



**VILLAGE OF HARRISON HOT SPRINGS
NOTICE OF MEETING
AND MEETING AGENDA**

<h1>COMMITTEE OF THE WHOLE</h1>

DATE: Monday, November 30, 2009
TIME: 4:00 p.m.
LOCATION: Council Chambers, Harrison Hot Springs

1. CALL TO ORDER

Meeting called to order by the Mayor.

2. ITEMS FOR DISCUSSION

	Harrison Hot Springs Boat Launch 2009 Operations Report	Page 1
	District of Kent Sewer Project – Lorne Davidson	Page 7

3. REPORTS FROM MAYOR, REPORTS FROM COUNCILLORS
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4. DELEGATIONS

	R. Malik, Executive Hotel
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5. STAFF REPORTS

	Report of Chief Administrative Officer – November 9, 2009 Page 47 Re: Conversion of the current Executive Hotel to a Strata hotel – 190 Lillooet Avenue
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Recommendation:

THAT Council receives this report;


THAT staff prepare and present a Certificate of Approval under Section 242, Regulations Section 14.5(4) of the *Strata Property Act* to approve the proposed subdivision when the following issues have been considered:

- a) the life expectancy of the building;
- b) the projected maintenance costs of the existing building;

NOTICE OF MEETING AND AGENDA

November 30, 2009

	<ul style="list-style-type: none">c) structural and fire safety requirements bring the existing building to current code standards;c) servicing requirements meet the current zoning;e) architectural requirements meet current development permit and design guidelines.
6. PUBLIC QUESTIONS	
7. ADJOURNMENT	


Larry Burk
Chief Administrative Officer

Harrison Hot Springs Boat Launch 2009 Operations Report



COPY

Executive Summary:

The Village boat launch was operated by Karen and Bob Bell for the eighth year in the past ten. It was open from April 03 until October 12, 2009. A total of 4798 boats launched during the 151 days we were open. The heaviest day was the Sunday of the August long weekend when we launched 182 boats. As you can see from the stats, the biggest increases were in the number of day launches and the fact that many of them now stay overnight. This may be a factor of the cost of gasoline for tow vehicles (i.e. they are not traveling to the Okanagan), but we noticed a large increase of ex-Cultus, Stave and Alouette Lake boaters who now prefer our launch to the uncontrolled mayhem at these locations. We believe this is a trend that will continue, particularly with family boaters, whom do not wish to be intimidated and abused by the gangbangers at these other launches.

The three biggest improvements initiated by Council this year were:

- a) Removal of the cross-ramp sidewalk and the relocation of the entrance to Rendall Park.
- b) Adding the third lane.
- c) Opening overflow parking on the O'Shea property.

We would like to thank all five of the Office staff who processed our weekly returns. They were all friendly, understanding and professional.

Also thanks again to the Coast Guard Auxiliary for providing kids' life jackets, safe boating guides and voluntary inspection services.

Bob & Karen Bell

FILE #	DATE
720-02	OCT 30 2009
<input checked="" type="checkbox"/> BOAT	<input checked="" type="checkbox"/> ACCTS P/S
<input type="checkbox"/> DCAO	<input type="checkbox"/> ADMIN
<input checked="" type="checkbox"/> IR F	<input type="checkbox"/> B/L ENF
<input type="checkbox"/> SUP P/W	<input checked="" type="checkbox"/> MAYOR
<input type="checkbox"/> PAYROLL TAX	<input checked="" type="checkbox"/> COUNCIL
ITEM	A B C
COUNCIL AGENDA	
DATE Nov 16	
	INITIAL <input type="checkbox"/>
(ITEMS: A - REQ, ACTION; B - INFO - W RESP; C - INFO ONLY)	

Harrison Boat Launch Operations 2009

	April	May	June	July	August	Sept	October	Totals	% Change
Seasons Passes Sold	60	150	53	44	5	00	00	312	8.00%
(2006)	80	73	75	56	05	00	00	289	
(2005)	65	68	33	48	05	00	00	219	
(2003)	60	78	68	40	06	00	00	252	
(2000)	67	30	66	43	06	00	00	212	
Season Pass Launches	95	250	403	661	512	257	77	2255	10.20%
(2006)	156	255	397	604	560	248	27	2047	
(2005)	129	253	302	642	636	76	00	2038	
(2003)	92	230	312	644	636	166	63	2143	
(2000)	122	154	337	416	410	107	28	1574	
Season Pass Parking Days	190	376	522	954	827	414	148	3431	2.00%
(2006)	171	300	637	972	820	394	68	3362	
(2005)	226	389	494	962	947	236	00	3254	
(2003)	196	426	577	940	963	246	99	3447	
(2000)	209	327	558	731	779	242	73	2919	
Day Pass Launches	110	188	371	803	725	291	35	2543	38.00%
(2006)	78	158	288	533	586	192	7	1842	
(2005)	46	179	136	582	602	74	00	1619	
(2003)	38	128	294	505	595	149	08	1717	
(2000)	83	119	208	345	357	111	17	1240	
Day Pass Parking Days	118	265	430	1086	1081	332	41	3353	60.00%
(2006)	78	183	323	589	699	216	7	2095	
(2005)	46	207	160	726	709	91	00	1939	
(2003)	41	138	344	635	701	161	09	2029	
(2000)	92	149	240	447	482	140	18	1568	

