Sharon H FLNR:EX [mailto:Sharon.Dailey@gov.bc.ca]
Sent: December-13-17 4:36 PM
To: lhastings@ekappraisals.com
Cc: Lohr, Christine P FLNR:EX
Subject: Re: D.L. 36

?Hi Linda,

s.22
this email.

Would you please send it to Christine Lohr, with a cc to me. I have copied Chris on

Thanks,

Sharon

From: Linda Hastings <lhastings@ekappraisals.com>
Sent: Wednesday, December 13, 2017 4:23 PM
To: Dailey, Sharon H FLNR:EX
Subject: D.L. 36

Hi Sharon:

I am completing the first of the two documents for proofreading. The second will be virtually a copy of the first. Would it be alright if I sent the first to you for review by tomorrow? I assume the review will be done elsewhere. I would like some feedback to ensure that I am approaching this valuation correctly.

Regards,

Linda Hastings, AACI, P.App.

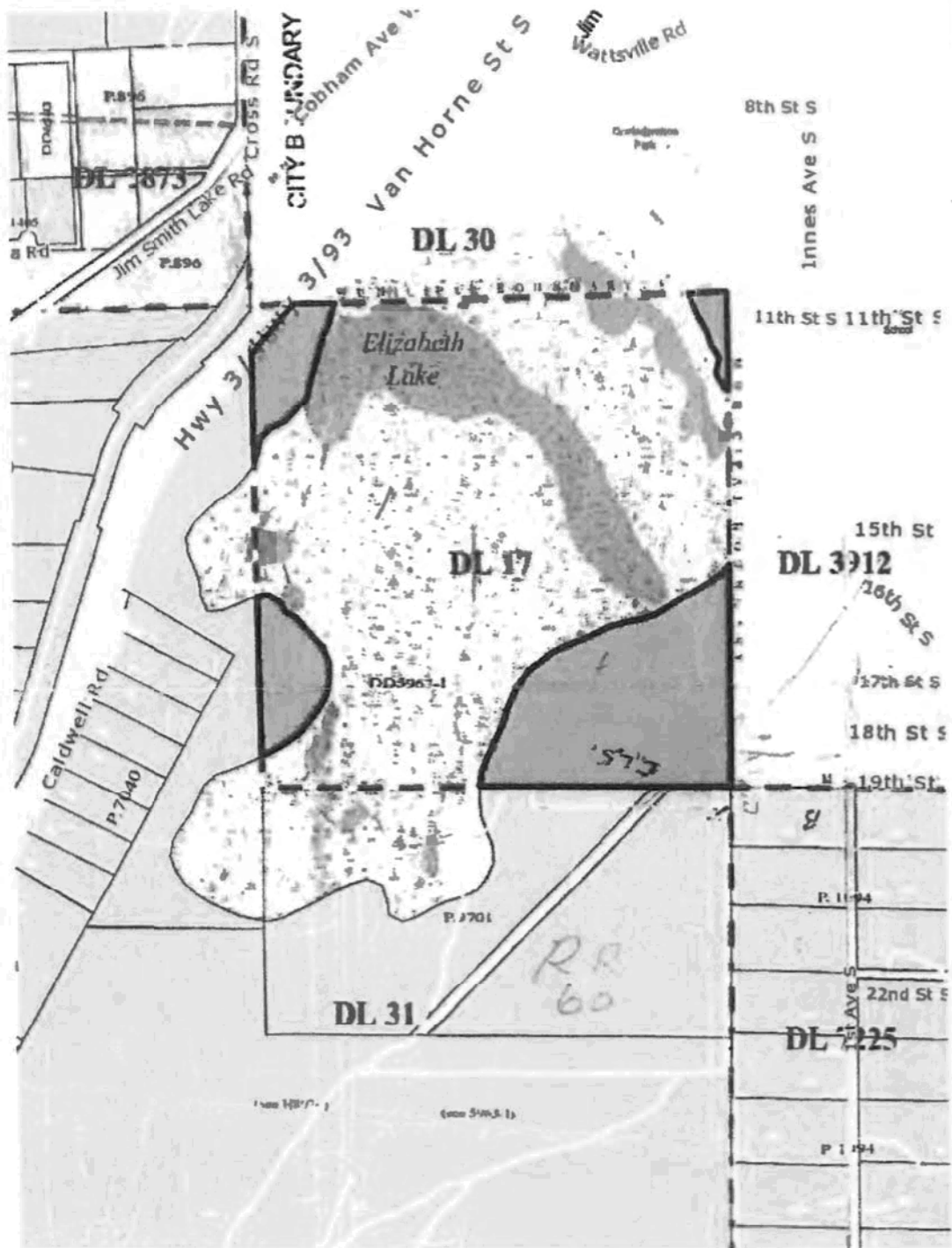
E.K. Appraisals.

(250) 426-6564

Regional District of East Kootenay

Legend

- Lot Line
- - - Right of Way
- District Lot



Notes:

402 0 201 402 Meters

WGS_1984_Web_Mercator_Auxiliary_Sphere
RDEK GeoViewer - 5-12-2018 3:42 PM

Scale = 1:16,085



THIS MAP IS NOT TO BE USED FOR NAVIGATION

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

Dailey, Sharon H FLNR:EX

From: Di Iorio, Mafalda M CSNR:EX
Sent: Thursday, January 4, 2018 4:25 PM
To: Dailey, Sharon H FLNR:EX
Subject: RE: 4405812 Fiorentino.xlsx

Hi Sharon

Project number 71L4642 has been created for FIORENTINO LAND EXCHANGE FILE 4405812.

If you haven't already initiated payment, you can code this to the project for payment. If it has already been recorded, please have your Accounts Payable support change the coding as necessary.

Mafalda M. Di Iorio, CPA, CGA
Financial Analyst | Financial Services Branch
Tel 778-698-8266 ~ Fax 250-356-9239
Corporate Services for the Natural Resource Ministries

From: Dailey, Sharon H FLNR:EX
Sent: Thursday, December 21, 2017 1:31 PM
To: Di Iorio, Mafalda M CSNR:EX
Subject: 4405812 Fiorentino.xlsx

Hi Mafalda,

Can you take a look at this to see if I have completed it correctly for a project #. I am doing my first ever land exchange and we are at the stage where it looks like it is going to go ahead. The Crown land value came out a little higher than the private parcel we would obtain in the exchange; however, Crown will be paying survey costs, some legal fees and appraisal fees that I have tried to capture in the CDC portion. I didn't include this in my forecast, because I didn't really know until today if this would go forward.

Also, does this have to be signed by myself, Ray and the Regional Exec Director, Garth Wigill?

Thanks,
Sharon

E. K. Appraisals

3178 - 49th Street S.
Cranbrook, BC
VIC 7A2

Invoice

Date	Invoice #
21/12/2017	299

Invoice To

Ministry of Forests, Lands, and
Natural Resource Operations
1902 Theatre Road,
Cranbrook, B.C.
VIC 7G1

10 Jan 3/17

Date	Description	Amount	Tax
29/11/2017	A narrative appraisal reports, to establish a current market values - for the marketing of properties described as: That part of D.L. 36, Kootenay District, except 1) part included in Plan NEP2668, and 2) part included in RW NEP1463, and 3) Parcel 1 (see 11814-I) more particularly shown containing the right-of-way lands, with 21.4 hectares (more or less), and shown not containing the right-of-way with 19.8 hectares (more or less). - Your File #4405812 GST on sales	4,200.00 210.00	G

Sales Tax Total \$210.00

Total \$4,410.00

GST/HST No. 849620679

Phone #
250-426-6564



PROJECT INITIATION FORM

Please indicate source of this request by ticking box below:

FLNRO-REG
OPERATIONS

x

FLNRO-
CLORB

FLNRO-
RESORT DEV

Section 1 - Project Identification

Please Print
Project Name : Florentino Land Exchange

Project Manager: Sharon Dailey

Project Start Date: 01-Jun-16

Project Completion
Date (estimate): 1-Dec-18

Date: 21-Dec-17

Tantalis File # 4405812

ATTACH LIST IF MORE THAN THREE FILES

Response Centre: 71921

Service Line: 30373

Section 2 - Revenue and Expenditure Estimates

Revenue		Year 1	Year 2	Year 3	Year 4	Year 5	> Yr 5	Total
Description	STOB							
Land Sales	4361		849,051					849,051
Tenure Revenue	4360							-
Other Describe								-
Total Revenue Budget:		-	849,051	-	-	-	-	849,051
Capitalizable Development Costs		Year 1	Year 2	Year 3	Year 4	Year 5	> Yr 5	Total
Description	STOB							
Inventory - Acquisitions	1530			784,802				784,802
Inventory - Project Development	1531			25,000				25,000
Inventory - Project Delivery	1534							-
Inventory - Project Closure	1535							-
Inventory - Legal Services	1536			2,000				2,000
Other - Describe								-
Total Expenditure Budget		-	-	811,802	-	-	-	811,802
Net Project Revenue		-	849,051	(811,802)	-	-	-	37,248
% Cost/Revenue (Do not enter anything on this line)								95.61%

Section 3 - Project Operational Data

Project file contains all appropriate documentation to support project approval request (Y or N)

Y

Section 4 - Project Authorization

Project Manager: Sharon Dailey

Date: 21-Dec-17

Regional Manager: Ray Morello

Date: 21-Dec-17

Regional Director: Garth Wigill

Date: 21-Dec-17

Please forward form to CSNR - Financial Services Branch, Victoria

CSNR-FSB use only

Received by:

CSNR-FSB

Initials

Date

Project # Assigned:

Dailey, Sharon H FLNR:EX

From: Dailey, Sharon H FLNR:EX
Sent: Tuesday, May 9, 2017 12:05 PM
To: s.22
Subject: FW: Valuation for parcel of interest

Hi Frank,

Sorry, apparently I only sent this to Gus.

Sharon

From: Dailey, Sharon H FLNR:EX
Sent: Thursday, January 19, 2017 10:18 AM
To: 'Gus'
Subject: RE: Valuation for parcel of interest

Hi Gus,

Our Forestry Branch has reviewed your timber appraisal and is satisfied with the valuation. They have also completed a timber appraisal on the parcel you are interested in and have determined that there is 1098.4 cubic meters of Sawlog and 1141 cubic meters of Pulpwood. Using the same pricing methods in the email you gave me from Jim, total timber value is as follows:

$1098.4/\text{m}^3 \times 85.76 = \$94,198.78$
 $1141/\text{m}^3 \times 36.68 = \$41,851.88$
Total Revenue: \$136,050.66

So the value of your parcel per the land appraisal, \$515,000, plus the timber value \$269,802.24 would be \$784,802. The VERY rough estimate of the parcel you're interested in on 16.2 ha (the area less the r/w) is \$537,890, plus the timber value \$136,060 would be \$637,950.

You guys are going to have to be confident that all zoning, bylaw and ALR issues will be able to be dealt with for any future plans of the parcel you're interested in and provide me with a written letter that you wish to proceed with the land exchange process. Once you have done that, we'll have to get a proper appraisal completed on the parcel of interest, have Brad give us an amended appraisal that you provided identifying that there is no legal access, get an estimated value of what it would cost to survey the parcel you're interested in, then proceed with the public and First Nations consultation piece.

Still a lot of work to be done. When do you and Frank come back to Cranbrook?

I am going to head out of here for the day, s.22
s.22

but will still be able to access my emails s.22

Best Regards,
Sharon

Dailey, Sharon H FLNR:EX

From: Daigle, Michael J FLNR:EX
Sent: Friday, January 13, 2017 3:28 PM
To: Dailey, Sharon H FLNR:EX
Subject: Land swap info Elizabeth Lake for Baker Mtn Road
Attachments: CWPP - GOLD 05 UPDATE OVERVIEW MAP.PDF

Sharon.

Here is some information from our recent prescription that shows data for the area of concern. I estimate 13ha Type 1 and 4ha Type 2.

Type 1 has about 53.4 cubic meters per hectare of Sawlog and minimum 65 cubic meters of pulpwood per hectare totalling 694.2 cubic meters sawlog and 845 cubic meters Pulpwood.

Type 2 has about 63.4 cubic meters per hectare of Sawlog and minimum 74 cubic meters of pulpwood per hectare totalling 253.6 cubic meters sawlog and 296 cubic meters Pulpwood.

Totals are 1098.4 cubic meters Sawlog and 1141 cubic meters pulpwood.

Should you need any more info let me know.

Type 1 Layer 2-4 tally

Layer 2, 3 and 4
tally

3.99 fixed plot radius, 25 plots total

	Plot	All Spp	ht (m)	dbh (cm)
Layer 2,3,4	1	18	5.0	8.0
	2	16	5.0	7.0
	3	7	7.0	8.0
	4	6	8.0	8.0
	5	12	7.0	6.0
	6	13	5.0	8.0
	7	13	7.0	8.0
	8	10	7	5.0
	9	7	8.0	8.0
	10	5	6.0	5.0
	11	13	4.0	8.0
	12	16	7.0	6.0
	30	4	8.0	8.0
	38	12	8.0	7.0
	39	11	8.0	7.0
	40	12	5.0	6.0
	41	15	6.0	8.0
	42	17	5.0	5.0
	43	16	5.0	8.0
	44	12	7.0	9.0
	45	14	8.0	9.0
	46	13	4.0	8.0

	47	13	6.0	7.0
	48	10	6.0	8.0
	49	14	8.0	8.0
sum/ #plots		12.0	6.4	7.1
sph		2392		
spp comp				

TU # 1		avg sph	avg Ht.	Avg DBH
Layer 2,3,4		2392.0	6.4	7.1
				n/a
	0.0	0.0	n/a	n/a

BAF= 5
Plots= 25

Gold Creek Type 1 Idlewyld Area
Layer 1 trees

DBH class (midpoint)		BA/tree	Tally	BA/ha (m2/ha)	Density (sph)	Avg ht (m)	Vol/tree (m3)	vol(m3/ha)	Heights of all trees i		
15	12.5-17.5	0.017671	70	14.00	792.24	14.00	0.082	65.33	14.0	15.0	14.0
20	17.5-22.5	0.031416	25	5.00	159.15	18.00	0.188	30.00	20.0	18.0	20.0
25	22.5-27.5	0.049087	12	2.40	48.89	18.71	0.306	14.97	20.0	20.0	18.0
30	27.5-32.5	0.070686	7	1.40	19.81	18.00	0.424	8.40	20.0	19.0	20.0
35	32.5-37.5	0.096211		0.00	0.00			0.00	0.0		
40	37.5-42.5	0.125664		0.00	0.00			0.00	0.0		
45	42.5-47.5	0.159043		0.00	0.00			0.00	0.0		
50	47.5-52.5	0.19635		0.00	0.00			0.00	0.0		
55	52.5-57.5	0.237583		0.00	0.00			0.00	0.0		
60	57.5-62.5	0.282743		0.00	0.00			0.00	0.0		
65	62.5-67.5	0.331831		0.00	0.00			0.00	0.0		
70		0.384845		0.00	0.00			0.00	0.0		
75		0.441786		0.00	0.00			0.00	0.0		
80		0.502655		0.00	0.00			0.00	0.0		
Totals			114	22.80	1020.09	17.18	0.116	118.70			

BAF= 5
Plots= 17

Gold Creek Type 2 Idlewyld Area

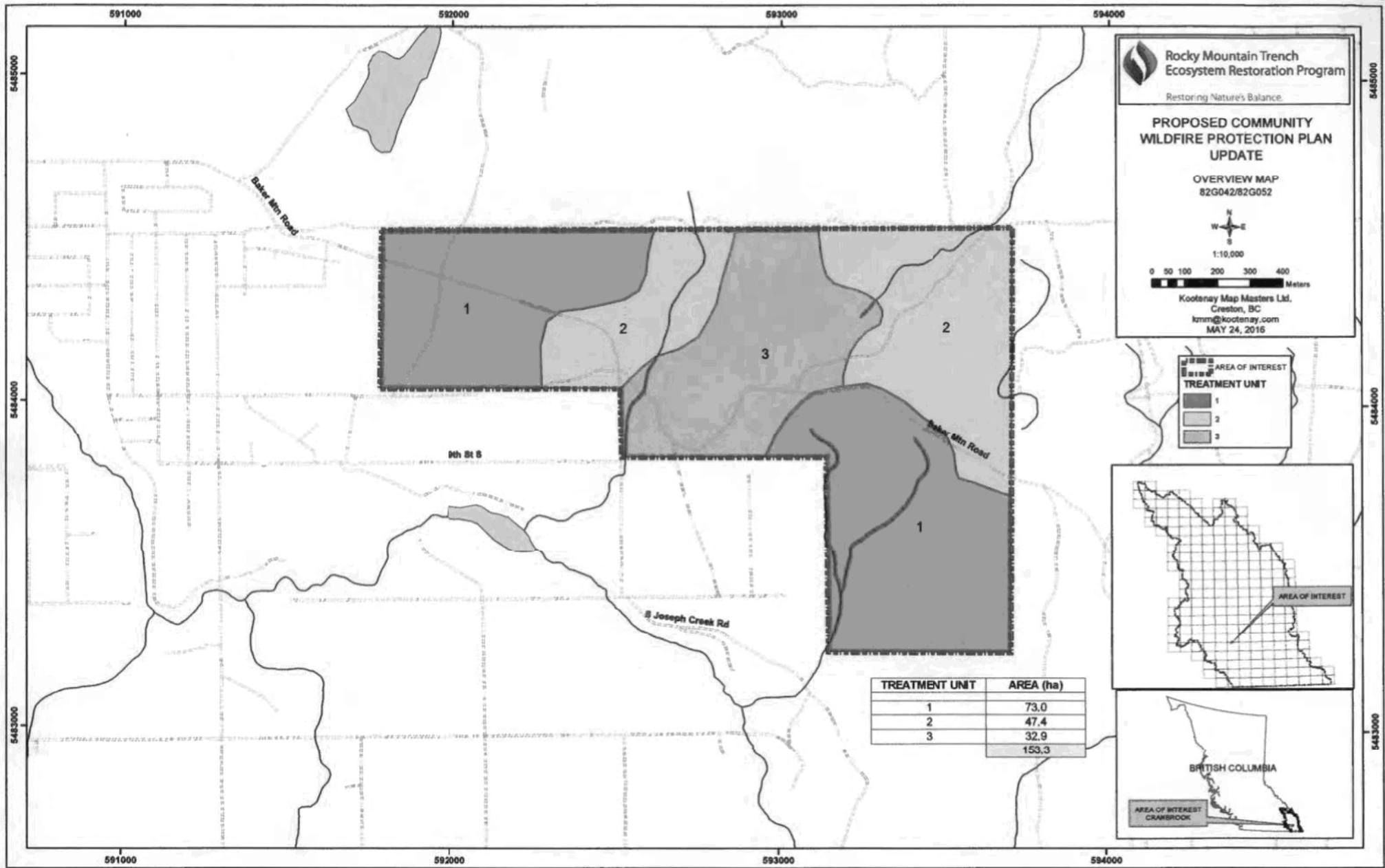
DBH		BA/tree	Tally	BA/ha	Density	Avg ht	Vol/tree	vol(m3/ha)	Heights of all trees	
-----	--	---------	-------	-------	---------	--------	----------	------------	----------------------	--

class (midpoint)				(m2/ha)	(sph)	(m)	(m3)				
15	12.5-17.5	0.017671	54	15.88235	898.76	14.0	74.1176	74.12	14.0	12.0	12.0
20	17.5-22.5	0.031416	21	6.17647	196.60	19.0	39.1176	39.12	19.0	16.0	18.0
25	22.5-27.5	0.049087	8	2.35294	47.93	21.0	16.4706	16.47	18.0	18.0	17.0
30	27.5-32.5	0.070686	4	1.17647	16.64	20.0	7.8431	7.84	18.0	18.0	18.0
35	32.5-37.5	0.096211		0.00000	0.00			0.00	0.0		
40	37.5-42.5	0.125664		0.00000	0.00			0.00	0.0		
45	42.5-47.5	0.159043		0.00000	0.00			0.00	0.0		
50	47.5-52.5	0.19635		0.00000	0.00			0.00	0.0		
55	52.5-57.5	0.237583		0.00000	0.00			0.00	0.0		
60	57.5-62.5	0.282743		0.00000	0.00			0.00	0.0		
65	62.5-67.5	0.331831		0.00000	0.00			0.00	0.0		
70		0.384845		0.00000	0.00			0.00	0.0		
75		0.441786		0.00000	0.00			0.00	0.0		
80		0.502655		0.00000	0.00			0.00	0.0		
Totals			87	25.58824	1159.94	18.50	0.1186	137.55			

Mike Daigle RPF

Stewardship Forester
Rocky Mountain Resource District
Min. Forests Lands and
Natural Resource Operations
Phone 250-420-2176
Email : Michael.daigle@gov.bc.ca





Crown land file #4405812 – Land Exchange Proposal – Public Comments

13 letters of support: Total support of the land exchange to enhance Elizabeth Lake.

1 letter of non-support:

- Not in favour states: I am not in favour of this exchange. There should be more consultation with the residents of Cranbrook. The residents already voted against this area being developed some 5 years ago. I am in favour of them selling their current property and purchasing the new property.

2 letters with comments/questions:

1st letter:

- Will existing corridors currently used for access to Community Forest be maintained (from 9th Street northward)?
- If the land is developed, will covenants ensure that new residences are built to the standards currently in the neighbourhood, ie. No mobile homes, no RV storage, no dog kennels etc.
- Is the intention of the developer to incorporate this property into the city and thereby increase the potential density?
- Will unconstructed 38th Ave be developed in order to provide access to any proposed acreages? That scenario would increase traffic on 9th St. and impact the current owners of property adjacent to that avenue.

2nd letter:

- Will this land swap be reviewed/administered fully in a public process, or is this letter the only opportunity to voice an opinion on this whole file?
- Will there be a Cabinet Minister involved who oversees this portfolio?
- I am questioning this government on safe guards; what can taxpayers rely upon that will assure this process for a land swap has criteria to be met and followed, and carried out with all information made available in a public process?
- The company goes on their proposal stating there would be results in a net benefit to wildlife and biodiversity values; including many other talking points of Wetlands and Riparian Habitats. If this statement reflects the nature of this land swap to be carried out; is the Land conservancy of British Columbia Canada or Nature Conservancy of Canada going to speak publicly on behalf of this proposed land swap for the extension of these Wetlands for conservation.
- This is supposed to be a public letter, so why do I require an application for a Freedom of Information to see any of this application questions on this land swap from the public, or that this letter was even considered if I can't review the public response.
- Has the BC Government started to investigate this parcel of land and made any determination on the importance of this property for conservation and its benefits to the province and their taxpayers by extending the Elizabeth Lake Sanctuary and Conservation Lands for wildlife?
- What is the process/criteria requirements the government will follow for this land swap proposal?

- I want to be assured by this Provincial Government that the land swap is for the reasons being stated and investigated and not because this parcel of land is under a land lock or in a flood plain/zone making development unrealistic or very expensive to gain access.
- I want to be assured that the proposed land swap is based on a written appraisal using the true values for a land lock parcel versus unrestricted access to a parcel of prime crown land close to the city of Cranbrook limits or boundaries.
- Who reads these letters, and can it be forwarded to a Ministry of this Portfolio. I want to request Application and cost please for Freedom of Information.
- I do not know the Private Holding Company that is applying for the land swap, or do I question any of their business decisions. Or their statements they have made in regards to the land swap proposal, or how they manage their owned assets.
- The Private Holding Company states that there are many public walking trails, but this parcel is land locked; so how are these trails accessed, and how will they be kept open to the public under a Land Reserve if the land around it is privately owned?
- The company states the land is heavily treed so that would be easy to review or investigate and shows the land has not been logged for profit at this time; as the parcels off Baker Mountain Road will also have the availability of timber to be harvested and is of value in this land swap.
- I do hope that the same emphasize is put on wildlife corridors for all parcels of land being considered.
- There are other alternatives available for easement through the courts to gain access to a land locked property by history of land and any previous access provided.
- I do hope the government assures taxpayers this land swap is for the reasons being stated, as I am not concerned about putting important properties into a land reserve if they should be protected and it would add to the need of preserving this land if the conservancy groups listed above spoke up about this Elizabeth Lake Sanctuary, along with a Minister of this portfolio.
- Appraised values for each parcel of land in this proposal and the whole process open to a public forum for review/input.
- I do think the land swap should be consistent with apples to apples, as the crown land along Baker Mountain Road would fetch a considerable value on the open market if sold in that manner and these funds would return to the province of BC upon sale.



Dailey, Sharon H FLNR:EX

From: Gus Fiorentino s.22
Sent: Tuesday, December 19, 2017 8:10 PM
To: Dailey, Sharon H FLNR:EX
Subject: RE: Update

Thank you

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

From: Dailey, Sharon H FLNR:EX [<mailto:Sharon.Dailey@gov.bc.ca>]
Sent: Tuesday, December 19, 2017 7:38 PM
To: Gus Fiorentino
Subject: Re: Update

Absolutely Gus. I will see you at 1:45 on the 21st.

Sharon

From: Gus Fiorentino s.22
Sent: Tuesday, December 19, 2017 4:54 PM
To: Dailey, Sharon H FLNR:EX
Subject: FW: Update

Hi Sharon

Can we move the meeting back 15 minutes. 1:45 - Dec. 21st will work better for me?
Gus

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

From: Dailey, Sharon H FLNR:EX [<mailto:Sharon.Dailey@gov.bc.ca>]
Sent: Wednesday, December 13, 2017 7:18 PM
To: Gus Fiorentino
Subject: Re: Update

That works :) See you then.