Harrison Lake Boat Launch 2009 Operations Report

Origin of Season Passes

Year	Harrison HS	Chilliwack	Langley	Surrey	Delta/ Richmond
2009	50	75	20	20	12
2006	62	62	12	27	07
	Agassiz	Abbotsford	Mission	Maple Ridge/ Coquitlam	New West/ Burnaby/ Vancouver
2009	50	35	20	15	10
2006	35	38	19	13	06
	Hope	Other			
2009	04	01			
2006	04	01			

Harrison Hot Springs Boat Launch

2009 Operations Report

Comments and suggestions for next year.

The three biggest improvements initiated by Council this year were:

- a) Removal of the cross-ramp sidewalk and the relocation of the entrance to Rendall Park.

This action has removed a long-standing liability and immeasurably increased the overall safety of the launch. Public Works has additional measures in the planning stage to enhance this upgrade. They include, besides the new gate recently installed, additional fencing to block-off the old crosswalk and more signage. Other planned work includes replacement of the sinks/vanity in the womens' washroom; installation of locks on the toilet doors and "squaring" the parking lot to increase the size and efficiency of the lot.

We recommend that Council include these upgrades in the 2010 budget and give PW priority to complete them on or before next April.

- b) Adding the third lane.

During the August long weekend, when we launched and recovered over three hundred boats, we had opportunity to use the third lane 47 times. While primarily 4-wheel drive trucks with jet boats, there were a number of "regular" boaters who were willing to endure the roughness of the gravel ramp in order to speed the launching process. Through August, however, the dropping lake level removed most of the fine crush that originally finished the lane and has made it very rough.

We recommend that the third lane be cemented or paved to the low-water level. There is no need to extend it underwater, since it will only be used during the height of the season with higher water levels.

- c) Opening overflow parking on the O'Shea property.

This welcome addition added 28-30 truck and trailer parking spots. Its primary impact is not economic (i.e. increase in business is marginal) but it does substantially reduce the number of vehicles/trailers parked in front of residents of Bear, Echo and Eagle Streets. It also means that most weekends, boat launch traffic can be contained near the launch and speeds the launching/ loading process for all boaters.

We recommend a similar usage-lease be negotiated with the property owners concerned in 2010.

Other suggestions.

-2-

Administration:

a) **Season Pass Decals.** The black/no border decal has been used for the past three years and the currency of the decal can no longer be determined without close inspection.

We recommend a change to a red decal complete with border

b) **Mirror-hanger Parking Passes .** This new addition worked well this year and we encourage its continuance but, due to older eyesight, reflected sunlight and fading,

We recommend that the numbers on the Season's Parking Pass be increased in size to at least ½ an inch high and an additional blank line inserted below that number so that we may enter the boat registration number to guard against "loaning" the parking pass.

c) **Implementing the HST.** On the face of it, it would appear that we will have two different charges next year. (Pre-July 1st and after). This means reprints of receipt books, signage, etc. Looking at this year's figures, we require 300 pre-HST Season's Passes and 50, HST passes. Similarly, 1000 pre-HST day-launches and 2000 HST passes.

We recommend that Finance closely study this whole question and determine an increase in the July launch fee that does NOT require the operators to carry pennies, nickels and dimes.

d) **Paid parking.** The on again, off again implementation of this experiment was detrimental to enforcement because returning visitors tended to ignore the signage. Otherwise, on a normal, 100-boat weekend with two people working, it was impossible to police with most of the effort telling people it was paid parking, and then having them drive off. It was easier with three people working, but the day's total parking income did not equal the extra wage.

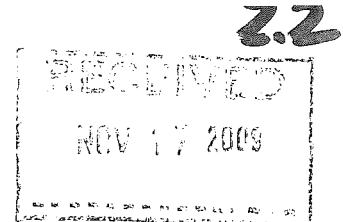
The absence of the Bylaw Control Officer for two weeks in July and most weekends meant there was no "or else" to enforcement. So if you missed some pulling into the paid spots—they were there for the day for free with no consequences.

We recommend that, if Council wishes to extend the experiment, the signage be in place from the May long-weekend until Labour Day and that the BLO work weekends.