Sharon

From: Gus Fiorentino s.22
Sent: Wednesday, December 13, 2017 5:29 PM
To: Dailey, Sharon H FLNR:EX
Subject: RE: Update

How about 1:30 December 21st?
Gus

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

From: Dailey, Sharon H FLNR:EX [<mailto:Sharon.Dailey@gov.bc.ca>]

Sent: Wednesday, December 13, 2017 4:33 PM
To: Gus Fiorentino
Subject: Re: Update

?I am free all day on the 21st, so anytime in the afternoon works for me.
Or I can do the day before on the 20th.

Sharon

From: Gus Fiorentino s.22
Sent: Wednesday, December 13, 2017 4:29 PM
To: Dailey, Sharon H FLNR:EX
Subject: RE: Update

I just realized s.22
day?

Can we make it later in the day or the following

I talked to Brad he will have his work done for that meeting.
Gus

From: Dailey, Sharon H FLNR:EX [mailto:Sharon.Dailey@gov.bc.ca]
Sent: Tuesday, December 12, 2017 8:44 AM
To: 'Gus Fiorentino'
Subject: RE: Update

Hi Gus,

I haven't got the appraisal back from Linda Hastings yet; hopefully I will have it by the time I get back on the 19th. Why don't we set up a meeting for the morning of the 21st if that works for you guys.

Have you received an addendum back from Brad yet on your appraisal?

Sharon

From: Gus Fiorentino s.22
Sent: Monday, December 11, 2017 7:58 PM
To: Dailey, Sharon H FLNR:EX
Subject: RE: Update

Hi Sharon

Just letting you know Frank and his wife are s.22
Cheers
Gus

let us know when you are ready to meet.

From: Dailey, Sharon H FLNR:EX [mailto:Sharon.Dailey@gov.bc.ca]
Sent: Wednesday, November 29, 2017 9:28 AM
To: 'Gus Fiorentino'; s.22
'Lina Fiorentino'
Subject: Update

Hi guys,

Bureaucracy at its best..... I just got the approval to sign off on the appraisal contract for the Crown land parcel. The contract was awarded to Linda Hastings who will submit an appraisal to me by December 15th.

s.22 Christine did talk to Brad about your appraisal and it is my understanding that he will be providing an addendum now based on no legal access. I assume that you are aware of this and that Brad has been in touch with you.

I will be working through the Christmas holidays this year: In the office on December 19th, 20th, 21st, 27th, 28th and 29th. Hopefully we can touch base once the appraisals are complete before s.22

Just wanted to give you an update of where we are at on my end. Sorry that it took so long from Executive to approval the appraisal contract.

Thanks,
Sharon

Sharon Dailey
Section Head, Land Authorizations
Kootenay Boundary Region
Ministry of Forests, Lands and Natural Resource Operations
Tel: 250-426-1753
Email: Sharon.dailey@gov.bc.ca<mailto:Sharon.dailey@gov.bc.ca>

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Land Exchange Proposal

Property	Jurisdiction	OCP Bylaw	Zoning Bylaw	Designation	ALR	Legal Access	Approximate Size
Fiorentino	C	2255	1402	RR-60	Yes	No	34.7 ha
Crown	C	2255	1402	RR-60	Yes	Yes	20 ha +/-

LAND	SIZE	APPRAISED VALUE	TIMBER VALUE	TOTAL VALUE	DIFFERENCE
Fiorentino Lands	34.7 ha (85.68 acres)	\$515,000.00	\$269,802.24	\$784,802.24	
Crown Land Parcel	21.4 ha (52.88 acres)	\$749,000.00	\$136,050.66	\$885,050.66	\$100,248.42
Crown Land Parcel (Less Right of Way)	19.9 ha (49.17 acres)	\$713,000.00	\$136,050.66	\$849,050.66	\$64,248.42

NEXT STEPS:

Fiorentino's	Decide if willing to take parcel as is, no preconditions of zoning etc. - DONE
Government	Appraisal of Crown parcel - DONE
Fiorentino's	Addendum to appraisal of land to reflect NO legal access - DONE
Both Parties	Review of all appraisals and decision to proceed
Government	Apply to Agricultural Land Commission to see if Crown parcel can be subdivided into approx 20 ha parcel
Government	Survey of Crown parcel and raise title
Government	Legal Services to draft Purchase & Sale Agreement
Fiorentino's	Legal transfer of private parcel
Government	Crown Grant of Crown parcel

UPDATED

21-Dec-17

Frank

Park

OLD MOYEE ROAD
CONTINUES TO FIRST AVE

NEW DEDICATION

FUTURE DEVELOPMENT
SEE LOCATION PLAN
RIGHT

BLOCK 51
PLAN 1094
DL 3912

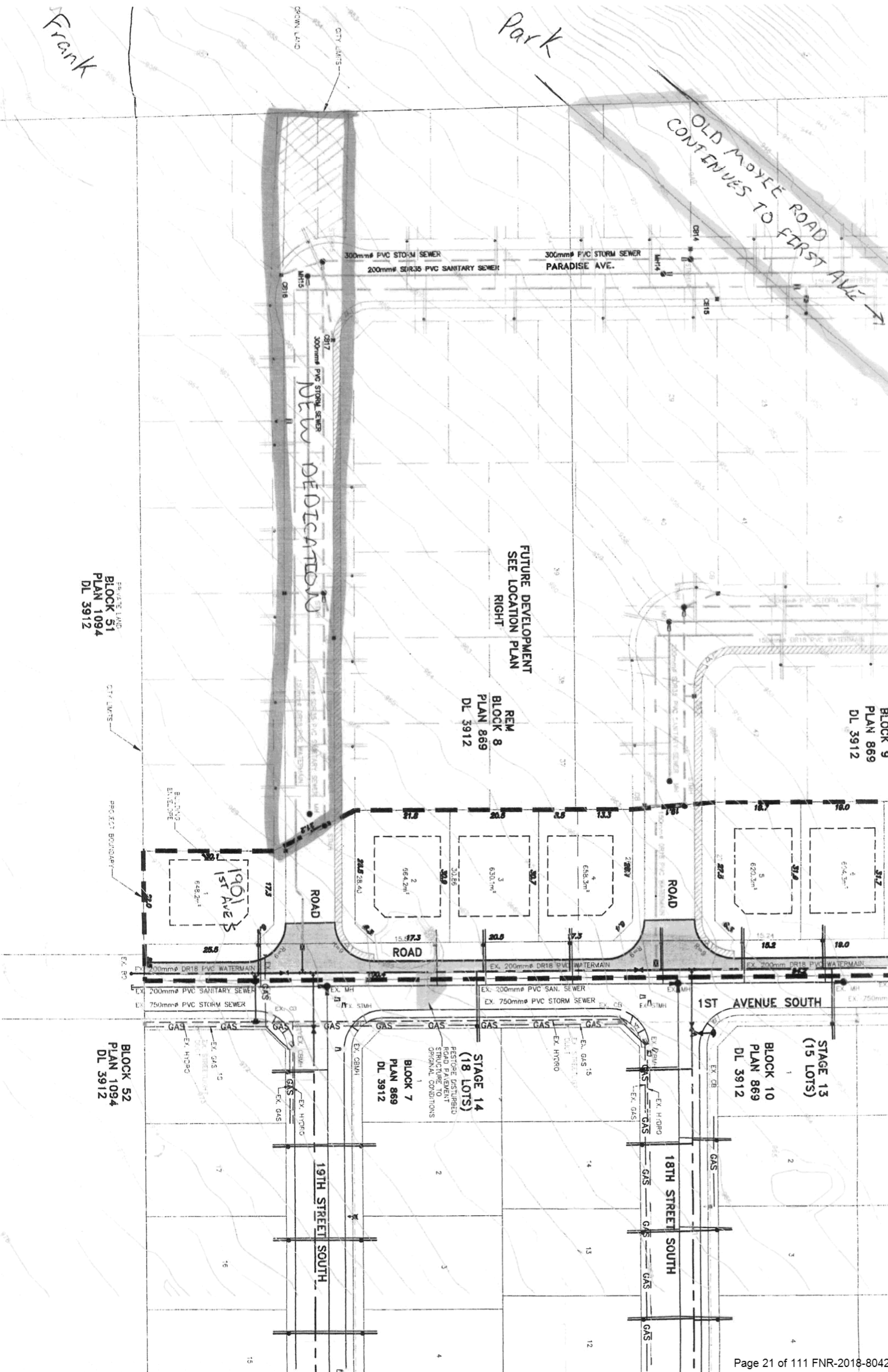
BLOCK 9
PLAN 869
DL 3912

REM
BLOCK 8
PLAN 869
DL 3912

BLOCK 52
PLAN 1094
DL 3912

STAGE 13
(15 LOTS)
BLOCK 10
PLAN 869
DL 3912

STAGE 14
(18 LOTS)
RESTORE DISTURBED
ROAD PAVEMENT
STRUCTURE TO
ORIGINAL CONDITIONS
BLOCK 7
PLAN 869
DL 3912



E.K. APPRAISALS

Linda Hastings, AACI, P. App
Real Estate Appraiser and Consultant
3178-49th Street S.
Cranbrook, BC V1C 7A2

Bus: (250) 426-6564

E-mail: lhastings@ekappraisals.com

December 13, 2017

Ministry of Forests, Lands and Natural Resource Operations (FLNRO)

Crown Lands Authorizations Division / Kootenay Boundary Region
1902 Theatre Road,
Cranbrook, B.C. V1C 7G1

ATTENTION: Sharon Dailey

Dear Ms. Dailey:

RE: A narrative appraisal report, to establish a current market value - for the marketing of property described as: That part of D.L. 36, Kootenay District, except 1) part included in Plan NEP2668, and 2) part included in RW NEP1463, and 3) Parcel 1 (see 11814-I) more particularly including 19.8 hectares more or less. – Your File #4405812

This report has been prepared, as requested, in accordance with the Canadian Uniform Standards of Professional Appraisal Practice, to provide a current market value for marketing purposes. The assumptions and limiting conditions, which follow, are relevant to this document's intended use. It has been prepared on the assumption that no one, other than the **Ministry of Forests, Lands and Natural Resource Operations (FLNRO)**, Crown Lands Authorizations Division / Kootenay Boundary Region, will rely on this report for any other purpose, and all liability to all such persons is denied.

This report, including 45 pages of text and appendices, describes the property and provides applicable market information, as the basis for the current estimate of market value. As a Rural Resource zoned property, with extensive road frontage, and separation from the City of Cranbrook's boundary by a Fortis right-of-way green space, the 19.8 hectare's market value is estimated at:

\$713,000,

as at November 29, 2017. Additional information, relevant to this assignment, is held on file.

Sincerely,



LINDA HASTINGS, A.A.C.I., P.App.
E.K. APPRAISALS

LH/lh

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

REPORT FACTS

EFFECTIVE DATE OF APPRAISAL: November 29, 2017
DATE OF INSPECTION: November 29, 2017
PURPOSE OF THE APPRAISAL: Market Value for Marketing
INTEREST APPRAISED: Fee Simple

SUBJECT FACTS

TYPE OF PROPERTY: Vacant lands located within the Regional District of East Kootenay with (RR-60) Rural Resource zoning, abutting City of Cranbrook lands within the R-S Single Family Residential zone.

LOCATION: South of Baker Mountain Road between 34th and 42nd Avenues South, Cranbrook, B.C.

LEGAL DESCRIPTION: That part of D.L. 36, Kootenay District, except 1) part included in Plan NEP2668, and 2) part included in RW NEP1463, and 3) Parcel 1 (see 11814-I) more particularly including 19.8 hectares more or less.

ZONING: RR-60 Rural Resource Zone lying adjacent to the City of Cranbrook's boundaries and a Residential Single Family zoned neighbourhood.

VALUE CONCLUSIONS (ESTIMATES)

HIGHEST AND BEST USE: Holding property that is potential development land which conforms to adjacent City of Cranbrook uses and residential zoning.

DIRECT COMPARISON APPROACH: **\$713,000**

FINAL ESTIMATED MARKET VALUES: **\$713,000**

EXTRA-ORDINARY HYPOTHETICAL CONDITION AND ASSUMPTION

For this report, the appraiser assumes that the subject's described 19.8 hectares has potential to be consolidated into the City of Cranbrook's boundary for a future single-family residential development use.

EXPOSURE TIME:

Exposure time to achieve the estimated market value equals 30 to 360 days or more, based on the past three years' of marketing times of larger acreage vacant lands, located within and in proximity to the City of Cranbrook.

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SCOPE OF THE APPRAISAL

THE SCOPE OF THE APPRAISAL ENCOMPASSES THE NECESSARY RESEARCH AND ANALYSIS TO PREPARE A REPORT IN ACCORDANCE WITH THE INTENDED USE AND "THE CANADIAN UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE". IN REGARD TO THE SUBJECT PROPERTY, THIS INVOLVED THE FOLLOWING STEPS:

1. The subject property was inspected on November 29, 2017, and the photographs were taken on the date of inspection.
 - a. An engineer with Fortis Energy Inc. provided some insight into the requirements for an extension of City utilities under or over the gas line within the right-of-way which crosses the subject property. He contacted me after I requested information from Colleen.Bohun@fortisbc.com. The email chain is appended.
 - b. Regional District of the East Kootenay and City of Cranbrook staff provided information regarding potential zoning for the property.
2. Regional, city, and neighbourhood data were based on information available from the Regional District of East Kootenay, City of Cranbrook, and Statistics Canada information. The neighbourhood section was based upon a physical inspection, as well as the appraiser's familiarity with the subject area.
3. The subject's property data is based upon a physical inspection of the land. Other subject property data was compiled from public records from B.C. Assessment and the City of Cranbrook.
4. In estimating the highest and best use for the property, an analysis was made of data compiled in the three steps noted above. In addition, a study of the local real estate market has been made to help determine the current demand for properties considered to be comparable to the subject.
5. In developing approaches to value, the market data, used, was collected from recent sales (which were multiple listings with the Kootenay Real Estate Board), private sales of the subject property's type (which were recorded as assessment statistics), realtors, and persons knowledgeable of the subject property's market place.
6. After assembling and analyzing the data defined in this scope of the appraisal, a final estimate of market value was made.

CONTINGENT AND LIMITING CONDITIONS

1. This report has been prepared, at the request of Ms. Sharon Dailey, to provide a current market value estimate, for **B.C. Natural Resources Ministries**, of the property located **south of Baker Mountain Road between 34th and 42nd Avenues South, Cranbrook, B.C.** No one, other than those to whom this report is addressed, can rely on this appraisal without first obtaining written authorization from the client and the author of this report. There may be qualifications, assumptions, or limiting conditions, in addition to those described herein, relevant to that person's identity or the intended use. This report has been prepared on the assumption that no other person will rely on it for any other purpose, and all liability to all such persons is denied.
2. While expert in appraisal matters, the author is not qualified and does not purport to give legal advice. It is assumed that:
 - a. A legal description, as furnished by the Land Title, is correct;
 - b. Title to the property is good and marketable;
 - c. There are no encroachments, encumbrances, restrictions, leases, or covenants that would in any way affect the valuation, except as expressly noted herein;
 - d. The existing use is a legally conforming use- which may be continued by any purchaser from the existing owner;
 - e. Rights of way, easements or encroachments over other real property, and leases or other covenants noted herein are legally enforceable;
 - f. Normal financing is available.

Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken that would verify these assumptions, except as expressly noted herein.

3. We did not complete technical investigations such as:
 - An environmental review of the property;
 - A Survey of the site;
 - Investigations into the bearing qualities of the soils.
4. The author is not a qualified surveyor (and no legal survey concerning the subject property has been provided). Sketches, drawings, diagrams, photographs, etc., are presented in this report, for the limited purpose of illustration, and are not to be relied upon by themselves.

5. No investigation has been undertaken, with the local zoning office, the fire department, the building inspector, the health department, or any other government regulatory agency, unless such investigations are expressly represented to have been made, in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigations may be necessary.
6. Neither possession of this report, nor a copy of it carries with it the right of publication. All copyright is reserved to the author, and is considered confidential by the author and his client. It shall not be disclosed, quoted from or referred to- in whole or in part, or published in any manner without the express written consent of the appraiser. This is subject only to confidential reviews by the APPRAISAL INSTITUTE OF CANADA, as provided in the Canadian Uniform Standards of Professional Appraisal Practice.
7. Market data has been obtained, in part, from documents at the land registry office, from B.C. Assessment Statistics, and/or as reported by the Kootenay Real Estate Board. As well as using such documented and generally reliable evidence of market transactions, it was also necessary to rely on hearsay evidence. Except as noted herein, a reasonable attempt has been made to verify all such information.
8. Because market conditions, including: economic, social, and political factors, change rapidly and on occasion, without warning, the market value, expressed as of the date of this appraisal, cannot be relied up on to estimate the market value, as of any other date, except with further advice of the appraiser.
9. The compensation, for services rendered in this report, does not include a fee for court preparation or court appearance, which must be negotiated separately. However, neither this, nor any other of these limiting conditions is an attempt to limit the use that might be made of this report, should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of the report, which best serves the administration of justice.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

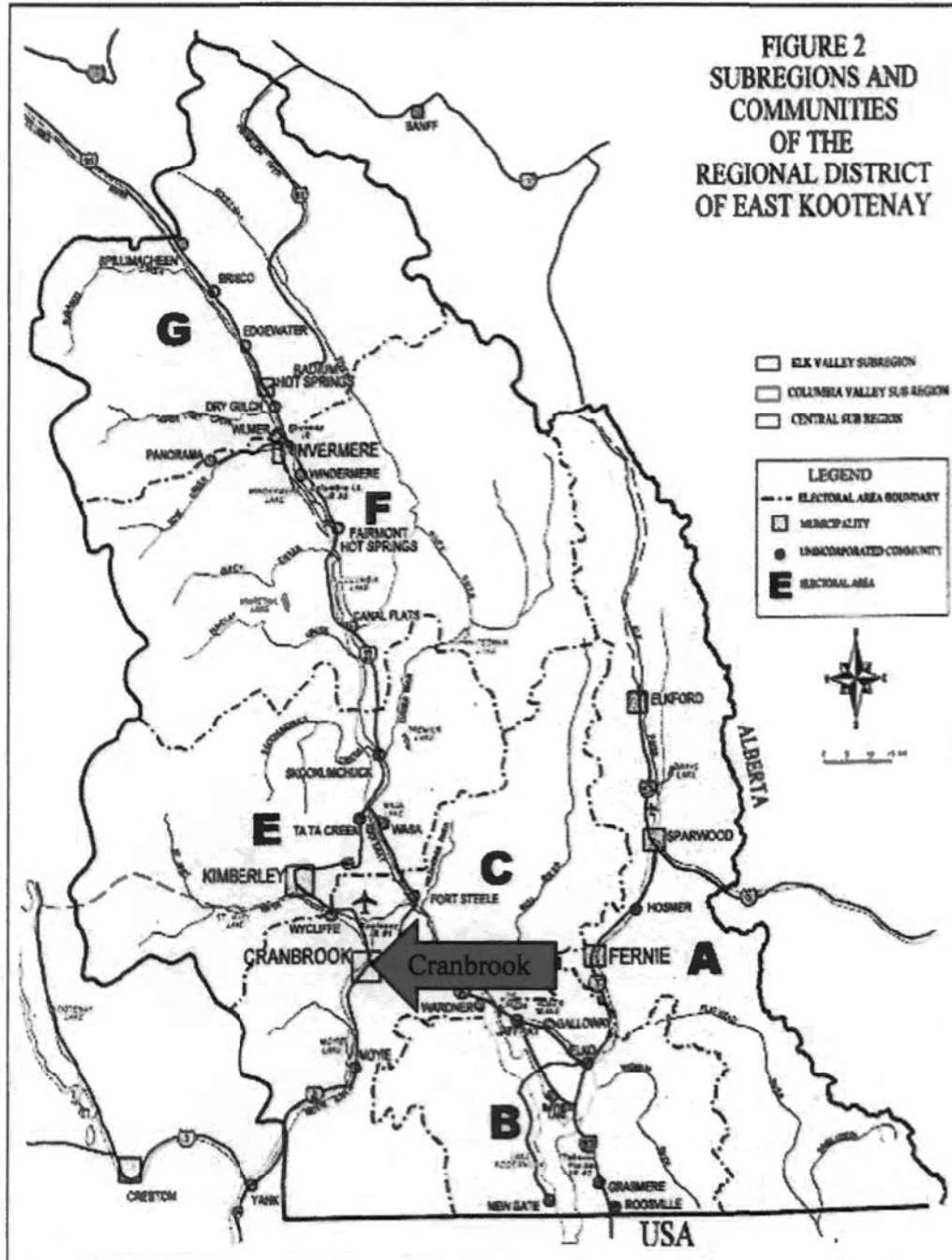
- **The Regional District of the East Kootenays expects that future development of the subject lands will require City of Cranbrook water, sewer, storm sewer and natural gas lines**
- **The Fortis Gas Line, to the west of the subject's 19.8 hectares, will require a 1 foot clearance from all servicing lines that are expected to cross the right-of-way. All installations beneath or above the gas line will require a Fortis inspector.**
- **Timber values are NOT included in the valuation.**

DEFINITION OF MARKET VALUE

The 2016 Canadian Uniform Standards of Professional Appraisal Practise defines market value as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition, is the consummation of a sale, as of a specified date, and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in Canadian dollars or in terms of financial arrangement comparable thereto; and, the price represents the normal consideration for the property sold unaffected by special creative financing or sales concessions granted by anyone associated with the sale.

REGIONAL MAP



CITY AND REGIONAL DATA

LOCATION/GEOGRAPHY

The City of Cranbrook is situated in the Regional District of East Kootenay, on the western edge of the Rocky Mountain Trench, in southeastern British Columbia, Canada. Cranbrook is 852 km / 533 miles east of the City of Vancouver, 301 km / 180 miles west of the City of Lethbridge Alberta, 406 km/254 miles from the City of Calgary and 72 km /45 miles north of the U.S./Canada border. Cranbrook's elevation is 921 metres or 3070 feet above sea level.

The city rests on a sloping alluvial plain; the Purcell Mountains are situated to the west and the Rockies to the north and east. The city centre is surrounded by gradually rising hills where residential developments have been constructed.

CLIMATE

Prevailing weather patterns are associated with moist Pacific fronts from the south and west. Summers are warm and winters in Cranbrook are mild by Canadian standards. The city is the centre of a 4-season tourist area. It is reputed to have the most sunshine hours of British Columbia.

The average winter temperature is - 8.3° Celsius /17.06 ° Fahrenheit (C/F) and summer averages 18.2° C / 64.75 ° F. The average precipitation equals 147.9 centimeters / 4.85 feet of snow and 264.2 millimetres or 10.4 inches of rain.

POPULATION

The 2016 census reports a City of Cranbrook population of 20,047, an increase of 3.8% from the 19,318 population in 2011. The fringe (Electoral Area C) population of 6,036 in 2016 has risen by 5.7% from 5,713 in 2011.

The 2016 total regional population census indicated that the RDEK had a population increase to 60,439 from 56,685 in 2011. The census also indicated that 25,683 (of 34,197) housing units are occupied by usual residents. More than 8,500 housing units are owned by a non-resident population.

INDUSTRY/EMPLOYMENT

The forest sector has been the second largest resource based employer in the East Kootenay Region. This sector has directly employed approximately 8.5% of the RDEK's work force. The Rocky Mountain Forest District is the current agency in charge of managing the forest resources. It is a recent consolidation of the areas formerly managed by the Invermere and Cranbrook Forest Districts. This sector includes a major forestry employer, Canfor Corporation, and other smaller forestry and forestry service companies. Since the beginning of 2013, the Skookumchuk Pulp Mill has been purchased from Tembec Forest Industries, by Paper Excellence Canada Holdings Corporation, a Richmond based company.

In the neighbouring Elk Valley, companies such as Elkview Mining, Line Creek, and Fording Coal produce and export metallurgical and thermal coal to Japan and other world markets.

Cranbrook serves as a distribution and service centre for this industry.

Local manufacturing centres, primarily, on lumber and value added wood products, machinery, equipment, fabricating, and food and beverage products. Most of this is located in Cranbrook's 480 acres of developed, light industrial zoned, industrial park.

The mountainous terrain, of the East Kootenays, makes the East Kootenay Region a major four-season resort destination. Visitors from around the world enjoy camping, fishing, golfing, boating, and hiking in the warmer seasons. During the winter, several of Canada's finest ski resorts become active in Kimberley, Banff, Invermere, Fernie, Golden and Lake Louise. These resorts are all situated within a short drive from Cranbrook. The City's well developed tourist accommodation and ready access to many of the Region's natural attractions are the key ingredients for its local trade and convention industry.

Cranbrook also serves as the East Kootenay's major retail trading centre with two major shopping malls, an active central business district, numerous hotels, motels, eating establishments, and a municipal campground.

COMMUNITY SERVICES

The city has a community college, 9 public schools, an acute, intermediate and extended care hospital, several senior citizens homes, several parks, four golf courses, a recreation complex, a curling rink, a live theatre, a five-plex cinema, a public library, a railway car museum, a daily newspaper, three radio stations, and cable television.

TRANSPORTATION

The City of Cranbrook is conveniently located on major highways and is serviced by rail and an airport. One inter-provincial and two international highways converge on the city, (Crowsnest Highway #3 east/west and Highways 93 and 95 north/south) connecting Cranbrook's trucking firms to the Trans-Canada Highway at Golden (north) to southern Alberta (east), to British Columbia points west, and to major centres in Montana, Idaho, and Washington States (south).

The Canadian Pacific Railway provides services to centres across Canada, while Burlington Northern and Union Pacific serve U.S. markets.

The Cranbrook-Kimberley Airport handles small planes, regional jet aircraft and helicopters. Daily service connects Cranbrook to major Canadian and U.S. carriers in Vancouver, Calgary, and Edmonton. An airport expansion, allowing international flight arrivals, was completed in 2008. Initially, Delta Airlines provided connector service to the Salt Lake City hub. This service was cancelled at the end of 2009.