7170 Cheam Avenue
P.O. Box 70
Agassiz, British Columbia
Canada V0M 1A0

Tel: (604) 796-2235
Fax: (604) 796-9854
Web: www.district.kent.bc.ca



FILE #	DATE
5340-20	NOV 17 2009
<input checked="" type="checkbox"/> ACCTS	<input type="checkbox"/> P/R
<input type="checkbox"/> DCAG	<input type="checkbox"/> ADMIN
<input type="checkbox"/> DIR F	<input type="checkbox"/> B/LENT
<input type="checkbox"/> SUP PW	<input checked="" type="checkbox"/> MAYOR
<input type="checkbox"/> PAYROLL	<input checked="" type="checkbox"/> COUNCIL
TAX	
ITEM A	(C)
COUNCIL AGENDA	
DATE	NOV 30 2009
INITIAL	
(ITEMS: A - REQ. ACTION; B - INFO - W/RESP; C - INFO ONLY)	

November 10, 2009

FILE: VHHS

Mr. Larry Burk, CAO
Village of Harrison Hot Springs
P.O. Box 160, 495 Hot Springs Rd.
Harrison Hot Springs, BC
V0M 1K0

Dear Mr. ^{Larry}Burk:

Re: Village of Harrison Hot Springs Connection to the District of Kent's Wastewater Treatment Plant

This is to acknowledge receipt of your letter on October 28, 2009 on the above subject matter. As you are aware the District of Kent has provided a "Draft" Memorandum of Understanding and Operating Agreement with projected user fees as requested by the Village. This was based on our understanding that a connection to the District of Kent's wastewater treatment plant was the Village of Harrison Hot Spring's preferred option.

However it appears that the Village is exploring other options and pricing. Costs outlined in your letter for the sewer connection project are significantly lower than initial estimates. Without the provision or explanation for the differences in costing from your consulting engineers, we are uncertain as to the accuracy of the quotes provided. It also appears from your cost comparisons that upgrading the Villages treatment plant is still being considered as a viable option and may be the solution to address the needs of your community.

At this time our Council has received your letter on the November 9, 2009 regular meeting and the District is continuing with our treatment plant upgrade works and respects whatever direction the Village wishes to pursue. Again, we look forward to receiving your written response of any items of concern, and would be pleased to meet with you and our respective Council's if you would like to discuss the matter further.

Yours truly,

Wallace Mah,
Chief Administrative Officer

WM/MT:kp

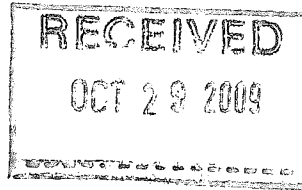
cc: Mayor & Council, Village of Harrison Hot Springs
Mayor & Council, District of Kent
Mick Thiessen, Dir. of Engineering, District of Kent
Darcey Kohuch, Dir. of Development, District of Kent
Glen Savard, Dir. Of Financial Services, District of Kent



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Web: www.district.kent.bc.ca

October 28, 2009



FILE: VHHS

Mr. Larry Burk, CAO
Village of Harrison Hot Springs
P.O. Box 160, 495 Hot Springs Rd.
Harrison Hot Springs, BC
V0M 1K0

Larry
Dear Mr. Burk:

Re: Village of Harrison Hot Springs Connection to the
District of Kent's Wastewater Treatment Plant

This letter is in follow-up to our last correspondence of July 30th, 2009 on the above subject matter. As we have received no further correspondence from you, it remains our understanding that a connection to the District of Kent's wastewater treatment plant continues to be the Village of Harrison Hot Spring's preferred option.

The District of Kent administration has since continued to work on sewer connection, capital and user fees as requested by the Village. Since the Village confirmed that they are no longer working on a Liquid Waste Management Plan, further staff time was invested in preparing a letter of understanding and the development of a formal agreement between our municipalities.

The "Draft" Memorandum of Understanding (MOU) and Operating Agreement with projected user fees was presented and approved by our Council at its In-Camera meeting held October 26, 2009 for the Village of Harrison to give consideration to.

Six (6) copies of the respective draft documents are attached to this letter for your Council's review and consideration. We look forward to receiving your Council's response to this important community initiative.

5740-20-01	DATE	OCT 29 2009
CAO	DATE	
DE CAO	DATE	
COORF	DATE	
DISUP PM	DATE	
FINANCIAL	DATE	
LEGAL	DATE	
ITEM A	DATE	
ITEM B	DATE	
ITEM C	DATE	
DATE	INITIAL	
(ITEMS: A - REQ. ACTION; B - INFO - W RESP; C - INFO ONLY)		

Once we have received your written response of any items of concern, we would be pleased to meet with you and our respective Council's if you would like to discuss the matter further.

Yours truly,



Wallace Mah,
Chief Administrative Officer

WM/MT:kp

cc: Mayor & Council, Village of Harrison Hot Springs
Mayor & Council, District of Kent
Mick Thiessen, Dir. of Engineering, District of Kent
Darcey Kohuch, Dir. of Development, District of Kent
Glen Savard, Dir. Of Financial Services, District of Kent

This MEMORANDUM OF UNDERSTANDING made as of the day of 2009.