SUMMARY

In summation, the City of Cranbrook has a relatively diverse economy, a well developed community infrastructure, a skilled labour force, and a strategic location, well within striking distance of provincial, national, and world markets.

CITY OF CRANBROOK MAP



VALUE TRENDS AND MARKET CONDITIONS

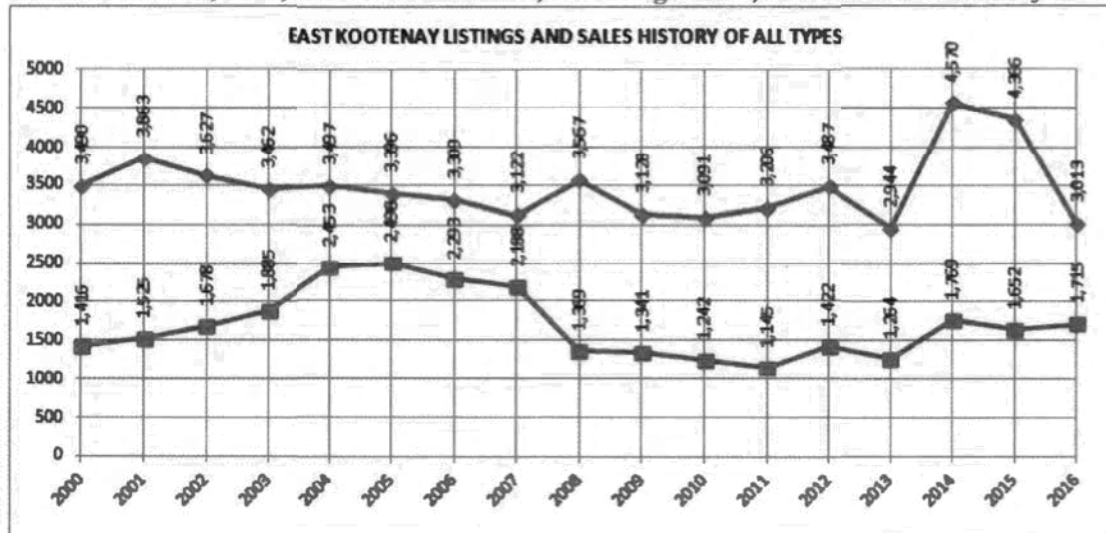
In spite of the expansion of the Cranbrook Airport into an international facility, the economic declines within the Province of Alberta and the downsized East Kootenay forest industry have had a negative economic impact on a number of City and Regional land development projects.

Overall, the general reduction in demand for property, by non-resident buyers has had an impact on all property markets. As time has passed, the expectations of many property owners have decreased below the real estate market values which were achievable in 2008.

Expansions, at the Cranbrook campus of the College of the Rockies and at the Cranbrook Regional Hospital, have encouraged population stability in spite of the economic uncertainties. Construction activity, within the City of Cranbrook, continues to be relatively robust when compared to communities in the Columbia Valley. This construction included a Sport Chek big box store at the Willowbrook Mall, as well as a modern Denham Ford Automobile Dealership at the north end of the Highway Commercial zone. However, there is growing evidence of vacant commercial space, such as: vacancy at the new Canadian Tire Store along Victoria Avenue, and the underutilization of several older buildings (former BC Tel, former Super Valu, the building at 30 to 36 11th Avenue, and the former HSBC building) located in the City's downtown. In a positive light, the on-going redevelopment of the downtown Baker Street Mall into a medical clinic facility is slowly reoccupying a substantial area (20,000+/- sq.ft.) of downtown space.

At this time, the City of Cranbrook has a real estate market and an economic future that is considered to be stable. The 2007 City boundary expansion required more tourists, a shadow population, or a growth in retired residents. However, as the prices of oil and gas have declined, the price of coal fluctuates, and as the regional forest industry remains tentative, there is uncertainty in real estate vacancies, real estate rents, and the trend in real estate market values.

To November 29, 2017, there are a total of 3,008 listings and 1,749 total East Kootenay sales.

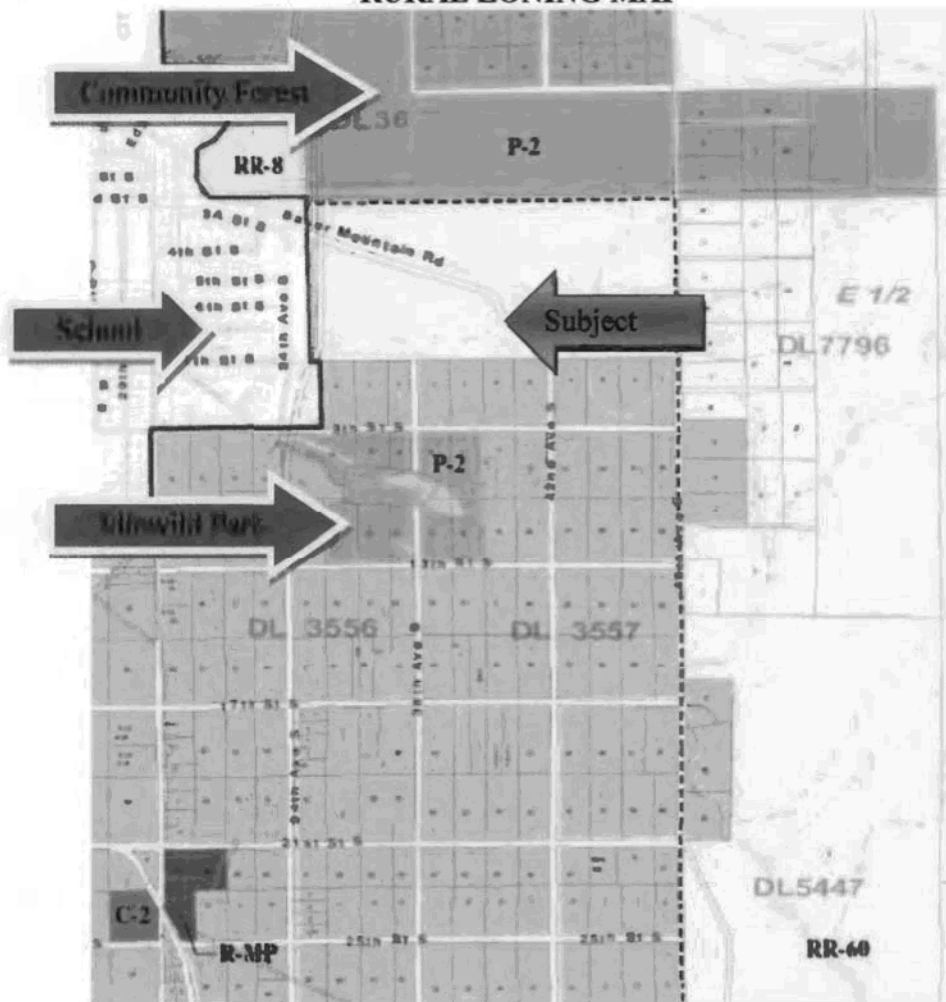


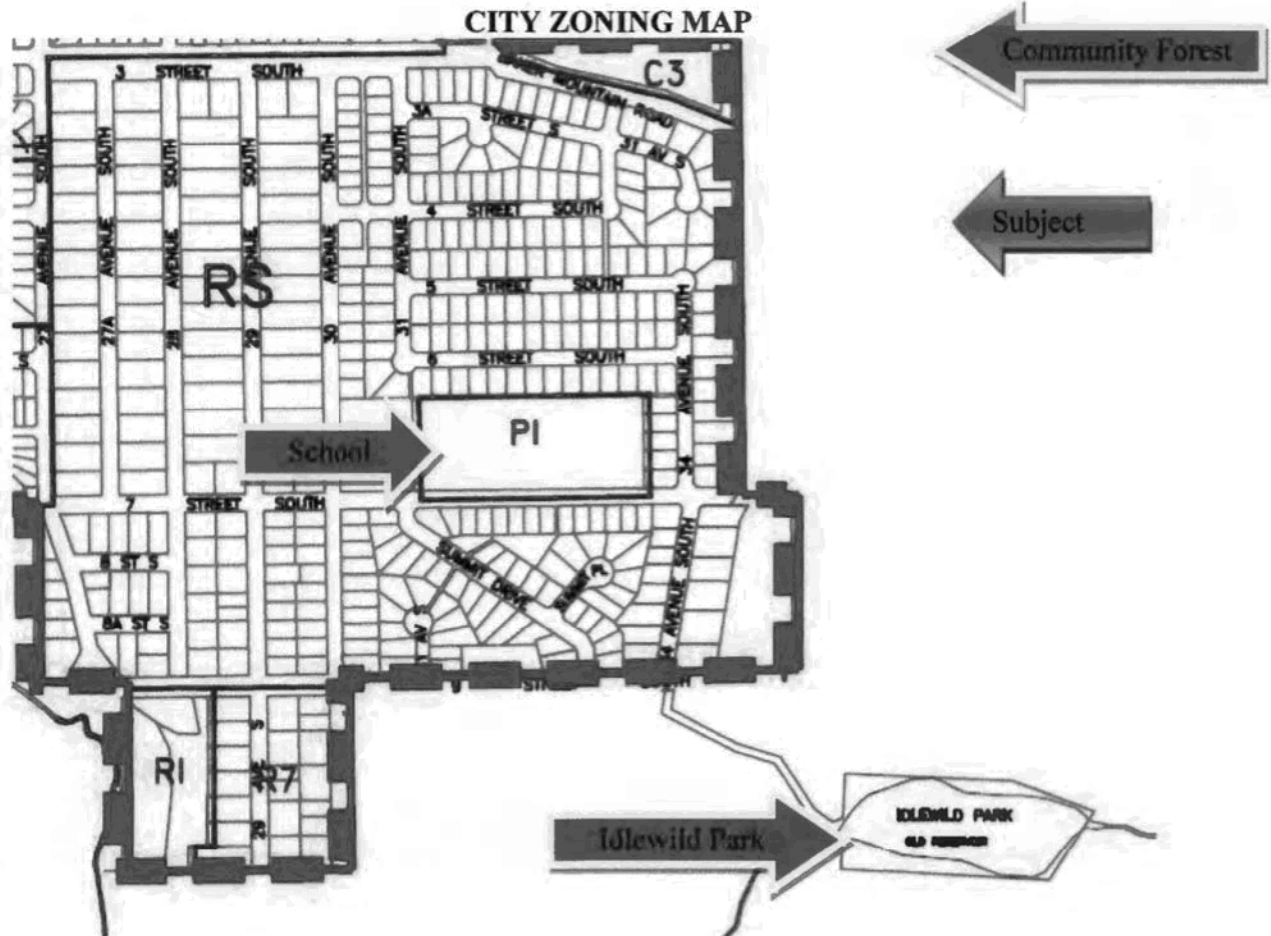
NEIGHBOURHOOD DESCRIPTION

The subject property is located adjacent to the corporate limits of the City of Cranbrook, fronting along the Baker Mountain Road between 34th Avenue S. (within the City's boundary) and 42nd Avenue S. (to the east of the City's boundary).

The neighbourhood to the north is comprised of public Park and Open Space lands described as the Community Forest. These lands lie to the east of the College of the Rockies. Lands to the south of the subject are zoned Rural Residential RR-2 (two hectare minimum). These properties include small hobby farms and rural residential use properties. Idlewild Park lands are located in this neighbourhood as well. Lands to the west, within the City's boundaries, include Single-Family RS zoned lands with modern to forty year old upper middle class residences. Highlands Elementary School is also located within this neighbourhood.

RURAL ZONING MAP





NEIGHBOURHOOD PHOTOGRAPHS – Adjacent Roads



View North along 42nd Avenue / Joseph Creek Road



View South along 42nd Avenue / Joseph Creek Road



View East along 2nd Street/Baker Mountain Road @
Community Forest Access



View West along 2nd Street/Baker Mountain Road @
Community Forest Access



View East along 2nd Street/Baker Mountain Road @
ROW



View West along 2nd Street/Baker Mountain Road @
ROW



Northeastern entrance and exit from the trail/track which crosses the subject property



Views along the right-of-way as well as of the rear lots of the adjacent RS zoned City of Cranbrook subdivision.




View East along 2nd Street/Baker Mountain Road @ ROW

View Southeast over the subject property and the ROW.
Note the fire hydrant.

GOOGLE VIEW OF THE SUBJECT LANDS

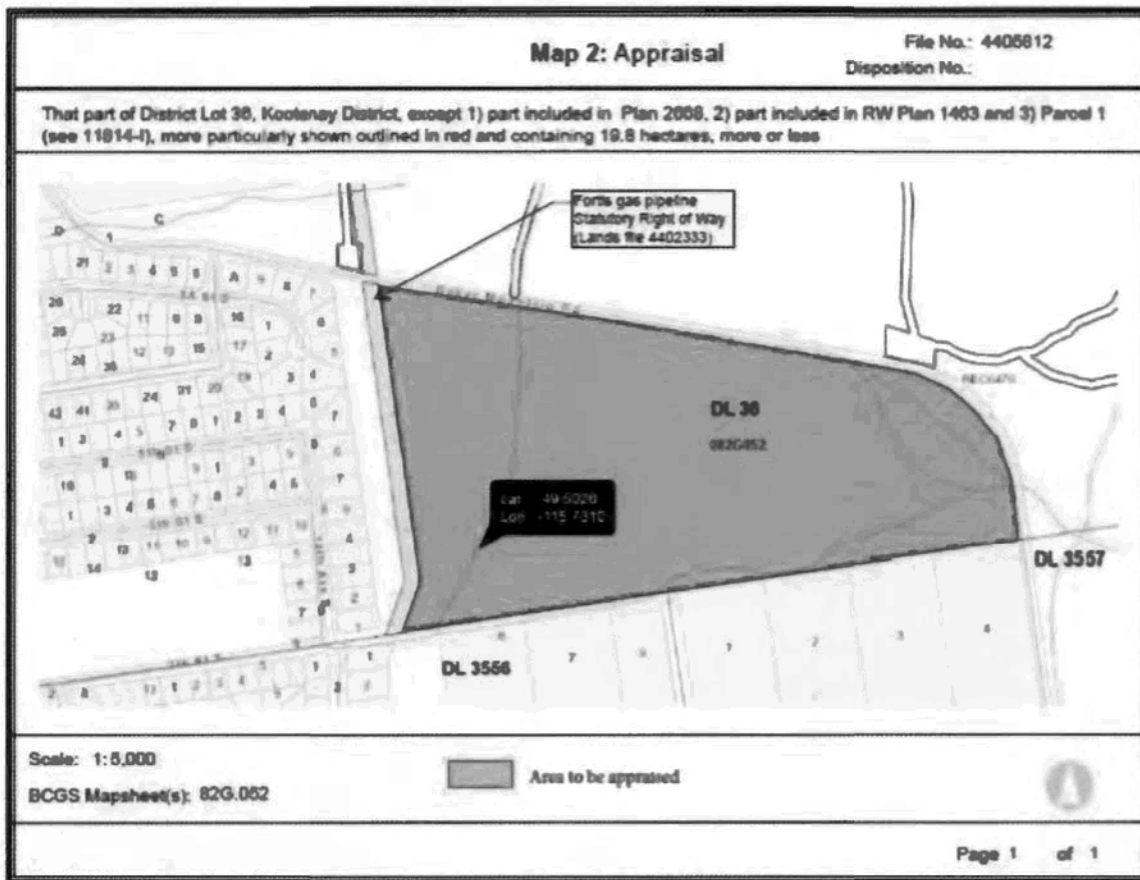
Copyright



SITE DESCRIPTION

ADDRESS & LEGAL DESCRIPTION:	Baker Mountain Road - Part of PID 017-652-588 Part of D.L. 36, Kootenay District, except 1) part included in Plan NEP2668, and 2) part included in RW NEP1463, and 3) Parcel 1 (see 11814-I) more particularly containing the right-of-way lands (outlined in red on the next page) with 19.8 hectares more or less.
SIZE & SHAPE	Irregular shaped with 19.8 hectares more or less. The preceding photographs describe the subject property from the adjacent roads.
ACCESS	Access to the land is available from 2 nd Street S. (Baker Mountain Road) and 42 nd Avenue (Joseph Creek Road).
SERVICES	City of Cranbrook services are located within the adjacent subdivision divided from the subject by an 18 meter wide Fortis right-of-way as well as an adjacent 30.596 meter wide dividing strip located between the right-of-way and the City boundary. The proximity of City water is supported by the fire hydrant located at the right-of-way lands at Baker Mountain Road. As a rural property the subject lies within the Regional District of East Kootenay Rural Resource Zone.
ZONING	Regional RR-60 Rural Resource zoning in proximity to the City of Cranbrook's Eastern boundary and the adjacent RS Single-Family Residential zoning.
GENERAL ASPECT AND APPEAL	<p>The site rises from the City's boundary along its western perimeter at the Fortis right-of-way, towards the eastern perimeter along 42nd Avenue. This slope allows for a potential view over the City towards the Purcell Mountains</p> <p>This property is densely covered with 30 to 50 year old mixed coniferous trees. Cleared areas include the Fortis natural gas line right-of-way, as well as a wild-grassed track which accesses the interior of the property from the adjacent roads near the eastern boundary.</p> <p>The subject has the benefit of a 48.5 meter wide green space which includes the Fortis right-of-way dividing its 19.8 hectares from existing developments within the City of Cranbrook's boundary.</p>

Map of Appraised Area Outlined in Red



ASSESSMENTS

Values, arrived at by B.C. Assessment, are intended to reflect market value of properties- as of July 1, 2016, for the 2017 assessment roll. This Assessment file represents a property with 38.614 hectares.

ASSESSED OWNER:	The Crown in the Right of the Province of B.C.	
ASSESSMENT ROLL #:	26-205-17875.000	
ASSESSED VALUES:	Land	\$474,000
	Improvements	n/a
	Total	\$474,000

Vacant lands with similar market values located in the rural areas outside of the City of Cranbrook's boundaries are assessed annual Property Taxes at approximately one-third the rate of Property Taxes assessed to properties located within the City's boundaries. This three times higher taxation rate is the most significant factor contributing to the comparatively low market values associated with residential development lands located within the City of Cranbrook's boundaries.

HIGHEST AND BEST USE

HIGHEST AND BEST USE DEFINITION

Highest and best use, as defined by CUSPAP, is “that reasonably probable and legal use of vacant land or an improved property which is: physically possible, appropriately supported, financially feasible, and that results in the highest value.” It is an economic concept that measures the interaction of four criteria: legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Estimating the highest and best use, of a property, is a critical appraisal component that provides the valuation context within which market participants and appraisers select comparable market information. An appraiser considers highest and best use of the property, as if vacant, separately from the highest and best use of the property as improved. This is because the highest and best use of the site, as if vacant and available for development, determines the value of the land, even if the property’s existing improvement does not represent the highest and best use of the site.

Highest and Best use, of land or a site, is the use, among all reasonable alternative uses, that yields the highest present land value, after payment for labour, capital, and co-ordination. This is the cornerstone of all property valuations. To analyze a property, in an effort to determine its Highest and Best Use, an appraiser attempts to determine the use to which the land in question can reasonably be expected to be put.

HIGHEST AND BEST USE RATIONALE

The following points are noted in answer to the above questions, with references to zoning and land use restrictions.

1. The Regional District has the understanding that the subject land will be incorporated into the City’s boundary at some point in the future. Should this property be taken into the City’s boundaries the probable rezoning and future use is expected to complement the properties within the adjacent single-family residential zone.
2. Adjacent residential City subdivisions allow for single-family residences which comply with the RS zoning bylaw. This zoning does not allow for suites or group homes. Adjacent rural lands include 5 acre hobby farm properties located along the subject’s southern boundary. These properties are accessed from 9th Street S.
3. The adjacent City neighbourhoods include high end middle-income housing. Since Highlands Elementary School is within walking distance of the subject land, the demand for properties in this neighbourhood has exceeded the demand for most similar higher end residential subdivisions developed at the north, northwestern and northeastern extremes of the City over the past 10 to 15 years.

4. Should future subdivision take place, it will require the extension of City water and sewer servicing lines under (or over) the Fortis gas line. This will require inspection by Fortis engineers.
5. The proximity to the Community Forest and Idlewild Park are amenities which are available to this property.
6. The right-of-way and the remaining area to the west that separates the subject's 19.8 hectares from the City boundary, is expected to remain as green space.

Historically, cost effective land subdivision has supported approximately 10 lots per hectare. Since the City of Cranbrook has had a slow rate of population growth and a resulting slow absorption of existing subdivided properties, the subject 19.8 hectares will include many years of marketable subdivision lots. It is the annual Property Taxation costs (at City taxation rates) which will discourage incorporation of this property until profitable demand for subdivided lots can be established.

Based on these statements, the subject's highest and best use is as a Rural Resource (RR-60 hectare) holding property until it is considered cost effective to incorporate the entire site into the City's boundaries. Incorporation will allow for phased subdivisions of the land however it will also result in annual property taxation of the undeveloped areas at rates that represent the City's mil rate versus the rural rates (an approximate 3 to 1 ratio).

THE VALUATION PROCESS

The valuation process is an orderly methodology, in which data is collected, classified, analyzed, and presented, to illustrate an estimate of market value. In estimating Market Value of real property, three different approaches are utilized. They are: the Cost Approach, the Income Approach, and the Direct Comparison Approach.

VACANT LAND VALUATION METHODOLOGY

INCOME APPROACH

This approach is not considered applicable for most vacant land valuations because of the lack of comparable vacant acreage rents and capitalization rates. Therefore, this approach to the valuation of the subject site is not provided.

COST APPROACH TO VALUE

A cost of development approach is often considered applicable to in the valuation of development lands if all aspects of the valuation problem are available and if comparable development lands are unavailable. Market supported absorption rates of the developed property, and adequate margins for profit and overhead must be provided for the purpose of determining a reasonable residual value to the vacant land after all costs of construction are acknowledged. Since the subject's highest and best use is as a Rural Resource zoned holding property located adjacent to the City of Cranbrook, the costs of extending City water, and sewage disposal systems are not considered to be relevant to the market value attributable to the land at the date of this appraisal. Therefore, this approach to the valuation of the vacant land is not considered a reliable indicator of the subject's market value estimate at this time.

DIRECT SALES COMPARISON APPROACH

The most commonly used method of vacant land valuation is the Direct Sales Comparison Approach. Ideally, this technique involves analyzing recent sales of similar properties, with adjustments made for dissimilarities in terms of size, location, level of servicing, etc.

A number of properties, that are considered comparable in potential use, are itemized on the following chart for the purpose of analysis. The sales are provided to indicate the recent demand and the market value range of properties with similar potential, located within the City of Cranbrook and its surround.

VACANT COMPARABLE LAND SALES

#	Property Location and Description	Size in Hectares (acres))	Zoning	Sale Date	Sale Price	Title	Sale Price/Ha.	Comments
1	Mr. Royal Drive, Lot 1, Plan NEP16643, D.L. 2872, PID 006-746-781	1.41 (3.484)	R-1	Sept 2017	\$255,000	CA6335718	\$180,851	Located within a development which includes a number of unsold single-family residential lots.
2	1601-4 th Street S. Parcel A (see 951971) of Parcel 1 (see 144451) Lot E, Plan NEP887, PID 011-133-287	1.0 (2.474)	R-1	Sept 2017	\$175,000	CA6303998	\$175,000	Purchased from the Roman Catholic Church by a parishioner to rezone and develop with higher density housing.
3	1950-8 th Avenue S. Lot 45, NEP1094, D.L. 7225 (Parcel B, See 170881), PID #016-028-929	1.4648 (3.62)	RR-2	April 2014	\$210,000	CA4367331	\$143,364	17 listing days. Kostiuk purchase. No proven water. Improved with a residence since the date of purchase. Rocky Mountain View property.
4	Lot 55, 21 st Street S. Lot 55, Plan NEP1180, D.L. 3557, PID # 015-917-100	2.0232 (5)	RR-2	Sept. 2015	\$250,000	CA4647802	\$123,567	Level grassy field without many trees. No proven water. Private sale. Located south of the subject lands approximately 1 km from the City boundary
5	2604-4 th Avenue S. Lot 5, Plan NEP1094, D.L. 7225, PID #016-028-732	1.64 (4.05)	RR-2	March 2017	\$200,000	CA5868925	\$121,951	Adjacent to Sale #12. Treed land with no views.
6	Lot 27, 13 th Street S. Lot 27, Plan NEP1261, D.L. 3558, PID # 015-856-640	2.0232 (5)	RR-2	May 2014	\$245,000	CA3826990	\$121,095	9 listing days. Opposite Gold Creek Road from the College of the Rockies shops. No proven water.
7	Lot 28, 29 th Street S. Lot 28, Plan NEP1083, D.L. 6438, PID #015-964-248	2.0232 (5)	RR-2	March 2016	\$215,000	CA4367331	\$106,267	15 listing days. No proven water. Greater distance from the City's boundary.
8	1701-30 th Avenue N. Lot 1, Plan NEP 14459, D.L. 24 except Plan NEP20273, PID #008-790-281	2.1648 (5.35)	R-1	November 2015	\$198,000	CA4928230	\$91,463	37 listing days. . Eagle Ridge Land Sales Corp. purchase from the City of Cranbrook. Property divided by Eagle Ridge Drive development.
9	Echo Field Road, Lot A, EPP40255, D.L. 2869, PID #029-389-623	2.02 (4.99)	RR-2	August 2016	\$166,000	CA5436939	\$82,178	Proven water. No view of the Rocky Mountains. North of Playle Road adjacent to a rural light industrial zoned property.
10	Lot 2, Kennedy Road, Lot 2, Plan NEP22333, D.L. 11566, PID #023-108-665	5.8107 (14.36)	RR-4	June 2013	\$310,000	CA3265144	\$53,350	92 listing days. Allows for minimum 4 hectare or 10 acre parcel size. Proven water. Developed with a single family residence since this purchase.
11	30 th Avenue N. & 2480 Stahl Road/Cranbrook Street N. Cranbrook, Lot A, Plan NEP8549, D.L. 2872, & Lot B, Plan NEP21887, D.L. 2872 PID #011-452-714 & 019-101-732	19.33 (47.77)	R-1 & C-2	August 2017	\$695,000	CA6264015 & CA6264014	\$35,954	1.27 acre Highway Commercial zoned property abuts the larger 45 acre R-1 zoned area located off 30 th Avenue N. Purchased by same buyer from same vendor. C-2 area allows for wider, more visible access onto the R-1 zoned development land. Older building near road requires demolition. This is a holding property for future residential development.