BETWEEN:

THE VILLAGE OF HARRISON HOT SPRINGS, as represented by the Mayor and Council, having a mailing address of PO Box 160, Harrison Hot Springs, BC V0M 1K0

(hereinafter called the "Village")

AND:

THE CORPORATION OF THE DISTRICT OF KENT, as represented by the Mayor and Council, having a mailing address of PO Box 70, 7170 Cheam Avenue, Agassiz, BC V0M 1A0

(hereinafter called the "District")

WHEREAS the Village has requested to construct and install all pipes, fittings, pump stations, conduits, manholes, appurtenances and waste water treatment plant upgrades necessary or convenient for the carrying and treatment of sanitary sewage as more particularly described in Schedule "A" *Preliminary Layout Plans* and Schedule "B" *Agassiz Wastewater Treatment Plant Facility Plan For WWTP Expansion* study upon lands in the District of Kent for the purpose of connecting certain lands located in the Village to the District's Waste Water Treatment Plant;

AND WHEREAS the District owns a Waste Water Treatment Plant which provides wastewater treatment and disposal services to properties within the District boundaries;

NOW THEREFORE THIS MEMORANDUM OF UNDERSTANDING is evidence that in consideration of the payment of \$1.00 by the Village to the District (the receipt of which is acknowledged by the District) and in the consideration of the promises exchanged below, the parties agree as follows:

The Village Shall:

1. Be financially responsible for, administration, design and construction of sewer main line, pump stations as shown in the Schedule "A" Preliminary Layout Plans as well as other related infrastructure including a comprehensive odour control system. The odour control system would include, but not be limited to, pump station filtering and biochemical odour control storage & injection system for a hydrogen sulfide and corrosion treatment product. Sewer system must include a Supervisory Control and Data Acquisition (SCADA) system compatible with the Districts existing SCADA.
2. Administer the sewer main design process and administer the sewer main construction process within Village boundaries.
3. Provide within the new sewer main line a maximum peak wet weather flow capacity of 15,350 m³/day of which 7,500 m³/day is provided to the District and 7,850 m³/day to the Village.
4. Meet all District, Provincial, and Federal regulatory requirements during design and construction of the sewer main line infrastructure.
5. Not commence construction of the sewer main line until engineered design plans have been reviewed and approved by the District Engineer and all required permits and agreements have been obtained.
6. Shall not connect to the District's WWTP until the required infrastructure has obtained substantial completion from the District Engineer and required warranty deposit has been provided
7. Be financially responsible for design and installation of Option 3 - Stage 1 capacity upgrade to the District treatment plant as detailed in the Schedule "B" report. The upgrade must be approved by the District Engineer prior to connection of Village sewer to the District's WWTP.
8. Not exceed peak wet weather flows of 5750 m³/day (**figure to be confirmed by consulting engineer**) until Option 3 - Stage 2 capacity upgrade to the District treatment plant as detailed in Schedule "B" is completed. This figure may be adjusted depending on WWTP system performance.

9. Establish project related Development Cost Charges (DCC) bylaws prior to project construction that will allow the application of DCC charges to the Village subdivisions and development for the main line construction and Stage 1 WWTP expansion.
10. Establish project related Development Cost Charges (DCC) bylaws prior to Stage 1 project construction that will allow the application of DCC charges to Village subdivision and development projects for the Stage 2 main line pump station upgrades within District boundaries and Option 3 - Stage 2 capacity upgrade to the District treatment plant as detailed in the Schedule "B" report. And prepare for signature Legal agreements with the District that will ensure District receives applicable DCC funds collected.
11. Not deny future District requests to enter into a water and/or sewer extension/connection agreement with the Village to facilitate future development along District lands within the Rockwell Drive area.

The District Shall:

1. Continue to support the Village in obtaining project grant funding from all levels of government.
2. Administer, at the Village's cost, the sewer main construction process within District boundaries.
3. Administer, at the Village's cost, the Stage 1 capacity upgrade to the District treatment plant upgrade design and construction process.
4. At the Village's cost, establish project related Development Cost Charges (DCC) bylaws prior to Stage 1 project construction that will allow the application of DCC charges to District subdivision and development projects for the Stage 2 main line pump station upgrades within District boundaries and Option 3 - Stage 2 capacity upgrade to the District treatment plant as detailed in the Schedule "B" report.
5. Prepare an Operating Agreement for both parties to sign prior to commencement of project construction and the Agreement shall include details that are mutually agreed upon by both parties.

Both Parties Shall:

1. Sign off on all project design plans and specifications.
2. Not charge each other with project related latecomer or connection fees.
3. Own, operate, and maintain all sewer infrastructure within their respective boundaries.

IN WITNESS WHEREOF the parties have executed this Memorandum of Understanding as of the day and year first above mentioned.

THE CORPORATE SEAL of **THE VILLAGE**)
OF HARRISON HOT SPRINGS was hereunto)
affixed in the presence of:)

C/S

Ken Becotte, Mayor)

Larry Burk, Chief Administrative Officer)

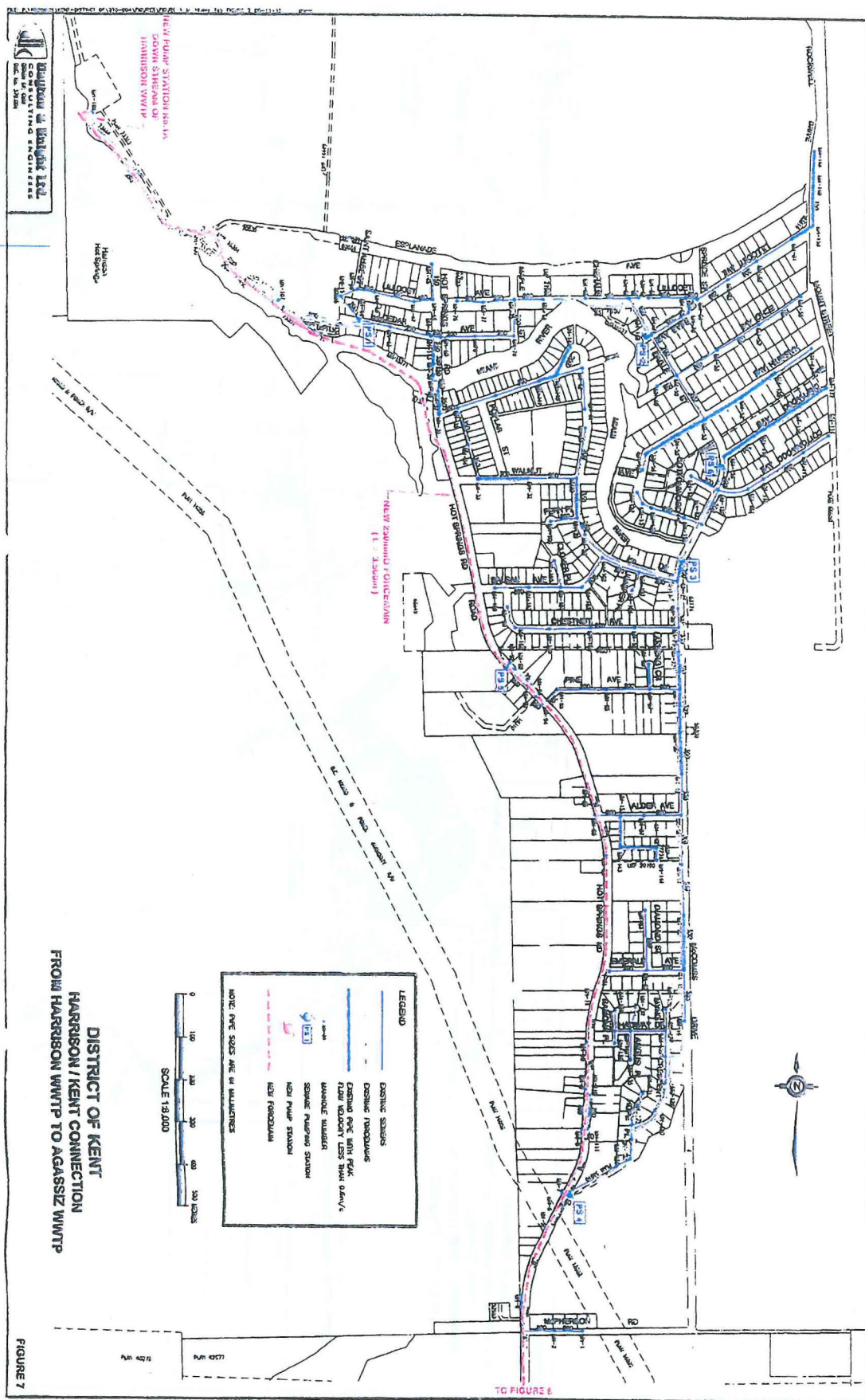
THE CORPORATE SEAL of **THE**)
CORPORATION OF THE DISTRICT OF KENT)
was hereunto affixed in the presence of:)