#	Property Location and Description	Size in Hectares (acres)	Zoning	Sale Date	Sale Price	Title	Sale Price/Ha.	Comments
12	4 th Avenue S. Cranbrook, Lot 2, Plan NEP15027, D.L. 4836, PID #009-782-508	12.2906 (30.37)	RR-16	July 2015	\$435,000	CA4525703	\$35,393	Dogleg access from 4 th Street. This is the old Akloo Ski area. Private sale. Proven water. This sloped property includes a Rocky Mountain view at its upper elevations. The RR-16 zoning, the smaller site size, and the views available to these lands are estimated to be an off-set for this property's smaller size when compared to the subject's 19.8 hectares.

COMPARABLE VACANT LAND LISTING						
	Property Location and Description	Size in Hectares (acres)	Zoning	List Price	List Date	Comments
	700 McBride Street W. Cranbrook Lot 89, Plan NEP887, D.L. 30, PID #015-318-371	2.125 (5.25)	RT	\$199,900 = \$94,071/Ha.	August 2016	Has been listed for over 460 days. Residential Transitional zone within the City of Cranbrook. Has neither a water supply nor a sewage disposal system. South sloping land.

The map displays a residential neighborhood with various lots and their sale history. The following table summarizes the information provided in the map:

Label	Location / Description
Sale #1	Two locations: one near the top right and one near the center right.
Sale #2	Center of the map, near the 'SUBJECT' label.
Sale #3	Bottom center of the map.
Sale #4	Bottom right of the map.
Sale #5	Bottom left of the map.
Sale #6	Center right of the map.
Sale #7	Bottom right of the map.
Sale #8	Center of the map, near the 'SUBJECT' label.
Sale #9	Top center of the map.
Sale #11	Two locations: one near the top center and one near the center right.
Listing	Left side of the map, near the 'SUBJECT' label.
SUBJECT	Center of the map, near the 'SUBJECT' label.
Wildstone	Top center of the map.
Park Royal	Center right of the map.
Southview	Bottom center of the map.
CITY BOUNDARY	Line running horizontally across the middle of the map.

LAND VALUE ANALYSIS

Development lands have a potential, for subdivision or improvement, to allow for a number of users of one existing site. During the past ten years, this concept has included the development or improvement of lands to allow for sharing or long-term leased ownership.

Average lot price is supported by the past year's vacant lot sales itemized as BC Assessment statistics.

Jur No	Roll No	PID No	Address	Assd Val	Lot SI CR	Lot SI S	Plan	Lot	Block	D Lot	Sect	L Dist
1	205	12171050	010-829-415	1100 11TH AvenueS	\$53,700	2017/10	\$47,000	NEP13473	5		3912	26 Kootenay
2	205	169001	016-181-811	212 16TH AvenueS	\$55,100	2017/8	\$57,400	NEP6680	12	19	22	26 Kootenay
3	205	169000	016-181-803	214 16TH AvenueS	\$55,100	2017/8	\$57,400	NEP6680	11	19	22	26 Kootenay
4	205	8466377	027-486-182	3828 MOUNT ROYAL Drive	\$79,888	2017/5	\$75,000	NEP8901	7		2872	26 Kootenay
5	205	6057116	027-472-400	107 THE WHITES	90	2017/3	\$81,500	NEP3429	58		2870	26 Kootenay
6	205	6057114	027-472-386	105 THE WHITES	90	2017/6	\$85,000	NEP3429	57		2870	26 Kootenay
7	205	6057128	027-472-368	102 THE WHITES	\$91,200	2017/10	\$90,000	NEP3429	64		2870	26 Kootenay
8	205	8466462	026-039-168	MT FISHER Crescent	\$93,988	2017/7	\$90,000	NEP76322	32		2872	26 Kootenay
9	205	6057136	027-472-507	184 THE WHITES	\$94,700	2017/8	\$92,900	NEP3429	68		2870	26 Kootenay
10	205	6057160	027-472-523	180 THE WHITES	\$116,888	2017/10	\$95,000	NEP3429	70		2870	26 Kootenay
11	205	8466381	027-400-221	3532 MOUNT ROYAL Drive	\$95,000	2017/2	\$100,000	NEP8901	11		2872	26 Kootenay
12	205	8467250	027-677-877	1516 MOUNT ROYAL Peak	\$98,300	2017/9	\$108,000	NEP87676	11		2872	26 Kootenay
13	205	6057070	027-472-175	140 THE WHITES	\$102,000	2017/7	\$105,000	NEP3429	35		2870	26 Kootenay
14	205	6057042	027-472-035	159 THE WHITES	88	2017/3	\$110,000	NEP3429	21		2870	26 Kootenay
15	205	3072010	023-351-994	192 9TH StreetS	\$183,000	2017/3	\$120,000	NEP22930	2		30	26 Kootenay
16	205	8467200	027-677-770	1628 MOUNT ROYAL Peak	\$181,000	2017/7	\$122,500	NEP87676	1		2872	26 Kootenay
17	205	8467110	027-548-381	1988 MT ROYAL CLOSE	\$96,300	2017/4	\$125,500	NEP86817	11		2872	26 Kootenay
18	205	8458136	028-999-345	1906 KILOWNA CrescentE	\$117,888	2017/7	\$165,000	BP925331	A		24	26 Kootenay

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The long range risks associated with the potential of development land are:

1. The trend in the developed lot values at the date of valuation. (i.e.) What is the market value of the developed lot, and has that lot value been increasing or decreasing in the recent past?
2. The trend in servicing costs. (i.e.) What is the cost of supplying water, sewer and road systems to the subdivided lands? Seldom has there been a decline in the costs of servicing land.
3. Over the past 10 years, prices have declined and lot servicing costs have increased, the possible profits from land development have declined. The land developer is left with development costs and few opportunities to sell his lots for as much as he initially expected, when he started the development.
4. Of the 18 vacant lot sales (ranging in Last Sale Price from \$47,000 to \$165,000) occurring during 2017, 17 of these vacant residential lots are located within subdivisions that have been in place since 2008.
5. According to B.C. Assessment actual use codes, there are currently 419 vacant residential lots (under 2 acres in size) located within the City of Cranbrook's boundaries.

Within the City of Cranbrook, land value ranges result from the lot size and the neighbourhood amenities that are available at specific locations, as well as the competitive asking prices of similar properties. Land value differences between an attractive and an unattractive location can be difficult to measure with proof. Therefore, common comparisons are made by using locations which are considered similar in amenities, and services as well as development potential.

The Vacant Comparable Land Sales chart (Page 23 & 24) includes R-1 zoned vacant land sales located within the City's boundaries, as well as RR-2 zoned rural vacant land sales of properties located within proximity to the City's boundaries. R-1 zoned acreage land sales allow for subdivisions into single-family lots. RR-2 zoned acreage sales allow for one single-family residence. A number of rural acreage sales support market values which are bracketed by the market values of acreage sales located within the City boundaries.

Currently, there is one 2.125 hectare Residential Transitional-zoned property, located within the City, which is for sale for \$199,900 or \$94,070 per hectare. In April of 2015, a Residential Transitional zoned property transferred at a declared value of \$300,000 for 7.81 hectares (19.8 acres). The titles indicate that related owners (Stuart Bain) transferred these lands (to Bain Development Ltd.) at a price of \$38,400 per hectare. To date, 21 lots have been subdivided, of these 3 lots have been sold. This is not considered a relevant market value because of the related owners; however, it is of interest that this property had a 2015 declared value that is similar to the 2017 Sale #11 sale price per hectare at \$35,954 for combined size of 19.33 hectares.

The following points are noted for the analysis of the sales.

- Sales #1 and #2 are acreage lands located within subdivided neighbourhoods. Both of these properties have overall sale prices (\$175,000 to \$255,000) which are similar to the market values for rural acreage Sales #3 to #7 & #9 (\$166,000 to \$250,000).
- Sales #3 to #7 indicate that overall acreage land values (\$200,000 to \$250,000) located in proximity to the City of Cranbrook's boundaries, have not changed measurably since 2014.
- A comparison of Sale #7 to Sale #8 indicates that rural RR-2 zoned lands, with approximately 5 acres, have been selling for overall values (\$215,000) which are similar to the overall value (\$198,000) for R-1 zoned acreages located adjacent to City services.
- Sales #4 to #9 are primarily, rural RR-2 zoned, 2 hectare lands ranging in price from \$166,000 to \$250,000 per property
- The R-1 zoned land rates per hectare are bracketed by the RR-2 zoned rates per hectare.
- Sale #10 is an older (2013) sale located to the north of the City. This RR-4 zoned 5.8107 hectare property sold for a \$53,350 per hectare which is bracketed by sales of larger (5.81 hectare) and smaller (2.165 hectare) R-1 zoned lands.
- Sales #11 and #12 are properties in excess of 12 hectares in size. Both the most recent 2017 sale and the 2015 sale support similar market values of \$35,393 to \$35,954 per Hectare. **As larger properties in excess of a 12.29 hectare (30 acre) size these properties best represent the subject.** In one case (Sale #11) the property represents a rural acreage at a one kilometer distance from City amenities. In the second case (Sale #10) the property includes poorly accessible Residential (R-1) zoned acreage off of the Highway Commercial area at the north end of Cranbrook, located more than 1 kilometer from a school.
- Sale #12's smaller size (12.29 hectares @ \$35,395/hectare) and its Rocky Mountain views are an offset to the to the subject's location adjacent to the City's boundary. This property is located approximately 1 kilometer south of the City's boundary. Sale #11's size of 19.33 hectares located within the City's northeastern boundary (with a similar sale price of \$35,954/hectare) supports this statement.

Current multiple listings include 38 vacant residential lots- located within the northeast and northwest quadrants of the City of Cranbrook. As demonstrated in the following table, many of these properties have current listing prices which are substantially lower than their previous purchase prices paid between 2008 and 2010. **Both the amount of available subdivided land and the low asking prices support the statement that: "Within the City of Cranbrook, subdivision of vacant acreage remains a high risk venture in investment and long term holding costs, at the date of this report."**

Cross Property REALTOR® Single Line										Previous Sale Price & Date
MLS#	#	PT	St PC	Price	Last Date	Address	City	Acres	DOM	
2416988		LOTSACRES	A	\$79,000	09/28/2016	LOT 3 3A Street NW	Cranbrook	0.41	439	
2400733		LOTSACRES	A ↓	\$79,900	09/10/2014	123 Watsville Road S	Cranbrook	0.15	1,187	
2400754		LOTSACRES	A ↓	\$89,900	09/10/2014	95 Little Van Horne Street	Cranbrook	0.36	1,187	
2426878		LOTSACRES	A	\$94,000	12/01/2017	3320 MOUNT ROYAL Drive	Cranbrook	0.328	10	\$215,000 10/2008
2421101		LOTSACRES	A ↓	\$94,900	04/14/2017	1398 MT FISHER Drive N	Cranbrook	0.193	238	
2397054		LOTSACRES	A ↑	\$95,000	04/23/2014	1524 Abel Avenue	Cranbrook	0.25	1,323	
2397055		LOTSACRES	A ↑	\$95,000	04/23/2014	1520 Abel Avenue	Cranbrook	0.28	1,323	
2397056		LOTSACRES	A ↑	\$95,000	04/23/2014	1516 Abel Avenue	Cranbrook	0.31	1,323	
2415848		LOTSACRES	A ↓	\$99,900	08/02/2016	Lot 14 Mt Pyramid Crescent	Cranbrook	0.182	492	
2417691		LOTSACRES	A ↑	\$99,900	11/14/2016	2312 MT ROYAL Drive	Cranbrook	0.6	392	\$129,900 3/2008
2426336		LOTSACRES	A	\$114,900	11/02/2017	175 The Wilms Drive	Cranbrook	0.15	39	\$184,900 5/2008
2421307		LOTSACRES	A ↓	\$114,900	04/23/2017	163 THE WHIGS Drive N	Cranbrook	0.151	234	\$186,900 5/2008
2424232		LOTSACRES	A	\$114,900	08/13/2017	102 WILDSTONE Drive	Cranbrook	0.198	118	\$195,900 5/2008
2423793		LOTSACRES	A	\$115,000	07/17/2017	126 THE WHIGS Road	Cranbrook	0.15	147	\$193,900 7/2008
2419790		LOTSACRES	A	\$117,000	04/04/2017	180 The Wilms Drive	Cranbrook	0.234	231	\$179,910 5/2008
2423728		LOTSACRES	A	\$119,900	07/21/2017	Lot 7 1st Avenue S	Cranbrook	0.163	143	
2415739		LOTSACRES	A	\$119,999	07/27/2016	789 22nd Avenue S	Cranbrook	0.2	382	
2396581		LOTSACRES	A ↑	\$129,000	04/11/2014	3917 Mount Royal Drive	Cranbrook	0.5	1,337	
2425978		LOTSACRES	A	\$129,000	09/26/2017	3532 Mount Royal Drive N	Cranbrook	0.6	76	
2396251		LOTSACRES	A	\$134,900	03/31/2014	1518 Mount Royal Ridge Unit#Lot 26	Cranbrook	0.43	1,358	\$169,900 10/2008
2392443		LOTSACRES	A	\$149,900	08/13/2013	173 Shadow Mountain Boulevard	Cranbrook	0.219	1,566	\$249,000 2/2010
2426374		LOTSACRES	A	\$149,900	10/23/2017	1314 Mount Royal Ridge	Cranbrook	0.583	49	\$169,900 10/2008
2423975		LOTSACRES	A	\$159,000	07/30/2017	1600 Mount Royal Peak	Cranbrook	0.306	134	\$144,900 10/2008
2412107		LOTSACRES	A ↓	\$159,000	03/11/2016	1319 MOUNT ROYAL Ridge	Cranbrook	0.575	640	\$144,900 10/2008
2418307		LOTSACRES	A	\$169,000	01/11/2017	143 THE WHIGS Street	Cranbrook	0.276	334	\$164,900 10/2008
2418271		LOTSACRES	A	\$169,000	01/12/2017	109 Corral Boulevard	Cranbrook	0.306	332	\$199,900 5/2008
2397061		LOTSACRES	A ↑	\$169,000	04/23/2014	1318 Mount Royal Ridge	Cranbrook	0.6	1,323	\$179,000 12/2015
2396664		LOTSACRES	A ↑	\$169,000	04/14/2014	1306 Mount Royal Ridge	Cranbrook	0.68	1,337	
2422857		LOTSACRES	A	\$169,900	06/19/2017	Lot 3 Wildstone Boulevard	Cranbrook	0.18	175	
2415317		LOTSACRES	A	\$179,000	07/08/2016	124 River Drive	Cranbrook	0.26	321	\$289,000 6/2010
2421080		LOTSACRES	A	\$179,900	04/13/2017	196 RIVER Drive	Cranbrook	0.281	242	\$299,000 4/2010
2422830		LOTSACRES	A	\$184,900	06/16/2017	Lot 7 Wildstone Boulevard	Cranbrook	0.19	178	
MLS#	#	PT	St PC	Price	Last Date	Address	City	Acres	DOM	
2422111		LOTSACRES	A	\$199,000	05/24/2017	128 River Drive	Cranbrook	0.298	281	
2422912		LOTSACRES	A	\$199,900	06/20/2017	Lot 36 Wildstone Boulevard	Cranbrook	0.18	174	
2422833		LOTSACRES	A	\$204,900	06/19/2017	Lot 12 Wildstone Boulevard	Cranbrook	0.25	173	
2422884		LOTSACRES	A	\$229,900	06/21/2017	Lot 16 Wildstone Boulevard	Cranbrook	0.34	173	
2422844		LOTSACRES	A	\$249,900	06/19/2017	Lot 24 Wildstone Boulevard	Cranbrook	0.2	175	

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City of Cranbrook
Lot Sales and Single Family Residential Unit Building Permits

Year	To date 2017	2016	2015	2014	2013
Vacant Land Sales #	21	18	22	17	22
Building Permit Housing Unit #	24	39	26	47	33

With the decline in price expectations of existing vacant lots, more of these properties are selling. Buyers are willing to hold this type of investment in hopes of future capital gain. However, while the properties are held for future construction, holding costs such as property taxes are incurred on an annual basis.

The lot listings and pricing demonstrates that market values have not recovered to levels which encouraged residential subdivision from 2006 to 2008. Current, excess, subdivided properties situated in the Northeast and Northwest quadrants of the City are located at some distance from City schools, and neighbourhood shopping. These subdivisions- located at Shadow Mountain, at Wildstone, and at the upper elevations of Park Royal, continue to include over 190 vacant residential lots within subdivisions with a total of 325 lots.

One five acre property (subdivided by Plans NEP86876 and NEP86875 in 2008) is located at the corner of 7th Street South and Victoria Avenue. To the date of this report, this 17 lot subdivision continues to include 5 vacant lots. This subdivision has a relatively central location near three elementary schools. It is located along Victoria Avenue within a view of the Kinsmen Park. It also has Rocky Mountain views from several of the subdivided lots. The rate of sales, within this subdivision, has averaged just over 1 lot per year since its registration. **It is this type of statistic which supports the subject as a holding property or a phased development over several decades.**

The subject land is in a location adjacent to rural amenities- including the Community Forest and Idlewild Park. It is also located within walking distance of Highlands Elementary School. The fact that it is located adjacent to a City subdivision which includes City services, supports its probable incorporation into the City boundaries at some point in the future.

The lot development is expected to be subdivided in phases over a period of more than twenty years, based on the rate of the City's historic population growth (18,329 in 1996 to 20,047 in 2016) of 9.4% over 20 years. Over the past 5 years, there have been a total of 100 vacant existing residential lot sales, within the City of Cranbrook's boundaries, for an average of 20 lot sales per year. The existing number of vacant residential lots (approximately 400) located within the City's boundaries, as well as Cranbrook's history of new residential unit building permits (34/year average = 169 single-family units) over the past five years does not give strong support for large scale subdivisions of vacant acreage lands within or adjacent to the City of Cranbrook.

Overall, as a holding property with the potential for incorporation into the City of Cranbrook's boundary, the subject is best compared to Sales #11 and #12 as itemized on Pages 23 and 24 of this report. These properties range in size from 30 to 47 acres. These sales, as well as the smaller sales itemized within the table, demonstrate that rural acreage holdings are not selling for less than lands located within the City's boundaries.

Since the subject has the benefit of a green space along the Fortis right-of-way, emphasis is placed on the upper end of the two most comparable property sales. Therefore, a rounded market value rate of \$36,000 per hectare for the subject's 19.8 hectares equals \$712,800 of a rounded overall market value of:

\$713,000,

as at November 29, 2017.

The right-of-way provides a greenbelt for future developed lots along its length. The individual lot pricing along the greenbelt will probably reflect this feature; however, the comparative market value is impossible to measure at this point. Also, depending on the overall size of the initial phase, the market values of the lots will be influenced by the number of months (or years) that it will take to sell all of the lots within this phase.

EXPOSURE TIME DEFINITION

Exposure time is always presumed to precede the effective date of the appraisal. It may be defined as:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of the sale at market value, on the effective date of the appraisal, a retrospective estimate based upon an analysis of the past events assuming a competitive and open market.

The exposure time to achieve this estimate of current market value is considered to be probable at 30 to 360 days or more, as has been established since 2009, by the marketing times of vacant acreage lands located within and adjacent to the City of Cranbrook.

SALES HISTORY

Canadian Uniform Standards of Professional Appraisal Practice require investigation and consideration of transactions of the subject property occurring near the effective date of appraisal. Where a recent arms length market transaction occurred, compelling evidence of value arises, often requiring only an adjustment for market conditions.

The appraiser is unaware of any marketing activity associated with the subject property, over the past five years.

CERTIFICATION

RE: That part of D.L. 36, Kootenay District, except 1) part included in Plan NEP2668, and 2) part included in RW NEP1463, and 3) Parcel 1 (see 11814-I) more particularly shown including 19.8 hectares more or less. – Your File #4405812

I hereby certify that, except as otherwise noted in the preceding analysis, to the best of my knowledge and belief:

- The statements of fact contained in this appraisal report are true and correct;
- The reported analyses, opinions and conclusions are unbiased, and subject only to the reported assumptions and limiting conditions;
- I have made a personal inspection of the subject property on **November 29, 2017**;
- I have no present or prospective interest in the subject property, nor do I have any personal interest or bias towards the parties involved relating to the assignment;
- Neither, my employment nor the compensation, is contingent upon the reporting of a predetermined value or direction in value that favours: the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada, which reserves the right to review the report and the files on which it is based;
- The Appraisal Institute of Canada has a Continuing Professional Development Program for designated members; as of the date of this report, I have fulfilled the requirements of the program;
- No other individual or firm provided significant profession assistance in writing this report; and
- Based upon the data, analyses and conclusions contained herein, the market value of the subject property, described as at **November 29, 2017**, is estimated at:

\$713,000.

December 13, 2017

Date



Appraiser

AACI, P.App.

Designation

APPENDICES

TITLE SEARCH PRINT

2017-12-13, 14:23:58

File Reference:

Requestor: Linda Hastings

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District Land Title Office	NELSON NELSON
Title Number From Title Number	KW170626 KR24405 KR9035
Application Received	2004-12-01
Application Entered	2004-12-08
Registered Owner in Fee Simple Registered Owner/Mailing Address:	THE CROWN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTRY OF SUSTAINABLE RESOURCE MANAGEMENT P.O. BOX 9054, STN PROV GOVT VICTORIA, BC V8W 9E2
Taxation Authority	Cranbrook, The Corporation of the City of
Description of Land Parcel Identifier: Legal Description:	017-652-588 PARCEL 1 (SEE 118141) OF DISTRICT LOT 36 KOOTENAY DISTRICT EXCEPT PLANS 1463, 2668 AND NEP76916
Legal Notations	NONE
Charges, Liens and Interests Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	STATUTORY RIGHT OF WAY KP73217 2000-08-14 09:53 CORPORATION OF THE CITY OF CRANBROOK INTER ALIA PART ON PLAN NEP65465

Title Number: KW170626

TITLE SEARCH PRINT

Page 1 of 2

TITLE SEARCH PRINT

File Reference:

2017-12-13, 14:23:58

Requestor: Linda Hastings

Nature: STATUTORY RIGHT OF WAY
Registration Number: KR106591
Registration Date and Time: 2001-11-09 11:32
Registered Owner: BC GAS UTILITY LTD.
INCORPORATION NO. 368681
Remarks: INTER ALIA
PART ON PLAN NEP63347

Duplicate Indefeasible Title

NONE OUTSTANDING

Transfers

NONE

Pending Applications

NONE

Title Number: KW170626

TITLE SEARCH PRINT

Page 2 of 2

RURAL RESOURCE: RR-60 ZONE**7.11 (1) Permitted uses**

Within the RR-60 zone, the following uses and no others are permitted:

- (a) Single family dwelling;
- (b) Duplex;
- (c) Kennel;
- (d) Grading, washing, screening, crushing and transporting of sand and gravel resources extracted from the parcel;
- (e) Forest management;
- (f) Farm operation;
- (g) Portable sawmill;
- (h) Equestrian centre;
- (i) Rifle, archery, trap and skeet range;
- (j) Fish pond;
- (k) Airport, heliport;
- (l) Wildland use;
- (m) Guest ranch;
- (n) Youth camp;
- (o) Hostel;
- (p) Wireless communication facility;
- (q) On Sublot 1, District Lot 4591, Plan X29, Except Part Included in Plan NEP21252 only, the following is permitted:
(i) Solar Energy Facility.

(2) Accessory uses

- (a) Home based business;
- (b) Secondary dwelling unit for farm hand;
- (c) Veterinary clinic;
- (d) Concession stand accessory to fish pond;
- (e) Lodge;
- (f) Cabin;
- (g) Secondary suite;
- (h) Uses, buildings and structures accessory to a permitted use.

(3) Regulations

In the RR-60 zone, no building or structure may be constructed or placed and no plan of subdivision approved which contravenes the regulations contained in the table below. Column 1 identifies the matter to be regulated. Column 2 establishes the regulations.

COLUMN 1	COLUMN 2
(a) Minimum parcel size	60.0 ha
(b) Minimum parcel size for portable sawmill	8.0 ha
(c) Minimum setbacks:	
Principal buildings and structures from:	
▪ front parcel line	7.5 m
▪ rear parcel line	20.0 m
▪ interior side parcel line	15.0 m
▪ exterior side parcel line	15.0 m
Accessory buildings and structures from:	
▪ front parcel line	7.5 m
▪ rear parcel line	5.0 m
▪ interior side parcel line	5.0 m
▪ exterior side parcel line	5.0 m
Additional setback requirements from:	
▪ all parcel lines for portable sawmills	15.0 m
▪ an existing dwelling unit not on the same parcel for portable sawmills	100.0 m
▪ all parcels lines for rifle, trap and skeet ranges	100.0 m
(d) Maximum height for:	
Principal buildings and structures	10.0 m
Accessory buildings and structures	12.0 m
Cabins	5.0 m

(e)	Maximum parcel coverage	10%
(f)	Maximum parcel coverage for greenhouses with closed waste and storm water systems	75%
(g)	Maximum gross floor area of a cabin	74 m ²

(4) Other Regulations

- (a) All dwelling units must be located on a contiguous area of the parcel not larger than 2.0 ha in size.
- (b) All portable sawmills must meet the following requirements:
 - (i) maximum capacity of 50 m³ (21,160 board feet) per day;
 - (ii) accumulation of sawdust, wood chips or other wood products not exceeding 10.0 m high;
 - (iii) a clear fire guard a minimum of 15.0 m wide must be established around the mill, logs or debris;
 - (iv) all slash must be removed from the parcel and disposed of in advance of operation of the portable sawmill;
 - (v) All debris, slash, mill waste, timbers and skids must be removed upon cessation of the portable sawmill operation.