C/S

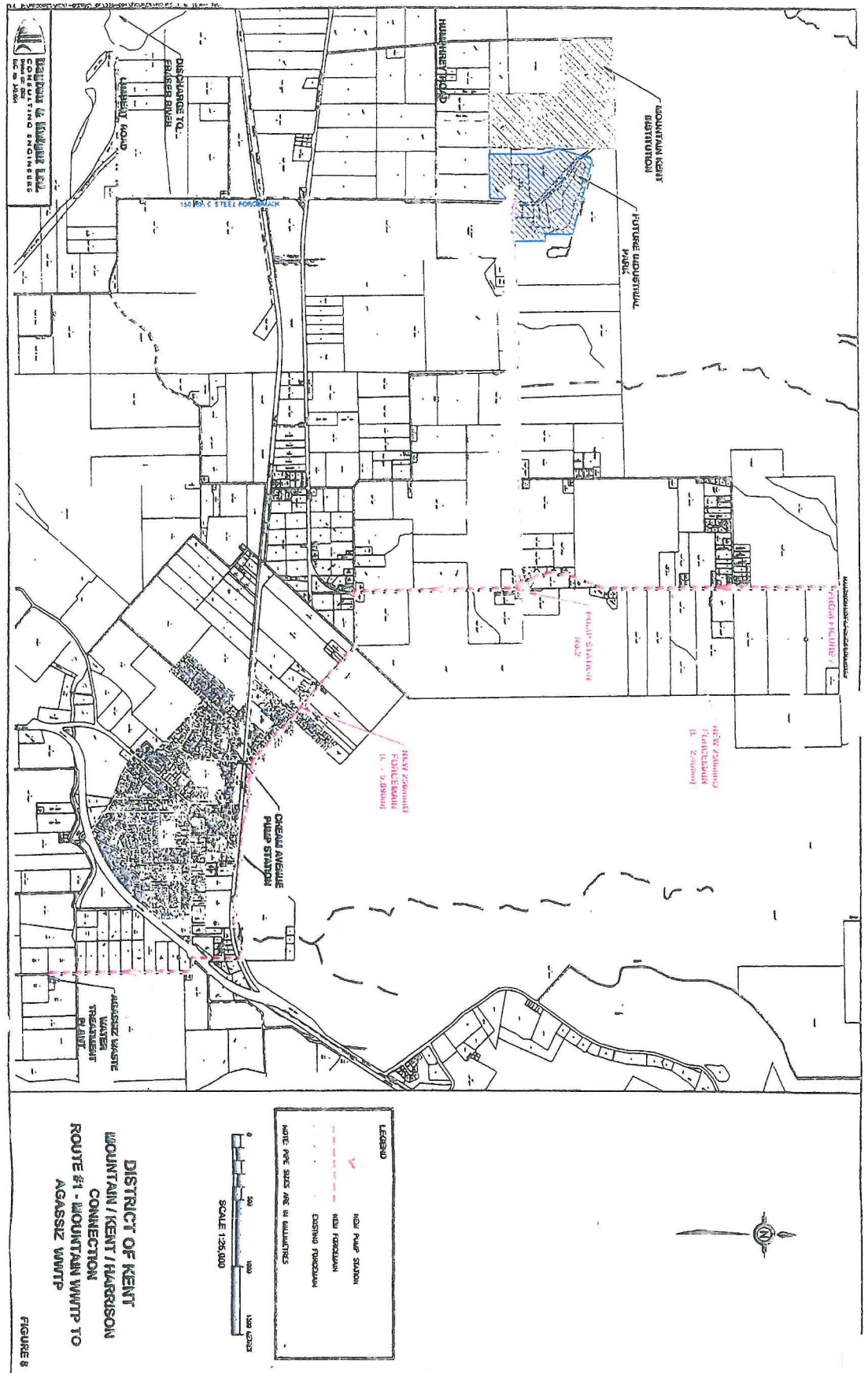
Lorne Fisher, Mayor)

Wallace Mah, Chief Administrative Officer)

SCHEDULE "A"



SCHEDULE "A"



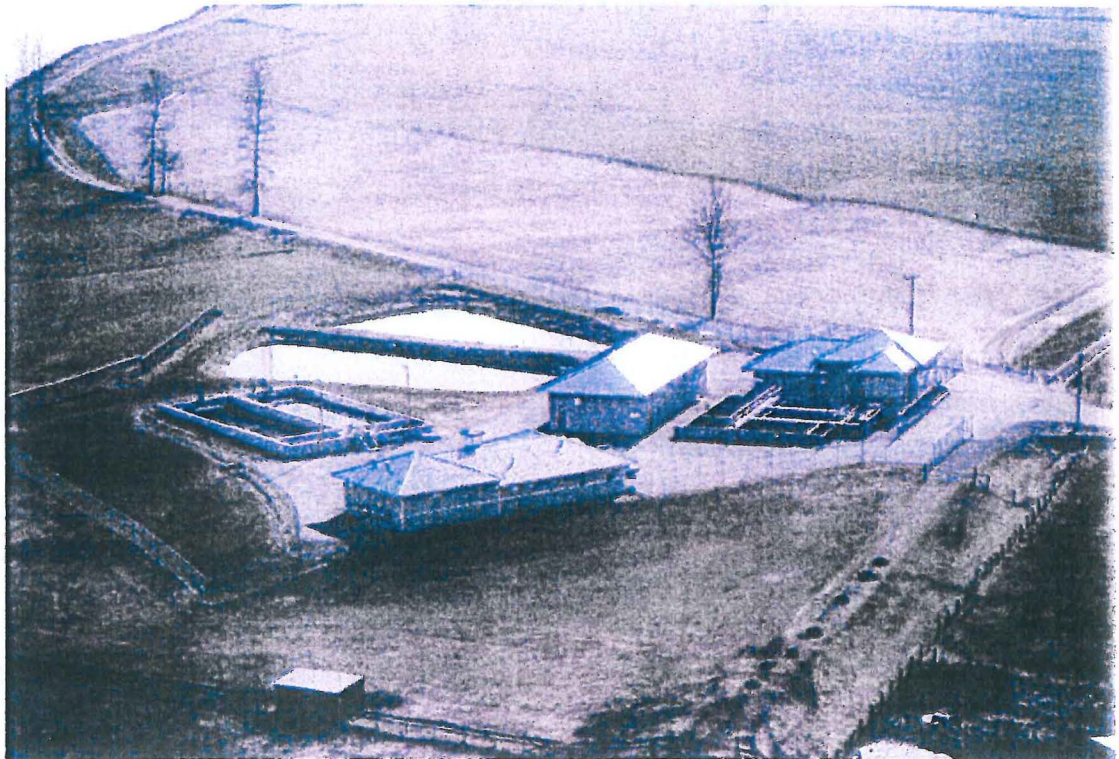
SCHEDULE "B"



Agassiz Wastewater Treatment Plant Facility Plan For WWTP Expansion

"Final Draft"

November, 2008



Dayton & Knight Ltd.
CONSULTING ENGINEERS

KENT - HARRISON
WASTEWATER OPERATING AGREEMENT

THIS AGREEMENT made this _____ day of _____, 20____

BETWEEN:

THE VILLAGE OF HARRISON HOT SPRINGS

("Harrison")

AND:

THE DISTRICT OF KENT

("Kent")

WHEREAS The Owners own and operate the Owners' System as a local service under the Community Charter;

AND WHEREAS Harrison desires to discharge the Harrison Flow into the Owners' System;

AND WHEREAS the Owners have agreed to provide the Services to Harrison on the terms set out in this Agreement;

AND WHEREAS the parties wish to enter into this Agreement to establish a Contract and govern the terms and conditions under which the Services are provided by the Owners to Harrison;

AND WHEREAS the Contract between Kent and Harrison is assigned through to 2015. (*actual date to be determined*)

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

manufacture, disposal, emission, discharge, treatment, generation, use, transport, remediation or release into the environment of which is now or at anytime prohibited, controlled, regulated, or licensed under any Environmental Laws;

"Current Agassiz Wastewater Treatment Plant DCC Rate" means Kent's Development Cost Charge Bylaw rate for the Sewer System and the Agassiz Wastewater Treatment Plant expansion based on the current year that the System Capacity Contribution is calculated; (***DCC Bylaw and rates study required***)

"Domestic Waste" means Waste: (i) from the non-commercial preparation, cooking, and handling of food; or (ii) containing human excrement and similar matter from the sanitary conveniences of dwellings, commercial buildings, industrial facilities, and institutions;

"Environmental Laws", unless otherwise expressly provided in this Agreement, means, as applicable, all Canadian federal, provincial, state or local government Laws applicable to the conveyance, treatment or disposal of Wastewater or respecting environmental protection, including the Waste Management Act (British Columbia) and the Waste Regulation;

"Environmental Risk" means local and regional air, land and groundwater pollution;

"Equivalent Residential Unit" or "ERU" means the equivalent average volume of Wastewater discharged by a typical single family residential home in Kent. The average annual volume is currently set at 360 m³/year (***value subject to change***) per single family residential unit; (***DCC Bylaw and rates study required***)

"Extra Strength Rate" means the rate per kg/month of TSS and BOD for the Harrison Flow accepted by the Owners from Harrison, as determined annually in accordance with the Waste Regulation, plus a Premium Rate. The current Extra Strength Rate for BOD is set at \$.40/Kg and for TSS is set at \$.40/Kg (***values subject to change***);

"Extra Strength Charge" means the charge payable by Harrison to the Owners for BOD and TSS that exceeds the Concentration Levels of 200 mg/L (***values subject to change***) as calculated in accordance with the formula set out in Schedule "D" and payable in accordance with Sections 31(a) and 31(b);

"Full Spectrum Testing" means testing of aluminum, arsenic, boron, cadmium, chromium, cobalt, copper, iron, lead, manganese, mercury, molybdenum, nickel, silver, zinc, hexavalent chromium, cyanide, sulfate, sulfide, chlorinated phenols, phenols and the testing of any other substance as required by the Owners;

"mg/L" means milligrams per litre;