Part 7.04
Single Family Residential Zone - RS

Zoning Bylaw No. 3737, 2012

7.04 SINGLE FAMILY RESIDENTIAL ZONE: RS

1 Permitted Uses

Within the RS Zone, the following uses only are permitted:

- (a) Single family dwelling

2 Accessory Uses

- (a) Child care facility
(b) Other uses, buildings and structures accessory to a permitted use.
(c) Residential office

3 Parcel Area and Dimensions

- (a) The minimum parcel size in the RS Zone shall be 484 0 m² in area.
(b) No parcel shall be created in the RS Zone which has a front parcel line less than 15.0 m in length, except that in the bulb of a cul-de-sac, the front parcel line shall be not less than 10.0 m in length.

4 Density

- (a) No person shall locate more than one (1) single family dwelling on a parcel in the RS Zone.

5 Siting

- (a) No person shall locate a principal building in the RS Zone which has:
- (i) A front yard less than 6.0 m
 - (ii) A rear yard less than 6.0 m
 - (iii) An interior side yard less than 2.1 m, and in the case of irregular parcels, at no point shall the distance between the interior side parcel line and the outermost projection of the building be less than 1.5 m
 - (iv) An exterior side yard less than 4.5 m
- (b) Notwithstanding Section 7.04.5(a)(iii), in the case of an interior parcel where no developed rear lane exists, one (1) interior side yard shall be not less than 2.7 m.
- (c) No person shall locate an accessory building or structure in the RS Zone which has:

Part 7.04
Single Family Residential Zone - RS

Zoning Bylaw No. 3757, 2012

- (i) A front yard less than 6.0 m
- (ii) A rear yard less than 2.1 m, and in the case where no developed rear lane exists, the rear yard shall be not less than 0.9 m
- (iii) An interior side yard less than 0.9 m, and in the case of an interior parcel where no developed rear lane exists, one (1) interior side yard shall be not less than 2.7 m
- (iv) An exterior side yard less than 4.5 m
- (d) No person shall locate an accessory building or structure in the RS Zone within 1.0 m distance from a principal building

6 Size and Dimensions of Buildings and Structures

- (a) No person shall locate a dwelling unit in the RS Zone which has a gross floor area of less than 75.0 m².
- (b) No person shall locate a principal building in the RS Zone which exceeds a height of 7.6 m.
- (c) No person shall locate an accessory building or structure in the RS Zone which exceeds a height of 4.5 m.
- (d) No person shall cover more than 40% of the area of a parcel in the RS Zone with buildings and structures.
- (e) No horizontal dimension of a single family dwelling not including dimensions of an addition or a non-rectangular building shall be less than 7.3 m.

7 Other Regulations

- (a) No person shall use or permit the use of any portion of a parcel in the RS Zone for the wrecking and repair of vehicles or for the storage of derelict vehicles except for the storage of not more than one (1) derelict vehicle in other than the front yard.

TERMS OF LOCAL MINOR WORKS/SERVICES CONTRACT**SCHEDULE A / TERMS OF REFERENCE
FOR A REAL PROPERTY APPRAISAL ON CROWN LAND**File Number: **4495812**

Legal Description of Subject Land (with and without gas pipeline ROW area – See maps 1 and 2):

- 1) That part of District Lot 36, Kootenay District, except 1) part included in Plan 2668, 2) part included in RW Plan 1463 and 3) Parcel 1 (see 11814-I), more particularly shown outlined in red and containing 21.4 hectares, more or less
and
- 2) That part of District Lot 36, Kootenay District, except 1) part included in Plan 2668, 2) part included in RW Plan 1463 and 3) Parcel 1 (see 11814-I), more particularly shown outlined in red and containing 19.8 hectares, more or less

This form is for a land swap, to transfer the subject parcel of Crown land "as is", zoned RR-60 and in the ALR.

The Contractor must submit a narrative appraisal to the Ministry of Forests, Lands, Natural Resource Operations and Rural Development by **December 15, 2017**. The appraisal report can be e-mailed to sharon.dalrymple@gov.bc.ca or mailed to: *The Ministry of Forests, Lands and Natural Resource Operations, Kootenay Boundary Regional Office, 1903 Theatre Road, Cranbrook, BC V1C 7G1*

The purpose of the appraisal is to determine the current market value for the fee simple rights of the Crown land described as

- 1) That part of District Lot 36, Kootenay District, except 1) part included in Plan 2668, 2) part included in RW Plan 1463 and 3) Parcel 1 (see 11814-I), more particularly shown outlined in red and containing 21.4 hectares, more or less.

This description includes the area of a FortisBC gas pipeline right of way, and small remaining area to the west (see Map 1). An excerpt of the ROW Plan (NEP63347) is attached (Map 4).

We would also like a separate value / appraisal for the land without the gas pipeline included (nor any of the remaining area to the west), see Map 2, as follows:

- 2) That part of District Lot 36, Kootenay District, except 1) part included in Plan 2668, 2) part included in RW Plan 1463 and 3) Parcel 1 (see 11814-I), more particularly shown outlined in red and containing 19.8 hectares, more or less

1. Highest and best use for the Crown land is "as is" with current zonation and ALR.

- a. The parcel is to be appraised as if vacant and unimproved.
- b. Proper zoning is to be assumed.
- c. The final appraisal amount is subject to GST.
- d. Timber values are NOT to be included in this valuation
- e. The internal road "blip" (see Map 3) is to be discussed, but not factored into value of appraisal. (MOTT intends to close this portion of road)

2. The appraisal should also indicate that the opinion of value is not a reflection of the market value of the entire property for assessment purposes.

3. As you are a member of the Appraisal Institute of Canada (AIC) the appraisal must be completed in accordance with the revised Code of Ethics and Uniform Standards of Professional Appraisal Practice as adopted by the AIC.

4. Please place a copy of these Terms of Reference in the addendum of your report.

5. We are looking for a well substantiated report. Your appraisal report therefore must include reasons for adjustments to the comparable sales, maps showing the location of sales, zoning details, time trends, etc. Comparable sales may require local, regional, provincial, national or international research. Please provide a summary adjustments table that outlines the narrative explanation for adjustments.

6. The report requires a map showing the location of comparable sales, including a brief description of the physical conditions and attributes of each comparable.

7. Current BCA actual values, if available, are to be included in the appraisal.

8. The contents of the appraisal may be subject to a request pursuant to the *Freedom of Information and Protection of Privacy Act* (the Act). The appraiser may include in the appraisal, a notice denying liability to third parties purporting to rely upon the opinions

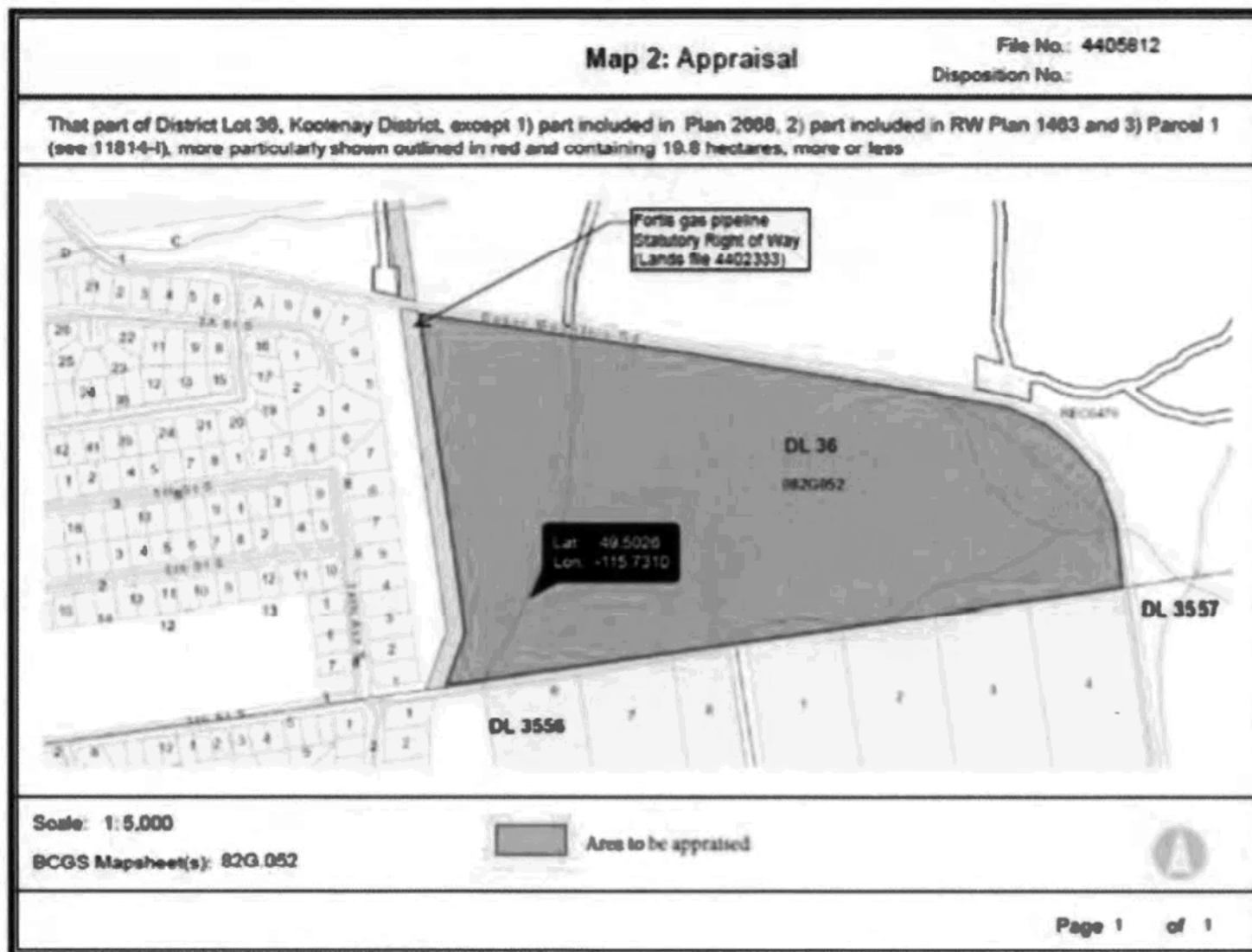
NRS782

CSNR-FSB July 8, 2015

TERMS OF LOCAL MINOR WORKS/SERVICES CONTRACT

expressed and the information contained in the appraisals, but the Ministry of Forests, Lands, Natural Resource Operations and Rural Development cannot guarantee that the appraisal will not be released to the public upon request under the Act.

- 9 The appraisal is to be completed by a fully qualified appraiser currently practising in Canada (an A.A.C.I. or R.I. (H.C.)) with the appraisal option. Co-signing is not acceptable.
- 10 The appraisal will be reviewed. In order to assist us in the appraisal review, please provide names and telephone numbers of individuals who have provided sales or other information that cannot be confirmed with Land title Office searches.



Map 3 - Appraisal

File No.: 4405812

Disposition No.:

Internal road will be closed and cancelled by Ministry of Transportation and Infrastructure. Please discuss this road in report, but do not incorporate this road into appraisal value.



Scale: 1:10,000

BCGS Mapsheet(s): 82G.052

Page 1 of 1

Thanks Colleen:

This gas line separates a rural holding (held in the name of The Crown) from an existing subdivision located within the City. At one time I had spoken to someone from the City who indicated that extension of City servicing lines (including natural gas) would not be possible because of the gas line, or the cost would be exorbitant. I am wondering if Fortis has a history of this type of City expansion once their gas lines are in place. Also, if the extension of the City lines is possible what are some of the issues (costs) which might be encountered? How deep does the developer have to dig to get beneath the gas line (if that is possible)?

Linda

From: Bohun, Colleen [<mailto:Colleen.Bohun@fortisbc.com>]
Sent: November-07-17 1:06 PM
To: lhastings@ekappraisals.com
Subject: RE: [External Email] - gas lines

Hi Linda,

What sort of information are you looking for? It'll help me narrow down who to direct the query to.

Thanks,
Colleen

From: Linda Hastings [<mailto:lhastings@ekappraisals.com>]
Sent: Tuesday, November 7, 2017 12:01 PM
To: Bohun, Colleen <Colleen.Bohun@fortisbc.com>
Subject: [External Email] - gas lines

**** THIS IS AN EXTERNAL EMAIL **** Use caution before opening links / attachments.

Hello Colleen:

Is there a Fortis employee who might be able to give me some information related to the potential for the extension of City of Cranbrook owned sewer and water lines beneath an existing Fortis gas pipeline? The pipeline right-of-way that I am referring to is on an excerpt of Plan NEP63347.

Regards,
Linda Hastings, AACI, P.App.
E.K. Appraisals.
(250) 426-6564

This email was sent to you by FortisBC*. The contact information to reach an authorized representative of FortisBC is 16705 Fraser Highway, Surrey, British Columbia, V4N 0E8, Attention: Communications Department. You can [unsubscribe](#) from receiving further emails from FortisBC or email us at unsubscribe@fortisbc.com.

FortisBC refers to the FortisBC group of companies which includes FortisBC Holdings, Inc., FortisBC Energy Inc., FortisBC Inc., FortisBC Alternative Energy Services Inc. and Fortis Generation Inc.

Linda Hastings

3178 – 49th Street S.
 Cranbrook, BC V1C 7A2
 Bus: (250) 426-6564
 Cell: (250) 421-0191
 Email: lhastings@ekappraisals.com

PROFESSIONAL QUALIFICATIONS**Accredited Appraiser of the Canadian Institute**

- 2008- Member of the Committee on Peer Review – Appraisal Institute of Canada
- 2005-2007 Member of the National Investigating Committee – Appraisal Institute of Canada
- 2000-2004 Kootenay Chapter Chairperson – Appraisal Institute of Canada
- 2003-2004 Member of the Cranbrook Planning Advisory Committee
- 1997-1998 President of the B.C. Association - Appraisal Institute of Canada
- 1993-2000 Director on the B.C. Provincial Council - Appraisal Institute of Canada
- 1992- Charter Member of the B.C. Expropriation Association
- Qualified as an expert witness by the B.C. Expropriation Compensation Board sitting within the City of Cranbrook - 1996
- Qualified as an expert witness in the B.C. Supreme Court sitting within the City of Cranbrook – 1990

EDUCATION

- University of British Columbia, Vancouver B.C.
 Completed two years 1970-1972
- British Columbia Institute of Technology, Burnaby, B.C.
 Completed two years - Issued a Building Technology Diploma 1974
- Real Estate Institute of British Columbia
 Completed Appraisal Diploma 1979
- Appraisal Institute of Canada
 Received the AACI Designation 1987

EMPLOYMENT HISTORY:

- 1974 - 1982 British Columbia Assessment Authority, Appraiser for East Kootenays, including Golden, Invermere, Kimberley, Elkford, Sparwood, Fernie, and Cranbrook. Final Position of Appraiser 3, Supervisory, also in charge of certain commercial and industrial valuations.
- 1986 - 1993 Fee Appraiser at ABJ Real Estate, Cranbrook, B.C.
- 1993 - Appraiser / Owner with E.K. Appraisals, Cranbrook, B.C.
- Resident in the City of Cranbrook since 1976

E.K. APPRAISALS

Linda Hastings, AACI, P. App
Real Estate Appraiser and Consultant
3178-49th Street S.
Cranbrook, BC V1C 7A2

Bus: (250) 426-6564

E-mail: lhastings@ekappraisals.com

December 13, 2017

Ministry of Forests, Lands and Natural Resource Operations (FLNRO)

Crown Lands Authorizations Division / Kootenay Boundary Region

1902 Theatre Road,

Cranbrook, B.C. V1C 7G1

ATTENTION: Sharon Dailey

Dear Ms. Dailey:

RE: A narrative appraisal report, to establish a current market value - for the marketing of property described as: That part of D.L. 36, Kootenay District, except 1) part included in Plan NEP2668, and 2) part included in RW NEP1463, and 3) Parcel 1 (see 11814-I) more particularly shown containing the right-of-way lands, with 21.4 hectares more or less. – Your File #4405812

This report has been prepared, as requested, in accordance with the Canadian Uniform Standards of Professional Appraisal Practice, to provide a current market value for marketing purposes. The assumptions and limiting conditions, which follow, are relevant to this document's intended use. It has been prepared on the assumption that no one, other than the **Ministry of Forests, Lands and Natural Resource Operations (FLNRO)**, Crown Lands Authorizations Division / Kootenay Boundary Region, will rely on this report for any other purpose, and all liability to all such persons is denied.

This report, including 45 pages of text and appendices, describes the property and provides applicable market information, as the basis for the current estimate of market value. As a Rural Resource zoned property, with extensive road frontage, adjoining a City of Cranbrook serviced single family residential neighbourhood, the 21.4 hectare's market value is estimated at:

\$749,000,

as at November 29, 2017. Additional information, relevant to this assignment, is held on file.

Sincerely,



LINDA HASTINGS, A.A.C.I., P.App.
E.K. APPRAISALS

LH/lh

SUMMARY OF SALIENT FACTS AND CONCLUSIONS REPORT FACTS

EFFECTIVE DATE OF APPRAISAL: November 29, 2017
DATE OF INSPECTION: November 29, 2017
PURPOSE OF THE APPRAISAL: Market Value for Marketing
INTEREST APPRAISED: Fee Simple

SUBJECT FACTS

TYPE OF PROPERTY: Vacant lands located within the Regional District of East Kootenay with (RR-60) Rural Resource zoning, abutting City of Cranbrook lands within the R-S Single Family Residential zone.

LOCATION: South of Baker Mountain Road between 34th and 42nd Avenues South, Cranbrook, B.C.

LEGAL DESCRIPTION: That part of D.L. 36, Kootenay District, except 1) part included in Plan NEP2668, and 2) part included in RW NEP1463, and 3) Parcel 1 (see 11814-I) more particularly containing the right-of-way lands, with 21.4 hectares more or less.

ZONING: RR-60 Rural Resource Zone lying adjacent to the City of Cranbrook's boundaries and a Residential Single Family zoned neighbourhood.

VALUE CONCLUSIONS (ESTIMATES)

HIGHEST AND BEST USE: Holding property which is potential development land which conforms to adjacent City of Cranbrook uses and residential zoning.

DIRECT COMPARISON APPROACH: **\$749,000**

FINAL ESTIMATED MARKET VALUES: **\$749,000**

EXTRA-ORDINARY HYPOTHETICAL CONDITION AND ASSUMPTION

For this report, the appraiser assumes that the subject's described 21.4 hectares has potential to be consolidated into the City of Cranbrook's boundary for a future single-family residential development use.

EXPOSURE TIME:

Exposure time to achieve the estimated market value equals 30 to 360 days or more, based on the past three years' of marketing times of larger acreage vacant lands, located within and in proximity to the City of Cranbrook.

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SCOPE OF THE APPRAISAL

THE SCOPE OF THE APPRAISAL ENCOMPASSES THE NECESSARY RESEARCH AND ANALYSIS TO PREPARE A REPORT IN ACCORDANCE WITH THE INTENDED USE AND "THE CANADIAN UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE". IN REGARD TO THE SUBJECT PROPERTY, THIS INVOLVED THE FOLLOWING STEPS:

1. The subject property was inspected on November 29, 2017, and the photographs were taken on the date of inspection.
 - a. An engineer with Fortis Energy Inc. provided some insight into the requirements for an extension of City utilities under or over the gas line within the right-of-way which crosses the subject property. He contacted me after I requested information from Colleen.Bohun@fortisbc.com. The email chain is appended.
 - b. Regional District of the East Kootenay and City of Cranbrook staff provided information regarding potential zoning for the property.
2. Regional, city, and neighbourhood data were based on information available from the Regional District of East Kootenay, City of Cranbrook, and Statistics Canada information. The neighbourhood section was based upon a physical inspection, as well as the appraiser's familiarity with the subject area.
3. The subject's property data is based upon a physical inspection of the land. Other subject property data was compiled from public records from B.C. Assessment and the City of Cranbrook.
4. In estimating the highest and best use for the property, an analysis was made of data compiled in the three steps noted above. In addition, a study of the local real estate market has been made to help determine the current demand for properties considered to be comparable to the subject.
5. In developing approaches to value, the market data, used, was collected from recent sales (which were multiple listings with the Kootenay Real Estate Board), private sales of the subject property's type (which were recorded as assessment statistics), realtors, and persons knowledgeable of the subject property's market place.
6. After assembling and analyzing the data defined in this scope of the appraisal, a final estimate of market value was made.

CONTINGENT AND LIMITING CONDITIONS

1. This report has been prepared, at the request of Ms. Sharon Dailey, to provide a current market value estimate, for **B.C. Natural Resources Ministries**, of the property located **south of Baker Mountain Road between 34th and 42nd Avenues South, Cranbrook, B.C.** No one, other than those to whom this report is addressed, can rely on this appraisal without first obtaining written authorization from the client and the author of this report. There may be qualifications, assumptions, or limiting conditions, in addition to those described herein, relevant to that person's identity or the intended use. This report has been prepared on the assumption that no other person will rely on it for any other purpose, and all liability to all such persons is denied.
2. While expert in appraisal matters, the author is not qualified and does not purport to give legal advice. It is assumed that:
 - a. A legal description, as furnished by the Land Title, is correct;
 - b. Title to the property is good and marketable;
 - c. There are no encroachments, encumbrances, restrictions, leases, or covenants that would in any way affect the valuation, except as expressly noted herein;
 - d. The existing use is a legally conforming use- which may be continued by any purchaser from the existing owner;
 - e. Rights of way, easements or encroachments over other real property, and leases or other covenants noted herein are legally enforceable;
 - f. Normal financing is available.

Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken that would verify these assumptions, except as expressly noted herein.

3. We did not complete technical investigations such as:
 - An environmental review of the property;
 - A Survey of the site;
 - Investigations into the bearing qualities of the soils.
4. The author is not a qualified surveyor (and no legal survey concerning the subject property has been provided). Sketches, drawings, diagrams, photographs, etc., are presented in this report, for the limited purpose of illustration, and are not to be relied upon by themselves.

5. No investigation has been undertaken, with the local zoning office, the fire department, the building inspector, the health department, or any other government regulatory agency, unless such investigations are expressly represented to have been made, in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigations may be necessary.
6. Neither possession of this report, nor a copy of it carries with it the right of publication. All copyright is reserved to the author, and is considered confidential by the author and his client. It shall not be disclosed, quoted from or referred to- in whole or in part, or published in any manner without the express written consent of the appraiser. This is subject only to confidential reviews by the APPRAISAL INSTITUTE OF CANADA, as provided in the Canadian Uniform Standards of Professional Appraisal Practice.
7. Market data has been obtained, in part, from documents at the land registry office, from B.C. Assessment Statistics, and/or as reported by the Kootenay Real Estate Board. As well as using such documented and generally reliable evidence of market transactions, it was also necessary to rely on hearsay evidence. Except as noted herein, a reasonable attempt has been made to verify all such information.
8. Because market conditions, including: economic, social, and political factors, change rapidly and on occasion, without warning, the market value, expressed as of the date of this appraisal, cannot be relied up on to estimate the market value, as of any other date, except with further advice of the appraiser.
9. The compensation, for services rendered in this report, does not include a fee for court preparation or court appearance, which must be negotiated separately. However, neither this, nor any other of these limiting conditions is an attempt to limit the use that might be made of this report, should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of the report, which best serves the administration of justice.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

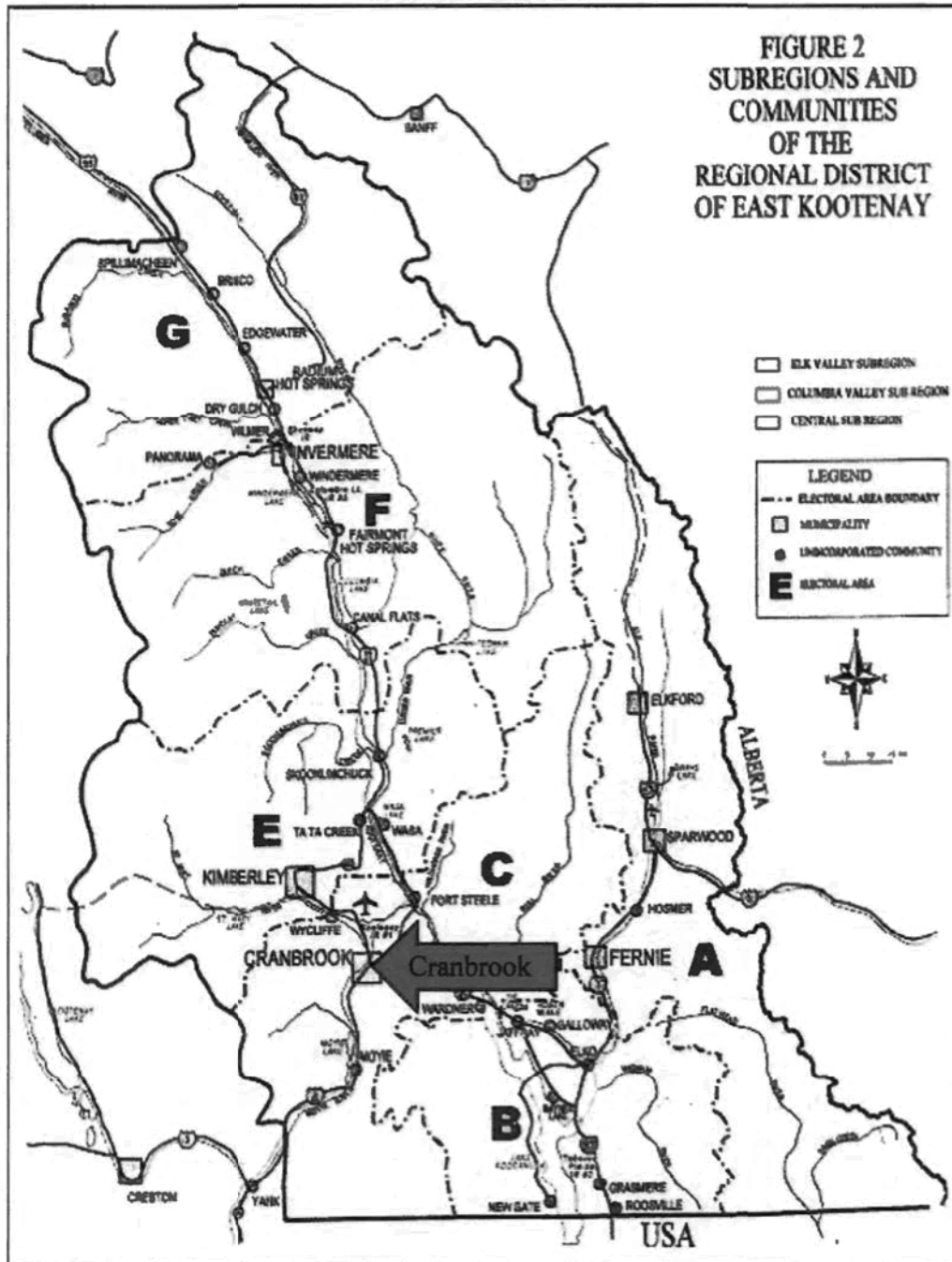
- **The Regional District of the East Kootenays expects that future development of the subject lands will require City of Cranbrook water, sewer, storm sewer and natural gas lines.**
- **The Fortis Gas Line will require a 1 foot clearance from all servicing lines that are expected to cross the right-of-way. All installations beneath or above the gas line will require a Fortis inspector.**
- **Timber values are NOT included in the valuation.**

DEFINITION OF MARKET VALUE

The 2016 Canadian Uniform Standards of Professional Appraisal Practise defines market value as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition, is the consummation of a sale, as of a specified date, and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in Canadian dollars or in terms of financial arrangement comparable thereto; and, the price represents the normal consideration for the property sold unaffected by special creative financing or sales concessions granted by anyone associated with the sale.

REGIONAL MAP



CITY AND REGIONAL DATA

LOCATION/GEOGRAPHY

The City of Cranbrook is situated in the Regional District of East Kootenay, on the western edge of the Rocky Mountain Trench, in southeastern British Columbia, Canada. Cranbrook is 852 km / 533 miles east of the City of Vancouver, 301 km /180 miles west of the City of Lethbridge Alberta, 406 km/254 miles from the City of Calgary and 72 km /45 miles north of the U.S./Canada border. Cranbrook's elevation is 921 metres or 3070 feet above sea level.

The city rests on a sloping alluvial plain; the Purcell Mountains are situated to the west and the Rockies to the north and east. The city centre is surrounded by gradually rising hills where residential developments have been constructed.

CLIMATE

Prevailing weather patterns are associated with moist Pacific fronts from the south and west. Summers are warm and winters in Cranbrook are mild by Canadian standards. The city is the centre of a 4-season tourist area. It is reputed to have the most sunshine hours of British Columbia.

The average winter temperature is - 8.3° Celsius /17.06 ° Fahrenheit (C/F) and summer averages 18.2° C / 64.75 ° F. The average precipitation equals 147.9 centimeters / 4.85 feet of snow and 264.2 millimetres or 10.4 inches of rain.

POPULATION

The 2016 census reports a City of Cranbrook population of 20,047, an increase of 3.8% from the 19,318 population in 2011. The fringe (Electoral Area C) population of 6,036 in 2016 has risen by 5.7% from 5,713 in 2011.

The 2016 total regional population census indicated that the RDEK had a population increase to 60,439 from 56,685 in 2011. The census also indicated that 25,683 (of 34,197) housing units are occupied by usual residents. More than 8,500 housing units are owned by a non-resident population.

INDUSTRY/EMPLOYMENT

The forest sector has been the second largest resource based employer in the East Kootenay Region. This sector has directly employed approximately 8.5% of the RDEK's work force. The Rocky Mountain Forest District is the current agency in charge of managing the forest resources. It is a recent consolidation of the areas formerly managed by the Invermere and Cranbrook Forest Districts. This sector includes a major forestry employer, Canfor Corporation, and other smaller forestry and forestry service companies. Since the beginning of 2013, the Skookumchuk Pulp Mill has been purchased from Tembec Forest Industries, by Paper Excellence Canada Holdings Corporation, a Richmond based company.

In the neighbouring Elk Valley, companies such as Elkview Mining, Line Creek, and Fording Coal produce and export metallurgical and thermal coal to Japan and other world markets.

Cranbrook serves as a distribution and service centre for this industry.

Local manufacturing centres, primarily, on lumber and value added wood products, machinery, equipment, fabricating, and food and beverage products. Most of this is located in Cranbrook's 480 acres of developed, light industrial zoned, industrial park.

The mountainous terrain, of the East Kootenays, makes the East Kootenay Region a major four-season resort destination. Visitors from around the world enjoy camping, fishing, golfing, boating, and hiking in the warmer seasons. During the winter, several of Canada's finest ski resorts become active in Kimberley, Banff, Invermere, Fernie, Golden and Lake Louise. These resorts are all situated within a short drive from Cranbrook. The City's well developed tourist accommodation and ready access to many of the Region's natural attractions are the key ingredients for its local trade and convention industry.

Cranbrook also serves as the East Kootenay's major retail trading centre with two major shopping malls, an active central business district, numerous hotels, motels, eating establishments, and a municipal campground.

COMMUNITY SERVICES

The city has a community college, 9 public schools, an acute, intermediate and extended care hospital, several senior citizens homes, several parks, four golf courses, a recreation complex, a curling rink, a live theatre, a five-plex cinema, a public library, a railway car museum, a daily newspaper, three radio stations, and cable television.

TRANSPORTATION

The City of Cranbrook is conveniently located on major highways and is serviced by rail and an airport. One inter-provincial and two international highways converge on the city, (Crowsnest Highway #3 east/west and Highways 93 and 95 north/south) connecting Cranbrook's trucking firms to the Trans-Canada Highway at Golden (north) to southern Alberta (east), to British Columbian points west, and to major centres in Montana, Idaho, and Washington States (south).

The Canadian Pacific Railway provides services to centres across Canada, while Burlington Northern and Union Pacific serve U.S. markets.

The Cranbrook-Kimberley Airport handles small planes, regional jet aircraft and helicopters. Daily service connects Cranbrook to major Canadian and U.S. carriers in Vancouver, Calgary, and Edmonton. An airport expansion, allowing international flight arrivals, was completed in 2008. Initially, Delta Airlines provided connector service to the Salt Lake City hub. This service was cancelled at the end of 2009.

SUMMARY

In summation, the City of Cranbrook has a relatively diverse economy, a well developed community infrastructure, a skilled labour force, and a strategic location, well within striking distance of provincial, national, and world markets.

CITY OF CRANBROOK MAP



VALUE TRENDS AND MARKET CONDITIONS

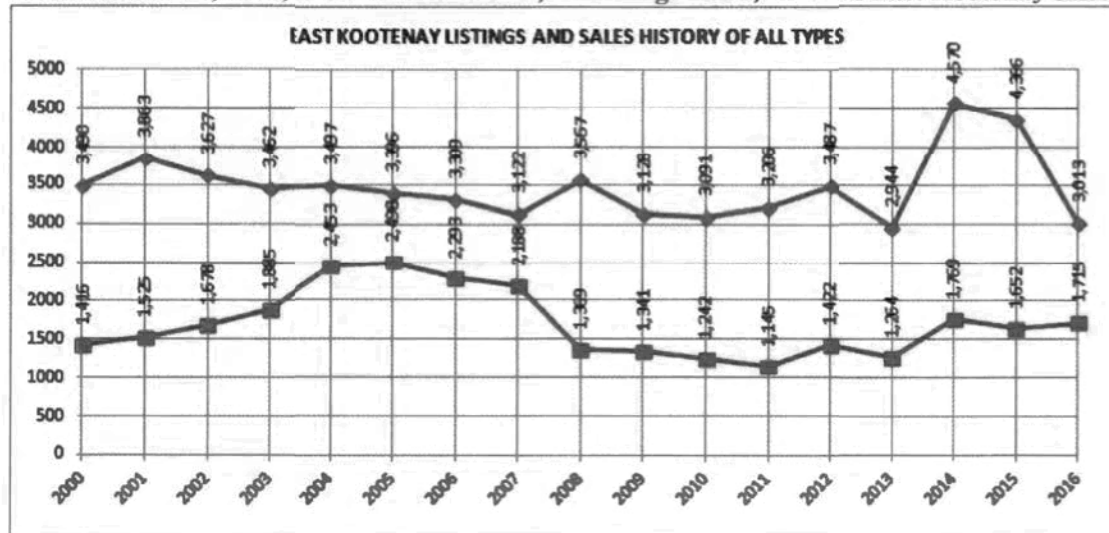
In spite of the expansion of the Cranbrook Airport into an international facility, the economic declines within the Province of Alberta and the downsized East Kootenay forest industry have had a negative economic impact on a number of City and Regional land development projects.

Overall, the general reduction in demand for property, by non-resident buyers has had an impact on all property markets. As time has passed, the expectations of many property owners have decreased below the real estate market values which were achievable in 2008.

Expansions, at the Cranbrook campus of the College of the Rockies and at the Cranbrook Regional Hospital, have encouraged population stability in spite of the economic uncertainties. Construction activity, within the City of Cranbrook, continues to be relatively robust when compared to communities in the Columbia Valley. This construction included a Sport Chek big box store at the Willowbrook Mall, as well as a modern Denham Ford Automobile Dealership at the north end of the Highway Commercial zone. However, there is growing evidence of vacant commercial space, such as: vacancy at the new Canadian Tire Store along Victoria Avenue, and the underutilization of several older buildings (former BC Tel, former Super Valu, the building at 30 to 36 11th Avenue, and the former HSBC building) located in the City's downtown. In a positive light, the on-going redevelopment of the downtown Baker Street Mall into a medical clinic facility is slowly reoccupying a substantial area (20,000+/- sq.ft.) of downtown space.

At this time, the City of Cranbrook has a real estate market and an economic future that is considered to be stable. The 2007 City boundary expansion required more tourists, a shadow population, or a growth in retired residents. However, as the prices of oil and gas have declined, the price of coal fluctuates, and as the regional forest industry remains tentative, there is uncertainty in real estate vacancies, real estate rents, and the trend in real estate market values.

To November 29, 2017, there are a total of 3,008 listings and 1,749 total East Kootenay sales.

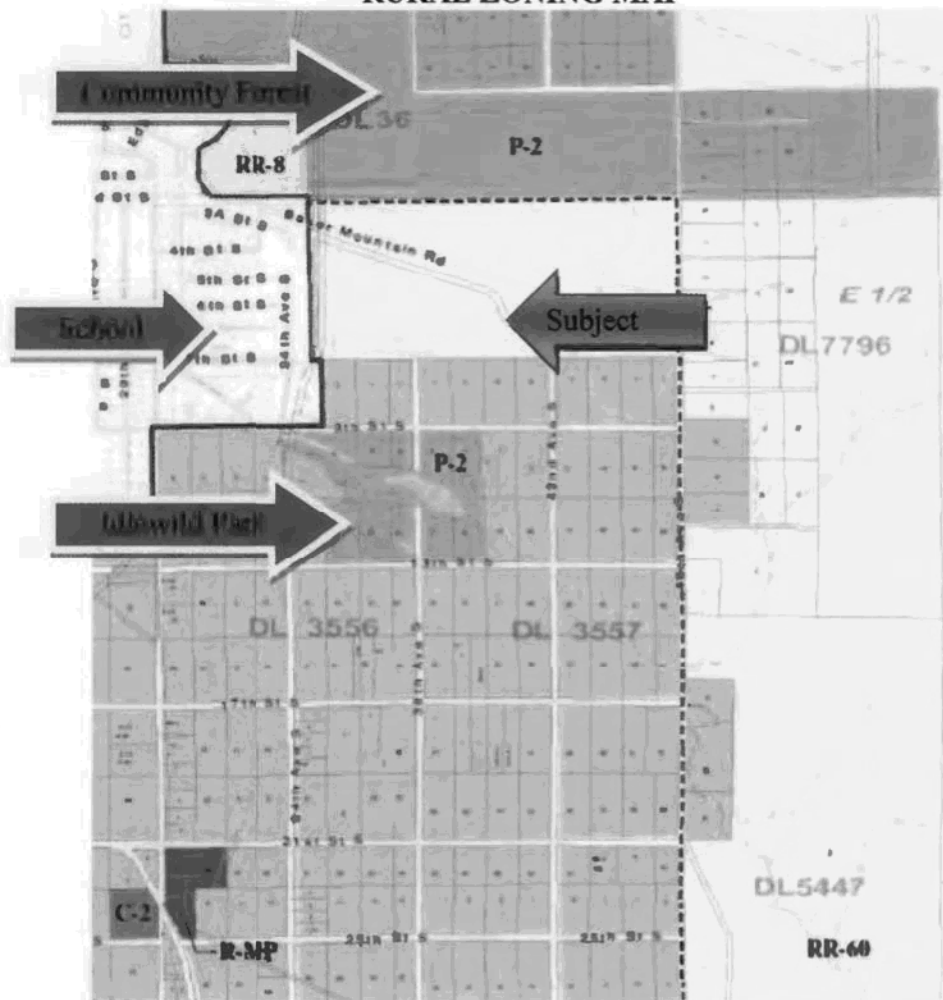


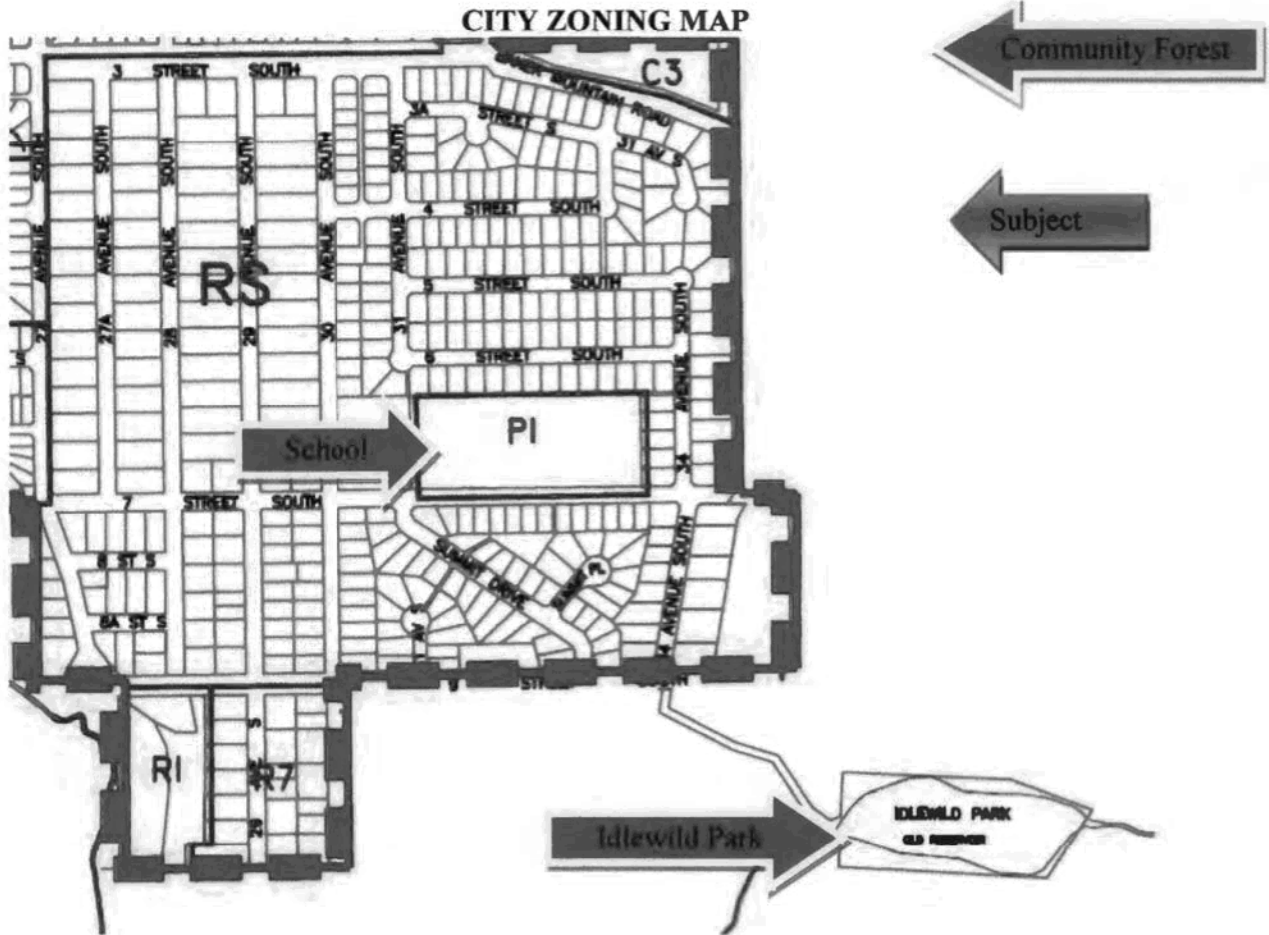
NEIGHBOURHOOD DESCRIPTION

The subject property is located adjacent to the corporate limits of the City of Cranbrook, fronting along the Baker Mountain Road between 34th Avenue S. (within the City's boundary) and 42nd Avenue S. (to the east of the City's boundary).

The neighbourhood to the north is comprised of public Park and Open Space lands described as the Community Forest. These lands lie to the east of the College of the Rockies. Lands to the south of the subject are zoned Rural Residential RR-2 (two hectare minimum). These properties include small hobby farms and rural residential use properties. Idlewild Park lands are located in this neighbourhood as well. Lands to the west, within the City's boundaries, include Single-Family RS zoned lands with modern to forty year old upper middle class residences. Highlands Elementary School is also located within this neighbourhood.

RURAL ZONING MAP





NEIGHBOURHOOD PHOTOGRAPHS – Adjacent Roads



View North along 42nd Avenue / Joseph Creek Road



View South along 42nd Avenue / Joseph Creek Road



View East along 2nd Street/Baker Mountain Road @
Community Forest Access



View West along 2nd Street/Baker Mountain Road @
Community Forest Access



View East along 2nd Street/Baker Mountain Road @
ROW



View West along 2nd Street/Baker Mountain Road @
ROW



Northeastern entrance and exit from the trail/track which crosses the subject property



Views along the right-of-way as well as of the rear lots of the adjacent RS zoned City of Cranbrook subdivision.



View East along 2nd Street/Baker Mountain Road @ ROW

View Southeast over the subject property and the ROW.
Note the fire hydrant.

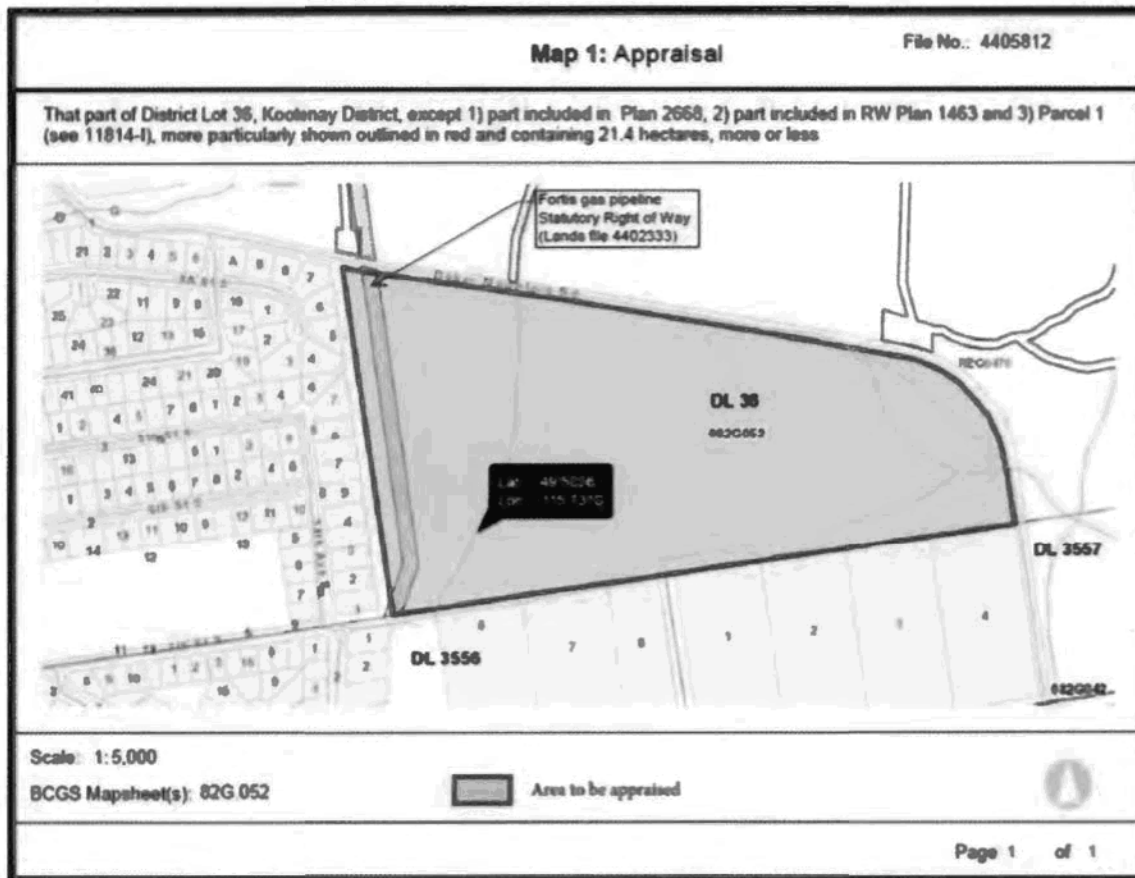
GOOGLE VIEW OF THE SUBJECT LANDS

Copyright

SITE DESCRIPTION

ADDRESS & LEGAL DESCRIPTION:	Baker Mountain Road - Part of PID 017-652-588 Part of D.L. 36, Kootenay District, except 1) part included in Plan NEP2668, and 2) part included in RW NEP1463, and 3) Parcel 1 (see 11814-I) more particularly containing the right-of-way lands (outlined in red on the next page) with 21.4 hectares more or less.
SIZE & SHAPE	Irregular shaped with 21.4 hectares more or less. The preceding photographs describe the subject property from the adjacent roads.
ACCESS	Access to the land is available from 2 nd Street S. (Baker Mountain Road) and 42 nd Avenue (Joseph Creek Road).
SERVICES	City of Cranbrook services are located within the adjacent subdivision located to the west of the right-of-way lands. The proximity of City water is supported by the fire hydrant located within the right-of-way lands at Baker Mountain Road. As a rural property the subject lies within the Regional District of East Kootenay Rural Resource Zone.
ZONING	Regional RR-60 Rural Resource zoning lying adjacent to the City of Cranbrook's RS Single-Family Residential zoning.
GENERAL ASPECT AND APPEAL	<p>The site rises from the City's boundary along its western perimeter towards the eastern perimeter along 42nd Avenue. This slope allows for a potential view over the City towards the Purcell Mountains</p> <p>This property is densely covered with 30 to 50 year old mixed coniferous trees. Cleared areas include the Fortis natural gas line right-of-way, as well as a wild-grassed track which accesses the interior of the property from the adjacent roads near the eastern boundary.</p>

Map of Appraised Area Outlined in Red



ASSESSMENTS

Values, arrived at by B.C. Assessment, are intended to reflect market value of properties- as of July 1, 2016, for the 2017 assessment roll. This Assessment file represents a property with 38.614 hectares.

ASSESSED OWNER:	The Crown in the Right of the Province of B.C.	
ASSESSMENT ROLL #:	26-205-17875.000	
ASSESSED VALUES:	Land	\$474,000
	Improvements	n/a
	Total	\$474,000

Vacant lands with similar market values located in the rural areas outside of the City of Cranbrook's boundaries are assessed annual Property Taxes at approximately one-third the rate of Property Taxes assessed to properties located within the City's boundaries. This three times higher taxation rate is the most significant factor contributing to the comparatively low market values associated with residential development lands located within the City of Cranbrook's boundaries.

HIGHEST AND BEST USE

HIGHEST AND BEST USE DEFINITION

Highest and best use, as defined by CUSPAP, is “that reasonably probable and legal use of vacant land or an improved property which is: physically possible, appropriately supported, financially feasible, and that results in the highest value.” It is an economic concept that measures the interaction of four criteria: legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Estimating the highest and best use, of a property, is a critical appraisal component that provides the valuation context within which market participants and appraisers select comparable market information. An appraiser considers highest and best use of the property, as if vacant, separately from the highest and best use of the property as improved. This is because the highest and best use of the site, as if vacant and available for development, determines the value of the land, even if the property’s existing improvement does not represent the highest and best use of the site.

Highest and Best use, of land or a site, is the use, among all reasonable alternative uses, that yields the highest present land value, after payment for labour, capital, and co-ordination. This is the cornerstone of all property valuations. To analyze a property, in an effort to determine its Highest and Best Use, an appraiser attempts to determine the use to which the land in question can reasonably be expected to be put.

HIGHEST AND BEST USE RATIONALE

The following points are noted in answer to the above questions, with references to zoning and land use restrictions.

1. The Regional District has the understanding that the subject land will be incorporated into the City’s boundary in the near future. Should this property be taken into the City’s boundaries the probable rezoning and future use is expected to complement the properties within the adjacent single-family residential zone.
2. Adjacent residential City subdivisions allow for single-family residences which comply with the RS zoning bylaw. This zoning does not allow for suites or group homes. Adjacent rural lands include 5 acre hobby farm properties located along the subject’s southern boundary. These properties are accessed from 9th Avenue S.
3. The adjacent City neighbourhoods include high end middle-income housing. Since Highlands Elementary School is within walking distance of the subject land, the demand for properties in this neighbourhood has exceeded the demand for most similar higher end residential subdivisions developed at the north, northwestern and northeastern extremes of the City over the past 10 to 15 years.

4. Should future subdivision take place, it will require the extension of City water and sewer servicing lines under (or over) the Fortis gas line. This will require inspection by Fortis engineers.
5. The proximity to the Community Forest and Idlewild Park are amenities which are available to the subject lands.
6. The right-of-way and the remaining area to the west are included within the subject's 21.4 hectares. This land is expected to remain as green space since its development is limited by the gas-line.

Historically, cost effective land subdivision has supported approximately 10 lots per hectare. Since the City of Cranbrook has had a slow rate of population growth and a resulting slow absorption of existing subdivided properties, the subject 21.4 hectares will include many years of marketable subdivision lots. It is the annual Property Taxation costs (at City taxation rates) which will discourage incorporation of this property until profitable demand for subdivided lots can be established.

Based on these statements, the subject's probable highest and best use is as a Rural Resource (RR-60 hectare) holding property until it is considered cost effective to incorporate the entire site into the City's boundaries. Incorporation will allow for phased subdivisions of the land, however it will also result in annual property taxation of the undeveloped areas at rates that represent the City's mil rate versus the rural rates (an approximate 3 to 1 ratio).

THE VALUATION PROCESS

The valuation process is an orderly methodology, in which data is collected, classified, analyzed, and presented, to illustrate an estimate of market value. In estimating Market Value of real property, three different approaches are utilized. They are: the Cost Approach, the Income Approach, and the Direct Comparison Approach.

VACANT LAND VALUATION METHODOLOGY

INCOME APPROACH

This approach is not considered applicable for most vacant land valuations because of the lack of comparable vacant acreage rents and capitalization rates. Therefore, this approach to the valuation of the subject site is not provided.

COST APPROACH TO VALUE

A cost of development approach is often considered applicable to in the valuation of development lands if all aspects of the valuation problem are available and if comparable development lands are unavailable. Market supported absorption rates of the developed property, and adequate margins for profit and overhead must be provided for the purpose of determining a reasonable residual value to the vacant land after all costs of construction are acknowledged. Since the subject's highest and best use is as a Rural Resource zoned holding property located adjacent to the City of Cranbrook, the costs of extending City water, and sewage disposal systems are not considered to be relevant to the market value attributable to the land at the date of this appraisal. Therefore, this approach to the valuation of the vacant land is not considered a reliable indicator of the subject's market value estimate at this time.

DIRECT SALES COMPARISON APPROACH

The most commonly used method of vacant land valuation is the Direct Sales Comparison Approach. Ideally, this technique involves analyzing recent sales of similar properties, with adjustments made for dissimilarities in terms of size, location, level of servicing, etc.

A number of properties, that are considered comparable in potential use, are itemized on the following chart for the purpose of analysis. The sales are provided to indicate the recent demand and the market value range of properties with similar potential, located within the City of Cranbrook and its surround.

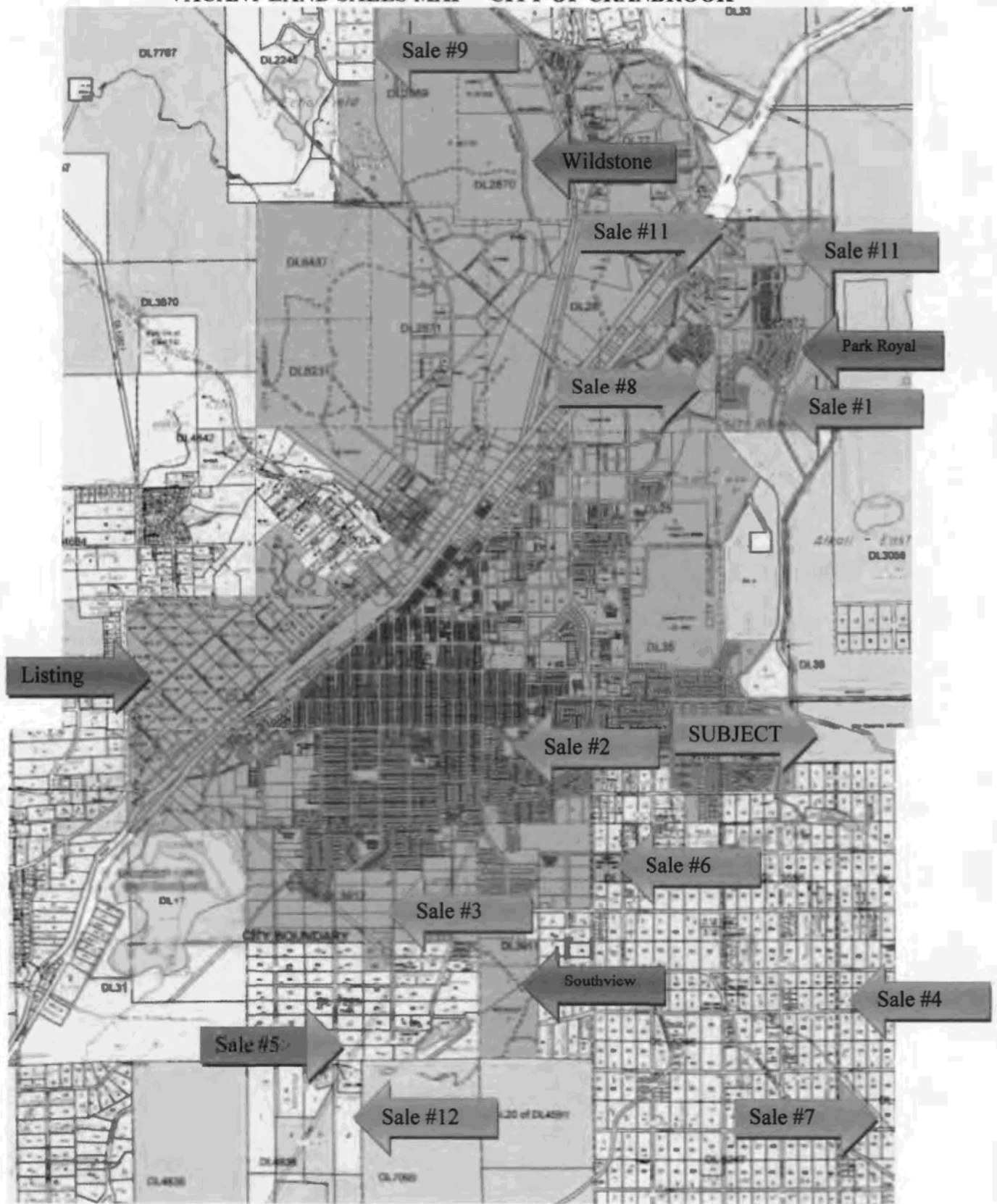
VACANT COMPARABLE LAND SALES

#	Property Location and Description	Size in Hectares (acres)	Zoning	Sale Date	Sale Price	Title	Sale Price/Ha.	Comments
1	Mr. Royal Drive, Lot 1, Plan NEP16643, D.L. 2872, PID 006-746-781	1.41 (3.484)	R-1	Sept 2017	\$255,000	CA6335718	\$180,851	Located within a development which includes a number of unsold single-family residential lots.
2	1601-4 th Street S. Parcel A (see 951971) of Parcel 1 (see 144451) Lot E, Plan NEP887, PID 011-133-287	1.0 (2.474)	R-1	Sept 2017	\$175,000	CA6303998	\$175,000	Purchased from the Roman Catholic Church by a parishioner to rezone and develop with higher density housing.
3	1950-8 th Avenue S. Lot 45, NEP1094, D.L. 7225 (Parcel B, See 170881), PID #016-028-929	1.4648 (3.62)	RR-2	April 2014	\$210,000	CA4367331	\$143,364	17 listing days. Kostiuk purchase. No proven water. Improved with a residence since the date of purchase. Rocky Mountain View property.
4	Lot 55, 21 st Street S. Lot 55, Plan NEP1180, D.L. 3557, PID # 015-917-100	2.0232 (5)	RR-2	Sept. 2015	\$250,000	CA4647802	\$123,567	Level grassy field without many trees. No proven water. Private sale. Located south of the subject lands approximately 1 km from the City boundary
5	2604-4 th Avenue S. Lot 5, Plan NEP1094, D.L. 7225, PID #016-028-732	1.64 (4.05)	RR-2	March 2017	\$200,000	CA5868925	\$121,951	Adjacent to Sale #12. Treed land with no views.
6	Lot 27, 13 th Street S. Lot 27, Plan NEP1261, D.L. 3558, PID # 015-856-640	2.0232 (5)	RR-2	May 2014	\$245,000	CA3826990	\$121,095	9 listing days. Opposite Gold Creek Road from the College of the Rockies shops. No proven water.
7	Lot 28, 29 th Street S. Lot 28, Plan NEP1083, D.L. 6438, PID #015-964-248	2.0232 (5)	RR-2	March 2016	\$215,000	CA4367331	\$106,267	15 listing days. No proven water. Greater distance from the City's boundary.
8	1701-30 th Avenue N. Lot 1, Plan NEP 14459, D.L. 24 except Plan NEP20273, PID #008-790-281	2.1648 (5.35)	R-1	November 2015	\$198,000	CA4928230	\$91,463	37 listing days. . Eagle Ridge Land Sales Corp. purchase from the City of Cranbrook. Property divided by Eagle Ridge Drive development.
9	Echo Field Road, Lot A, EPP40255, D.L. 2869, PID #029-389-623	2.02 (4.99)	RR-2	August 2016	\$166,000	CA5436939	\$82,178	Proven water. No view of the Rocky Mountains. North of Playle Road adjacent to a rural light industrial zoned property.
10	Lot 2, Kennedy Road, Lot 2, Plan NEP22333, D.L. 11566, PID #023-108-665	5.8107 (14.36)	RR-4	June 2013	\$310,000	CA3265144	\$53,350	92 listing days. Allows for minimum 4 hectare or 10 acre parcel size. Proven water. Developed with a single family residence since this purchase.
11	30 th Avenue N. & 2480 Stahl Road/Cranbrook Street N. Cranbrook, Lot A, Plan NEP8549, D.L. 2872, & Lot B, Plan NEP21887, D.L. 2872 PID #011-452-714 & 019-101-732	19.33 (47.77)	R-1 & C-2	August 2017	\$695,000	CA6264015 & CA6264014	\$35,954	1.27 acre Highway Commercial zoned property abuts the larger 45 acre R-1 zoned area located off 30 th Avenue N. Purchased by same buyer from same vendor. C-2 area allows for wider, more visible access onto the R-1 zoned development land. Older building near road requires demolition. This is a holding property for future residential development.

#	Property Location and Description	Size in Hectares (acres)	Zoning	Sale Date	Sale Price	Title	Sale Price/Ha.	Comments
12	4 th Avenue S. Cranbrook, Lot 2, Plan NEP15027, D.L. 4836, PID #009-782-508	12.2906 (30.37)	RR-16	July 2015	\$435,000	CA4525703	\$35,393	Dogleg access from 4 th Street. This is the old Akloo Ski area. Private sale. Proven water. This sloped property includes a Rocky Mountain view at its upper elevations. The RR-16 zoning, the smaller site size, and the views available to these lands are estimated to be an off-set for this property's smaller size when compared to the subject's 21.4 hectares.

COMPARABLE VACANT LAND LISTING						
	Property Location and Description	Size in Hectares (acres)	Zoning	List Price	List Date	Comments
	700 McBride Street W. Cranbrook Lot 89, Plan NEP887, D.L. 30, PID #015-318-371	2.125 (5.25)	RT	\$199,900 = \$94,071/Ha.	August 2016	Has been listed for over 460 days. Residential Transitional zone within the City of Cranbrook. Has neither a water supply nor a sewage disposal system. South sloping land.

VACANT LAND SALES MAP - CITY OF CRANBROOK



LAND VALUE ANALYSIS

Development lands have a potential, for subdivision or improvement, to allow for a number of users of one existing site. During the past ten years, this concept has included the development or improvement of lands to allow for sharing or long-term leased ownership.

Average lot price is supported by the past year's vacant lot sales itemized as BC Assessment statistics.

Sur No	Roll No	PID No	Address	Assd Val	Last Sale	Last Sale Price	Plan	Lot	Block	D Lot	Sect	L.C.D.S.
1	205	12171050	010-629-415	1100 11TH AvenueS	\$53,700	2017/10	\$47,000	NEP13471	5	3912	26	Kootenay
2	205	169001	016-181-611	213 16TH AvenueS	\$55,100	2017/8	\$57,400	NEP6690	12	19	22	26 Kootenay
3	205	169000	016-181-603	214 16TH AvenueS	\$55,100	2017/8	\$57,400	NEP6690	11	19	22	26 Kootenay
4	205	0466377	027-400-182	3329 MOUNT ROYAL Drive	\$79,480	2017/5	\$75,000	NEP83901	7	2872	26	Kootenay
5	205	6057116	027-472-400	107 THE WHIMS	90	2017/3	\$81,900	NE53429	58	2870	26	Kootenay
6	205	6057114	027-472-396	105 THE WHIMS	90	2017/6	\$85,000	NE53429	57	2870	26	Kootenay
7	205	6057120	027-472-469	192 THE WHIMS	\$91,200	2017/10	\$90,000	NE53429	64	2870	26	Kootenay
8	205	0466462	036-636-168	MT FISHER Crescent	\$93,980	2017/2	\$90,000	NEP76322	32	2872	26	Kootenay
9	205	6057136	027-472-507	184 THE WHIMS	\$96,700	2017/8	\$92,900	NE53429	68	2870	26	Kootenay
10	205	6057140	027-472-523	180 THE WHIMS	\$116,000	2017/10	\$95,000	NE53429	70	2870	26	Kootenay
11	205	0466381	027-400-221	3532 MOUNT ROYAL Drive	\$95,000	2017/2	\$100,000	NEP83901	11	2872	26	Kootenay
12	205	0467250	027-677-677	1555 MOUNT ROYAL Peak	\$96,280	2017/9	\$105,000	NEP87676	11	2872	26	Kootenay
13	205	6057070	027-472-175	140 THE WHIMS	\$102,000	2017/7	\$105,000	NE53429	35	2870	26	Kootenay
14	205	6057042	027-472-685	139 THE WHIMS	90	2017/3	\$110,000	NE53429	21	2870	26	Kootenay
15	205	3072010	023-331-284	192 9TH StreetS	\$183,800	2017/3	\$120,000	NEP22930	2	30	26	Kootenay
16	205	0467200	027-677-779	1638 MOUNT ROYAL Peak	\$191,800	2017/7	\$123,900	NEP87676	1	2872	26	Kootenay
17	205	0467110	027-545-381	1988 MT ROYAL CLOSE	\$96,300	2017/4	\$125,500	NEP86817	11	2872	26	Kootenay
18	205	0458136	028-999-345	1906 KELOWNA CrescentH	\$117,800	2017/7	\$165,000	EPF25331	A	24	26	Kootenay

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The long range risks associated with the potential of development land are:

1. The trend in the developed lot values at the date of valuation. (i.e.) What is the market value of the developed lot, and has that lot value been increasing or decreasing in the recent past?
2. The trend in servicing costs. (i.e.) What is the cost of supplying water, sewer and road systems to the subdivided lands? Seldom has there been a decline in the costs of servicing land.
3. Over the past 10 years, prices have declined and lot servicing costs have increased, the possible profits from land development have declined. The land developer is left with development costs and few opportunities to sell his lots for as much as he initially expected, when he started the development.
4. Of the 18 vacant lot sales (ranging in Last Sale Price from \$47,000 to \$165,000) occurring during 2017, 17 of these vacant residential lots are located within subdivisions that have been in place since 2008.
5. According to B.C. Assessment actual use codes, there are currently 419 vacant lots (under 2 acres in size) located within the City of Cranbrook's boundaries.

Within the City of Cranbrook, land value ranges result from the lot size and the neighbourhood amenities that are available at specific locations, as well as the competitive asking prices of similar properties. Land value differences between an attractive and an unattractive location can be difficult to measure with proof. Therefore, common comparisons are made by using locations which are considered similar in amenities, and services as well as development potential.

The Vacant Comparable Land Sales chart (Page 23 & 24) includes R-1 zoned vacant land sales located within the City's boundaries, as well as RR-2 zoned rural vacant land sales of properties located within proximity to the City's boundaries. R-1 zoned acreage land sales allow for subdivisions into single-family lots. RR-2 zoned acreage sales allow of one single-family residence. A number of rural acreage sales support market values which are bracketed by the market values of acreage sales located within the City boundaries.

Currently, there is one 2.125 hectare Residential Transitional-zoned property, located within the City, which is for sale for \$199,900 or \$94,070 per hectare. In April of 2015, a Residential Transitional zoned property transferred at a declared value of \$300,000 for 7.81 hectares (19.8 acres). The titles indicate that related owners (Stuart Bain) transferred these lands (to Bain Development Ltd.) at a price of \$38,400 per hectare. To date, 21 lots have been subdivided, of these 3 lots have been sold. This is not considered a relevant market value because of the related owners; however, it is of interest that this property had a 2015 declared value that is similar to the 2017 Sale #11 sale price per hectare at \$35,954 for combined size of 19.33 hectares.

The following points are noted for the analysis of the sales.

- Sales #1 and #2 are acreage lands located within subdivided neighbourhoods. Both of these properties have overall sale prices (\$175,000 to \$255,000) which are similar to the market values for rural acreage Sales #3 to #7 & #9 (\$166,000 to \$250,000).
- Sales #3 to #7 indicate that overall acreage land values (\$200,000 to \$250,000) located in proximity to the City of Cranbrook's boundaries, have not changed significantly between 2014 and 2017.
- A comparison of Sale #7 to Sale #8 indicates that rural RR-2 zoned lands, with approximately 5 acres, have been selling for overall values (\$215,000) which are similar to the overall value (\$198,000) for R-1 zoned acreages located adjacent to City services.
- Sales #4 and #5 to #9 are primarily, rural RR-2 zoned, 2 hectare lands ranging in price from \$166,000 to \$250,000 per property
- The R-1 zoned land rates per hectare are bracketed by the RR-2 zoned rates per hectare.
- Sale #10 is an older (2013) sale located to the north of the City. This RR-4 zoned 5.8107 hectare property sold for a \$53,350 per hectare which is bracketed by sales of larger (5.81 hectare) and smaller (2.165 hectare) R-1 zoned lands.
- Sales #11 and #12 are properties in excess of 12 hectares in size. Both the most recent 2017 sale and the 2015 sale support similar market values of \$35,393 to \$35,954 per Hectare. As larger properties in excess of a 12.29 hectare (30 acre) size these properties best represent the subject. In one case (Sale #11) the property represents a rural acreage at a one kilometer distance from City amenities. In the second case (Sale #10) the property includes poorly accessible Residential (R-1) zoned acreage off of the Highway Commercial area at the north end of Cranbrook located more than 1 kilometer from a school.
- Sale #12's smaller size (12.29 hectares @ \$35,395/hectare) and its Rocky Mountain views are an offset to the to the subject's location adjacent to the City's boundary. This property is located approximately 1 kilometer south of the City's boundary. Sale #11's size of 19.33 hectares located within the City's northeastern boundary (with a similar sale price of \$35,954/hectare) supports this statement.

Current multiple listings include 38 vacant residential lots- located within the northeast and northwest quadrants of the City of Cranbrook. As demonstrated in the following table, many of these properties have current listing prices which are substantially lower than their previous purchase prices paid between 2008 and 2010. **Both the amount of available subdivided land and the low asking prices support the statement that: "Within the City of Cranbrook, subdivision of vacant acreage remains a high risk venture in investment and long term holding costs, at the date of this report."**

										Previous Sale Price & Date
Cross Property REALTOR® Single Line										
MLS#	#	PT	St PC	Price	List Date	Address	City	Acres	DOM	
2416988		LOTSACRES	A	\$79,000	09/28/2016	LOT 3 3A Street NW	Cranbrook	0.41	439	
2400753		LOTSACRES	A ↓	\$79,900	09/10/2014	133 Wattsville Road S	Cranbrook	0.15	1,187	
2400754		LOTSACRES	A ↓	\$89,900	09/10/2014	95 Little Van Horne Street	Cranbrook	0.36	1,187	
2426878		LOTSACRES	A	\$94,000	12/01/2017	3520 MOUNT ROYAL Drive	Cranbrook	0.520	10	\$215,000 10/2008
2421101		LOTSACRES	A ↓	\$94,900	04/14/2017	1598 MT FISHER Drive N	Cranbrook	0.195	238	
2397054		LOTSACRES	A ↑	\$95,000	04/25/2014	1524 Abel Avenue	Cranbrook	0.25	1,323	
2397055		LOTSACRES	A ↑	\$95,000	04/25/2014	1520 Abel Avenue	Cranbrook	0.28	1,323	
2397056		LOTSACRES	A ↑	\$95,000	04/25/2014	1516 Abel Avenue	Cranbrook	0.31	1,323	
2413848		LOTSACRES	A ↓	\$99,900	08/02/2016	Lot 14 Mt Pyramid Crescent	Cranbrook	0.182	492	
2417691		LOTSACRES	A ↑	\$99,900	11/14/2016	3512 MT ROYAL Drive	Cranbrook	0.6	392	\$129,900 3/2008
2426536		LOTSACRES	A	\$114,900	11/02/2017	175 The Whims Drive	Cranbrook	0.15	39	\$184,900 5/2008
2421307		LOTSACRES	A ↓	\$114,900	04/21/2017	163 THE WHIMS Drive N	Cranbrook	0.131	234	\$186,900 5/2008
2424232		LOTSACRES	A	\$114,900	08/15/2017	102 WILDSTONE Drive	Cranbrook	0.198	118	\$195,900 5/2008
2423793		LOTSACRES	A	\$115,000	07/17/2017	126 THE WHIMS Road	Cranbrook	0.15	147	\$193,900 7/2008
2419790		LOTSACRES	A	\$117,000	04/04/2017	100 The Whims Drive	Cranbrook	0.234	251	\$179,910 5/2008
2423728		LOTSACRES	A	\$119,900	07/21/2017	Lot 7 1st Avenue S	Cranbrook	0.163	143	
2415739		LOTSACRES	A	\$119,999	07/27/2016	709 22nd Avenue S	Cranbrook	0.2	302	
2396581		LOTSACRES	A ↑	\$129,000	04/11/2014	3517 Mount Royal Drive	Cranbrook	0.5	1,337	
2423978		LOTSACRES	A	\$129,000	09/26/2017	3532 Mount Royal Drive N	Cranbrook	0.6	76	
2396251		LOTSACRES	A	\$134,900	03/31/2014	1510 Mount Royal Ridge Unit-Lot 26	Cranbrook	0.63	1,398	\$169,900 10/2008
2392443		LOTSACRES	A	\$149,900	08/13/2013	173 Shadow Mountain Boulevard	Cranbrook	0.219	1,566	\$249,000 2/2010
2426374		LOTSACRES	A	\$149,900	10/23/2017	1514 Mount Royal Ridge	Cranbrook	0.583	48	\$169,900 10/2008
2423875		LOTSACRES	A	\$159,000	07/20/2017	1600 Mount Royal Peak	Cranbrook	0.506	134	\$144,900 10/2008
2412107		LOTSACRES	A ↓	\$159,000	03/11/2016	1519 MOUNT ROYAL Ridge	Cranbrook	0.575	640	\$144,900 10/2008
2418307		LOTSACRES	A	\$169,000	01/11/2017	143 THE WHIMS Street	Cranbrook	0.275	334	\$164,900 10/2008
2418271		LOTSACRES	A	\$169,000	01/12/2017	109 Corral Boulevard	Cranbrook	0.506	332	\$199,900 5/2008
2397061		LOTSACRES	A ↑	\$169,000	04/25/2014	1518 Mount Royal Ridge	Cranbrook	0.6	1,323	\$179,000 12/2015
2396664		LOTSACRES	A ↑	\$169,000	04/14/2014	1506 Mount Royal Ridge	Cranbrook	0.68	1,337	
2422857		LOTSACRES	A	\$169,900	06/19/2017	Lot 3 Wildstone Boulevard	Cranbrook	0.18	175	
2415317		LOTSACRES	A	\$179,000	07/08/2016	124 River Drive	Cranbrook	0.26	321	\$289,000 6/2010
2421080		LOTSACRES	A	\$179,900	04/13/2017	196 RIVER Drive	Cranbrook	0.281	242	\$299,000 4/2010
2422830		LOTSACRES	A	\$184,900	06/16/2017	Lot 7 Wildstone Boulevard	Cranbrook	0.19	178	
MLS#	#	PT	St PC	Price	List Date	Address	City	Acres	DOM	
2422111		LOTSACRES	A	\$199,000	05/24/2017	128 River Drive	Cranbrook	0.298	201	
2422912		LOTSACRES	A	\$199,900	06/20/2017	Lot 26 Wildstone Boulevard	Cranbrook	0.18	174	
2422833		LOTSACRES	A	\$204,900	06/19/2017	Lot 12 Wildstone Boulevard	Cranbrook	0.25	173	
2422884		LOTSACRES	A	\$229,900	06/21/2017	Lot 16 Wildstone Boulevard	Cranbrook	0.24	173	
2422844		LOTSACRES	A	\$249,900	06/19/2017	Lot 24 Wildstone Boulevard	Cranbrook	0.2	175	
©2016 Kootenay Real Estate Board. Information herein deemed reliable but not guaranteed.										

City of Cranbrook
Lot Sales and Single Family Residential Unit Building Permits

Year	To date 2017	2016	2015	2014	2013
Vacant Land Sales #	21	18	22	17	22
Building Permit Housing Unit #	24	39	26	47	33

With the decline in price expectations for the existing vacant lots, more of these properties are selling. Buyers are willing to hold this type of investment in hopes of future capital gain. However, while the properties are held for future development, holding costs such as property taxes are incurred on an annual basis.

The lot listings and pricing demonstrates that market values have not recovered to levels which encouraged residential subdivision from 2006 to 2008. Current, excess, developed properties located in the Northeast and Northwest quadrants of the City are located at some distance from City schools, and neighbourhood shopping. These subdivisions- located at Shadow Mountain, Wildstone, and at the upper elevations of Park Royal, continue to include over 190 vacant residential lots within subdivisions with a total of 325 lots.

One five acre property (subdivided by Plans NEP86876 and NEP86875 in 2008) is located at the corner of 7th Street South and Victoria Avenue. To the date of this report, this 17 lot subdivision continues to include 5 vacant lots. This subdivision has a relatively central location near three elementary schools. It is located along Victoria Avenue within a view of the Kinsmen Park. It also has Rocky Mountain views from several of the subdivided lots. The rate of sales, within this subdivision, has averaged just over 1 lot per year since its registration. **It is this type of statistic which supports the subject as a holding property or a phased development over several decades.**

The subject land is in a location adjacent to rural amenities- including the Community Forest and Idlewild Park. It is also located within walking distance of Highlands Elementary School. The fact that it is located adjacent to a City subdivision which includes City services, supports its probable incorporation into the City boundaries at some point in the future.

The lot development is expected to be subdivided in phases over a period of more than twenty years, based on the rate of the City's historic population growth (18,329 in 1996 to 20,047 in 2016) of 9.4% over 20 years. Over the past 5 years, there have been a total of 100 vacant existing residential lot sales, within the City of Cranbrook's boundaries, for an average of 20 lot sales per year. The existing number of vacant residential lots (approximately 400) located within the City's boundaries, as well as Cranbrook's history of new residential unit building permits (34/year average = 169 single-family units) over the past five years does give strong support for large scale subdivisions of vacant acreage lands within or adjacent to the City of Cranbrook.

Overall, as a holding property with the potential for incorporation into the City of Cranbrook's boundary, the subject is best compared to Sales #11 and #12 as itemized on Pages 23 and 24 of this report. These properties range in size from 30 to 47 acres. These sales, as well as the smaller sales itemized within the table, demonstrate that rural holdings are not selling for less than lands located within the City's boundaries.

Based on these comparable sales, a rounded market value rate of \$35,000 per hectare for the subject's 21.4 hectares reflects an overall market value of:

\$749,000,

as at November 29, 2017.

This appraiser cannot definitively measure the influence of the right-of-way lands which are included within the subject's overall size. These lands will provide a greenbelt for those future subdivided lots which will abut the right-of-way lands. The individual lot pricing along the greenbelt will probably reflect this feature; however, the comparative market value is impossible to measure at this point. Also, depending on the overall size of the initial phase, the market values of the lots will be influenced by the number of months (or years) that it will take to sell all of the lots within this phase.

With these comments in mind, the right-of-way lands are evaluated at the same rate of \$35,000 per hectare as the remainder of the subject's land area.

EXPOSURE TIME DEFINITION

Exposure time is always presumed to precede the effective date of the appraisal. It may be defined as:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of the sale at market value, on the effective date of the appraisal, a retrospective estimate based upon an analysis of the past events assuming a competitive and open market.

The exposure time to achieve this estimate of current market value is considered to be probable at 30 to 360 days or more, as has been established since 2009, by the marketing times of vacant acreage lands located within and adjacent to the City of Cranbrook.

SALES HISTORY

Canadian Uniform Standards of Professional Appraisal Practice require investigation and consideration of transactions of the subject property occurring near the effective date of appraisal. Where a recent arms length market transaction occurred, compelling evidence of value arises, often requiring only an adjustment for market conditions.

The appraiser is unaware of any marketing activity associated with the subject property, over the past five years.

CERTIFICATION

RE: That part of D.L. 36, Kootenay District, except 1) part included in Plan NEP2668, and 2) part included in RW NEP1463, and 3) Parcel 1 (see 11814-I) more particularly shown containing the right-of-way lands, with 21.4 hectares more or less. – Your File #4405812

I hereby certify that, except as otherwise noted in the preceding analysis, to the best of my knowledge and belief:

- The statements of fact contained in this appraisal report are true and correct;
- The reported analyses, opinions and conclusions are unbiased, and subject only to the reported assumptions and limiting conditions;
- I have made a personal inspection of the subject property on **November 29, 2017**;
- I have no present or prospective interest in the subject property, nor do I have any personal interest or bias towards the parties involved relating to the assignment;
- Neither, my employment nor the compensation, is contingent upon the reporting of a predetermined value or direction in value that favours: the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada, which reserves the right to review the report and the files on which it is based;
- The Appraisal Institute of Canada has a Continuing Professional Development Program for designated members; as of the date of this report, I have fulfilled the requirements of the program;
- No other individual or firm provided significant profession assistance in writing this report; and
- Based upon the data, analyses and conclusions contained herein, the market value of the subject property, described as at **November 29, 2017**, is estimated at:

\$749,000.

December 13, 2017

Date



Appraiser

AACI, P.App.

Designation

APPENDICES

TITLE SEARCH PRINT

2017-12-13, 14:23:58

File Reference:

Requestor: Linda Hastings

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District Land Title Office	NELSON NELSON
Title Number From Title Number	KW170626 KR24405 KR9035
Application Received	2004-12-01
Application Entered	2004-12-08
Registered Owner in Fee Simple Registered Owner/Mailing Address:	THE CROWN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTRY OF SUSTAINABLE RESOURCE MANAGEMENT P.O. BOX 9054, STN PROV GOVT VICTORIA, BC V8W 9E2
Taxation Authority	Cranbrook, The Corporation of the City of
Description of Land Parcel Identifier: Legal Description:	017-652-588 PARCEL 1 (SEE 118141) OF DISTRICT LOT 36 KOOTENAY DISTRICT EXCEPT PLANS 1463, 2668 AND NEP76916
Legal Notations	NONE
Charges, Liens and Interests Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	STATUTORY RIGHT OF WAY KP73217 2000-08-14 09:53 CORPORATION OF THE CITY OF CRANBROOK INTER ALIA PART ON PLAN NEP65465

Title Number: KW170626

TITLE SEARCH PRINT

Page 1 of 2

TITLE SEARCH PRINT

File Reference:

2017-12-13, 14:23:58

Requestor: Linda Hastings

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	KR106591
Registration Date and Time:	2001-11-09 11:32
Registered Owner:	BC GAS UTILITY LTD.
	INCORPORATION NO. 368681
Remarks:	INTER ALIA
	PART ON PLAN NEP63347

Duplicate Indefeasible Title

NONE OUTSTANDING

Transfers

NONE

Pending Applications

NONE

Title Number: KW170626

TITLE SEARCH PRINT

Page 2 of 2

RURAL RESOURCE: RR-60 ZONE**7.11 (1) Permitted uses**

Within the RR-60 zone, the following uses and no others are permitted:

- (a) Single family dwelling;
- (b) Duplex;
- (c) Kennel;
- (d) Grading, washing, screening, crushing and transporting of sand and gravel resources extracted from the parcel;
- (e) Forest management;
- (f) Farm operation;
- (g) Portable sawmill;
- (h) Equestrian centre;
- (i) Rifle, archery, trap and skeet range;
- (j) Fish pond;
- (k) Airport, heliport;
- (l) Wildland use;
- (m) Guest ranch;
- (n) Youth camp;
- (o) Hostel;
- (p) Wireless communication facility;
- (q) On Sublot I, District Lot 4591, Plan X29, Except Part Included in Plan NEP21252 only, the following is permitted:
 - (i) Solar Energy Facility.


(2) Accessory uses

- (a) Home based business;
- (b) Secondary dwelling unit for farm hand;
- (c) Veterinary clinic;
- (d) Concession stand accessory to fish pond;
- (e) Lodge;
- (f) Cabin;
- (g) Secondary suite;
- (h) Uses, buildings and structures accessory to a permitted use.

(3) Regulations

In the RR-60 zone, no building or structure may be constructed or placed and no plan of subdivision approved which contravenes the regulations contained in the table below. Column 1 identifies the matter to be regulated. Column 2 establishes the regulations.

COLUMN 1	COLUMN 2
(a) Minimum parcel size	60.0 ha
(b) Minimum parcel size for portable sawmill	8.0 ha
(c) Minimum setbacks:	
Principal buildings and structures from:	
▪ front parcel line	7.5 m
▪ rear parcel line	20.0 m
▪ interior side parcel line	15.0 m
▪ exterior side parcel line	15.0 m
Accessory buildings and structures from:	
▪ front parcel line	7.5 m
▪ rear parcel line	5.0 m
▪ interior side parcel line	5.0 m
▪ exterior side parcel line	5.0 m
Additional setback requirements from:	
▪ all parcel lines for portable sawmills	15.0 m
▪ an existing dwelling unit not on the same parcel for portable sawmills	100.0 m
▪ all parcels lines for rifle, trap and skeet ranges	100.0 m
(d) Maximum height for:	
Principal buildings and structures	10.0 m
Accessory buildings and structures	12.0 m
Cabins	5.0 m

	(e) Maximum parcel coverage	10%
	(f) Maximum parcel coverage for greenhouses with closed waste and storm water systems	75%
	(g) Maximum gross floor area of a cabin	74 m ²

(4) Other Regulations

- (a) All dwelling units must be located on a contiguous area of the parcel not larger than 2.0 ha in size.
- (b) All portable sawmills must meet the following requirements:
 - (i) maximum capacity of 50 m³ (21,180 board feet) per day;
 - (ii) accumulation of sawdust, wood chips or other wood products not exceeding 10.0 m high;
 - (iii) a clear fire guard a minimum of 15.0 m wide must be established around the mill, logs or debris;
 - (iv) all slash must be removed from the parcel and disposed of in advance of operation of the portable sawmill;
 - (v) All debris, slash, mill waste, timbers and skids must be removed upon cessation of the portable sawmill operation.

Part 7.04
Single Family Residential Zone - RS

Zoning Bylaw No. 3737, 2012

7.04 SINGLE FAMILY RESIDENTIAL ZONE: RS

1 Permitted Uses

Within the RS Zone, the following uses only are permitted:

- (a) Single family dwelling

2 Accessory Uses

- (a) Child care facility
(b) Other uses, buildings and structures accessory to a permitted use
(c) Residential office

3 Parcel Area and Dimensions

- (a) The minimum parcel size in the RS Zone shall be 484 0 m² in area.
(b) No parcel shall be created in the RS Zone which has a front parcel line, less than 18.0 m in length, except that in the bulb of a cul-de-sac, the front parcel line shall be not less than 10.0 m in length.

4 Density

- (a) No person shall locate more than one (1) single family dwelling on a parcel in the RS Zone.

5 Siting

- (a) No person shall locate a principal building in the RS Zone which has:
- (i) A front yard less than 6.0 m
 - (ii) A rear yard less than 6.0 m
 - (iii) An interior side yard less than 2.1 m, and in the case of irregular parcels, at no point shall the distance between the interior side parcel line and the outermost projection of the building be less than 1.5 m
 - (iv) An exterior side yard less than 4.5 m
- (b) Notwithstanding Section 7.04.5(a)(iii), in the case of an interior parcel where no developed rear lane exists, one (1) interior side yard shall be not less than 2.7 m.
- (c) No person shall locate an accessory building or structure in the RS Zone which has:

Part 7.04
Single Family Residential Zone - RS

Zoning Bylaw No. 3737, 2012

- (i) A front yard less than 6.0 m
- (ii) A rear yard less than 2.1 m, and in the case where no developed rear lane exists, the rear yard shall be not less than 0.9 m
- (iii) An interior side yard less than 0.9 m, and in the case of an interior parcel where no developed rear lane exists, one (1) interior side yard shall be not less than 2.7 m
- (iv) An exterior side yard less than 4.5 m
- (d) No person shall locate an accessory building or structure in the RS Zone within 1.0 m distance from a principal building.

6 Size and Dimensions of Buildings and Structures

- (a) No person shall locate a dwelling unit in the RS Zone which has a gross floor area of less than 75.0 m².
- (b) No person shall locate a principal building in the RS Zone which exceeds a height of 7.6 m.
- (c) No person shall locate an accessory building or structure in the RS Zone which exceeds a height of 4.5 m.
- (d) No person shall cover more than 40% of the area of a parcel in the RS Zone with buildings and structures.
- (e) No horizontal dimension of a single family dwelling not including dimensions of an addition or a non-rectangular building shall be less than 7.3 m.

7 Other Regulations

- (a) No person shall use or permit the use of any portion of a parcel in the RS Zone for the wrecking and repair of vehicles or for the storage of derelict vehicles except for the storage of not more than one (1) derelict vehicle in other than the front yard.

TERMS OF LOCAL MINOR WORKS/SERVICES CONTRACT**SCHEDULE A / TERMS OF REFERENCE
FOR A REAL PROPERTY APPRAISAL ON CROWN LAND**

File Number: 4405812

Legal Description of Subject Land (with and without gas pipeline ROW area – See maps 1 and 2):

- 1) That part of District Lot 36, Kootenay District, except 1) part included in Plan 2668, 2) part included in RW Plan 1463 and 3) Parcel 1 (see 11814-I), more particularly shown outlined in red and containing 21.4 hectares, more or less
- and
- 2) That part of District Lot 36, Kootenay District, except 1) part included in Plan 2668, 2) part included in RW Plan 1463 and 3) Parcel 1 (see 11814-I), more particularly shown outlined in red and containing 19.8 hectares, more or less

This form is for a land swap, to transfer the subject parcel of Crown land "as is", zoned RR-60 and in the ALR.

The Contractor must submit a narrative appraisal to the Ministry of Forests, Lands, Natural Resource Operations and Rural Development by **December 15, 2017**. The appraisal report can be e-mailed to sharon.dalrymple@gov.bc.ca or mailed to: The Ministry of Forests, Lands and Natural Resource Operations, Kootenay Boundary Regional Office, 1902 Theatre Road, Cranbrook, BC V1C 7G1

The purpose of the appraisal is to determine the current market value for the fee simple rights of the Crown land described as

- 1) That part of District Lot 36, Kootenay District, except 1) part included in Plan 2668, 2) part included in RW Plan 1463 and 3) Parcel 1 (see 11814-I), more particularly shown outlined in red and containing 21.4 hectares, more or less.

This description includes the area of a FortisBC gas pipeline right of way, and small remaining area to the west (see Map 1). An excerpt of the ROW Plan (NEP6347) is attached (Map 4).

We would also like a separate value / appraisal for the land without the gas pipeline included (nor any of the remaining area to the west), see Map 2, as follows:

- 2) That part of District Lot 36, Kootenay District, except 1) part included in Plan 2668, 2) part included in RW Plan 1463 and 3) Parcel 1 (see 11814-I), more particularly shown outlined in red and containing 19.8 hectares, more or less
1. Highest and best use for the Crown land is "as is" with current zonation and ALR.
 - a. The parcel is to be appraised as if vacant and unimproved.
 - b. Proper zoning is to be assumed.
 - c. The final appraisal amount is subject to GST.
 - d. Timber values are NOT to be included in this valuation
 - e. The internal road "blip" (see Map 3) is to be discussed, but not factored into value of appraisal. (MOTI intends to close this portion of road).
 2. The appraisal should also indicate that the opinion of value is not a reflection of the market value of the entire property for assessment purposes.
 3. As you are a member of the Appraisal Institute of Canada (AIC) the appraisal must be completed in accordance with the revised Code of Ethics and Uniform Standards of Professional Appraisal Practice as adopted by the AIC.
 4. Please place a copy of these Terms of Reference in the addendum of your report.
 5. We are looking for a well substantiated report. Your appraisal report therefore must include reasons for adjustments to the comparable sales, maps showing the location of sales, zoning details, time trends, etc. Comparable sales may require local, regional, provincial, national or international research. Please provide a summary adjustments table that outlines the narrative explanation for adjustments.
 6. The report requires a map showing the location of comparable sales, including a brief description of the physical conditions and attributes of each comparable.
 7. Current BCA actual values, if available, are to be included in the appraisal.
 8. The contents of the appraisal may be subject to a request pursuant to the *Freedom of Information and Protection of Privacy Act* (the Act). The appraiser may include in the appraisal, a notice denying liability to third parties purporting to rely upon the opinions

NRS762

CSNR-FSB July 8, 2015

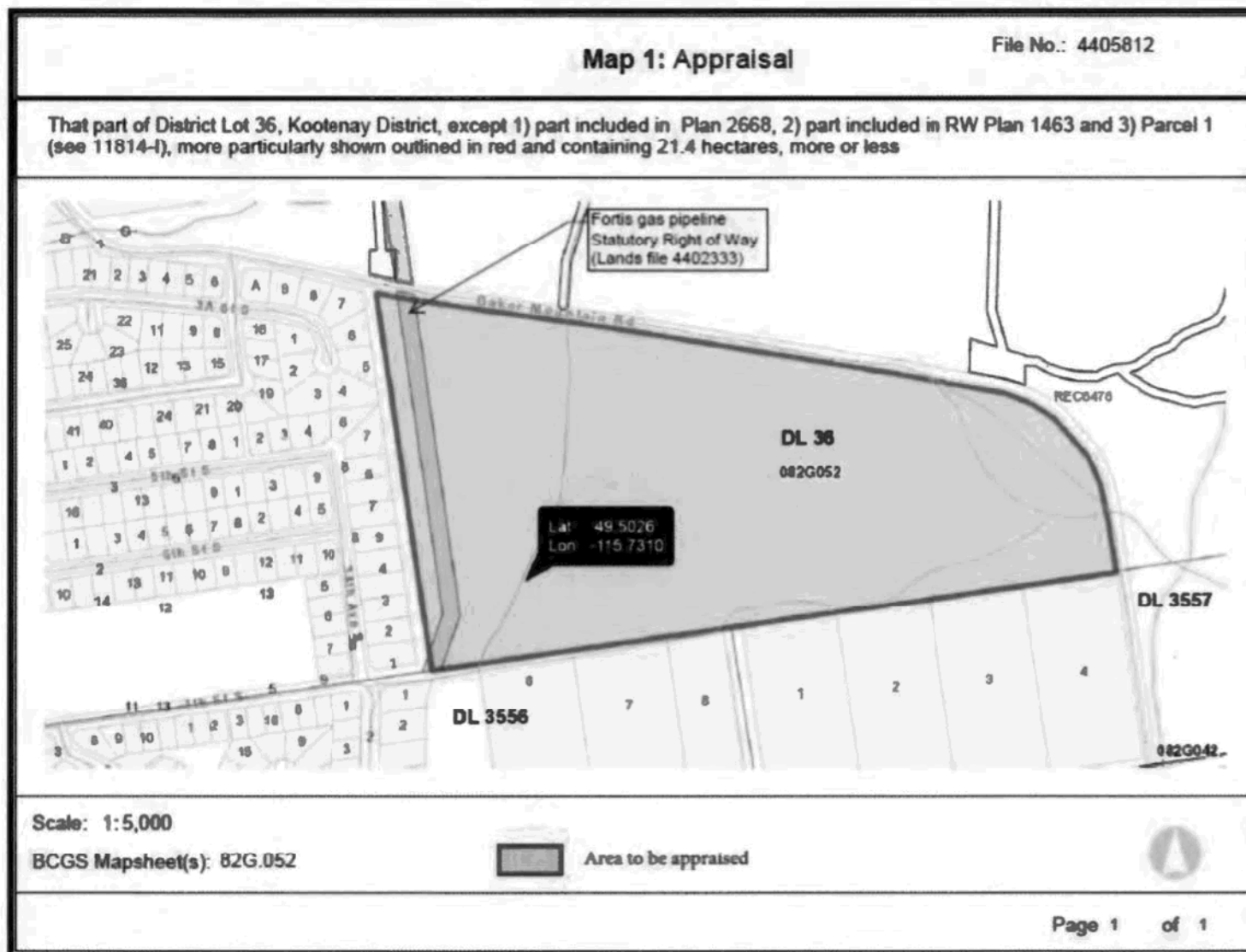
TERMS OF LOCAL MINOR WORKS/SERVICES CONTRACT

expressed and the information contained in the appraisal, but the Ministry of Forests, Lands, Natural Resource Operations and Rural Development cannot guarantee that the appraisal will not be released to the public upon request under the Act.

9. The appraisal is to be completed by a fully qualified appraiser currently practising in Canada, an A.A.C.I. or R.I. (B.C.) with the appraisal option. Co-signing is not acceptable.
10. The appraisal will be reviewed. In order to assist us in the appraisal review, please provide names and telephone numbers of individuals who have provided sales or other information that cannot be confirmed with Land title Office searches.

NR5782

CSNR-FSB July 8, 2015



Map 3 - Appraisal

File No.: 4405812

Disposition No.:

Internal road will be closed and cancelled by Ministry of Transportation and Infrastructure. Please discuss this road in report, but do not incorporate this road into appraisal value.



Scale: 1:10,000

BCGS Mapsheet(s): 82G.052



Page 1 of 1

Thanks Colleen:

This gas line separates a rural holding (held in the name of The Crown) from an existing subdivision located within the City. At one time I had spoken to someone from the City who indicated that extension of City servicing lines (including natural gas) would not be possible because of the gas line, or the cost would be exorbitant. I am wondering if Fortis has a history of this type of City expansion once their gas lines are in place. Also, if the extension of the City lines is possible what are some of the issues (costs) which might be encountered? How deep does the developer have to dig to get beneath the gas line (if that is possible)?

Linda

From: Bohun, Colleen [<mailto:Colleen.Bohun@fortisbc.com>]
Sent: November-07-17 1:06 PM
To: lhastings@ekappraisals.com
Subject: RE: [External Email] - gas lines

Hi Linda,

What sort of information are you looking for? It'll help me narrow down who to direct the query to.

Thanks,
Colleen

From: Linda Hastings [<mailto:lhastings@ekappraisals.com>]
Sent: Tuesday, November 7, 2017 12:01 PM
To: Bohun, Colleen <Colleen.Bohun@fortisbc.com>
Subject: [External Email] - gas lines

**** THIS IS AN EXTERNAL EMAIL **** Use caution before opening links / attachments.

Hello Colleen:

Is there a Fortis employee who might be able to give me some information related to the potential for the extension of City of Cranbrook owned sewer and water lines beneath an existing Fortis gas pipeline? The pipeline right-of-way that I am referring to is on an excerpt of Plan NEP63347.

Regards,
Linda Hastings, AACI, P.App.
E.K. Appraisals.
(250) 426-6564

This email was sent to you by FortisBC*. The contact information to reach an authorized representative of FortisBC is 16705 Fraser Highway, Surrey, British Columbia, V4N 0E8, Attention: Communications Department. You can [unsubscribe](#) from receiving further emails from FortisBC or email us at unsubscribe@fortisbc.com.

FortisBC refers to the FortisBC group of companies which includes FortisBC Holdings, Inc., FortisBC Energy Inc., FortisBC Inc., FortisBC Alternative Energy Services Inc. and Fortis Generation Inc.

Linda Hastings

3178 – 49th Street S.
 Cranbrook, BC V1C 7A2
 Bus: (250) 426-6564
 Cell: (250) 421-0191
 Email: lhastings@ekappraisals.com

PROFESSIONAL QUALIFICATIONS**Accredited Appraiser of the Canadian Institute**

- 2008- Member of the Committee on Peer Review – Appraisal Institute of Canada
- 2005-2007 Member of the National Investigating Committee – Appraisal Institute of Canada
- 2000-2004 Kootenay Chapter Chairperson – Appraisal Institute of Canada
- 2003-2004 Member of the Cranbrook Planning Advisory Committee
- 1997-1998 President of the B.C. Association - Appraisal Institute of Canada
- 1993-2000 Director on the B.C. Provincial Council - Appraisal Institute of Canada
- 1992- Charter Member of the B.C. Expropriation Association

Qualified as an expert witness by the B.C. Expropriation Compensation Board sitting within the City of Cranbrook - 1996

Qualified as an expert witness in the B.C. Supreme Court sitting within the City of Cranbrook – 1990

EDUCATION

- University of British Columbia, Vancouver B.C.
 Completed two years 1970-1972
- British Columbia Institute of Technology, Burnaby, B.C.
 Completed two years - Issued a Building Technology Diploma 1974
- Real Estate Institute of British Columbia
 Completed Appraisal Diploma 1979
- Appraisal Institute of Canada
 Received the AACI Designation 1987

EMPLOYMENT HISTORY:

- 1974 - 1982 British Columbia Assessment Authority, Appraiser for East Kootenays, including Golden, Invermere, Kimberley, Elkford, Sparwood, Fernie, and Cranbrook. Final Position of Appraiser 3, Supervisory, also in charge of certain commercial and industrial valuations.
- 1986 - 1993 Fee Appraiser at ABJ Real Estate, Cranbrook, B.C.
- 1993 - Appraiser / Owner with E.K. Appraisals, Cranbrook, B.C.
 Resident in the City of Cranbrook since 1976