"Measuring Point" means measuring devices, equipment and SCADA installed at the Owners side of the Boundary Connection, where the Harrison Flow enters the Sewer System, sufficient to measure, monitor and record accurately the quantity of the Harrison Flow on a continuous basis as required for the administration of this Agreement;

"Monitoring Point" means measuring devices, equipment and SCADA installed at the Owners side of the Boundary Connection, where the Harrison Flow enters the Sewer System, sufficient to measure, monitor and record accurately the quality, including the Concentrations Levels of the BOD and TSS, of the Harrison Flow on a weekly basis as required for the administration of this Agreement;

"Normal Maintenance Costs" means one flush truck and two of Kent's operational staff for 7 hours per month;

"Notice of Non-Compliance" means the notice given by the Owners to Harrison when the Harrison Flow, at either the Measuring Point or Monitoring Point does not meet the requirements of all Environmental Laws, Laws, Governmental Approvals and Waste Regulations, or is in default of the obligations in this Agreement;

"Outstanding Capital Contribution" means the payment of outstanding existing capital costs for connecting to the Owners' established Agassiz Wastewater Treatment Plant for the extended Term set forth under this Agreement, payable in accordance set out in Schedule "F" (***may not be required based on MOU***);

"Owners" means District of Kent;

"Owners' System" means the Sewer System and the Agassiz Wastewater Treatment Plant operated by the Owners as constructed, expanded, replaced, supplemented, repaired and maintained;

"Premium Rate" means the 25% premium, rounded up to the nearest cent, paid by Harrison to the Owners for providing the Services and is applied to the Maximum Daily Flow Charge and the Extra Strength Charge;

"Regular Basis" means 2 or more consecutive results;

"Representative" means the appointed representative of a party;

"SCADA" means wireless Supervisory Control and Data Acquisition System compatible with the Districts system.

"Waste Management Act" means the Waste Management Act (British Columbia) and regulations under the Act;

"Wastewater" means liquid and water-carried Industrial Waste or Domestic Waste from dwellings, commercial buildings, industrial facilities, and institutions; and

"Waste Regulation" means the District of Kent's current Sewer Rates Bylaw, as amended, replaced, or re-enacted from time to time.

The following Schedules form part of this Agreement:

Schedule "A"- Service Area;

Schedule "B"- Formula for Calculating the Annual Charge;

Schedule "C"- Formula for Calculating the Maximum Daily Flow Charge;

Schedule "D"- Formula for Calculating the Extra Strength Charge;

Schedule "E"- Maximum Daily Flow Allowance;

Schedule "F"- Formula for Calculating the Outstanding Capital Contribution; and

Schedule "G"- System Capacity Contribution Calculation Schedule.

INTERPRETATION

1. In this Agreement:

- a. Reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
- b. Reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this Agreement;
- c. Article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
- d. The word "enactment" has the meaning given to it in the Interpretation Act (British Columbia) on the reference date of this Agreement;
- e. Reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
- f. Reference to a "party" or the "parties" is a reference to a party, or the parties, to this Agreement, and to their respective successors, assigns, trustees, administrators and receivers;

5. The parties agree that the Owners shall be under no obligations to accept, convey, treat or dispose of the Harrison Flow containing Industrial Waste that originates from any property or business within the Service Area that pose a potential Environmental Risk to lands within the Owners' jurisdiction, as determined by the Owners applying the same standards and criteria used by Owners in their own jurisdiction for determining a potential Environmental Risk. For greater certainty existing industrial, manufacturing, trade or business customers within the existing Service Area shall be grandfathered, provided that the:
 - a. Environmental Risk from any particular business do not increase such that they pose a greater risk to the lands within the Owners' jurisdiction; or,
 - b. Quality of the discharge of the Harrison Flow from any particular business has not been substantially modified such that it could reasonably be expected to cause material harm to the Owners' System.
6. The parties agree that the Owners shall be under no obligations to accept, convey, treat or dispose of the Harrison Flow exceeding the peak wet weather flows of 5750 m³/day until Option 3 – Phase 2 capacity upgrade to the Agassiz Wastewater Treatment Plant and the Sewer System necessary to convey the Harrison Flow is completed.

NOTICE OF NON-COMPLIANCE

7. If the Harrison Flow at the Measuring Point and Monitoring Point does not meet the requirements of all Environmental Laws, Laws, Governmental Approvals, and Waste Regulation or if Harrison is in default of its obligations under this Agreement, the Owners may give a Notice of Non-Compliance, with reasonable particulars, to Harrison.
8. If Harrison does not remedy the matters described in the Notice of Non-Compliance promptly and in any event, within 7 days after receipt of it, the Owners may initiate steps to discontinue the Boundary Connection and Services until those matters are remedied. If the Services are discontinued under this section and Harrison does not remedy the matters described in the Notice of Non-Compliance within 90 days after receipt of it, the Owners may consider this a material breach and terminate this Agreement.

- e. the Owners' System, or the Harrison System is damaged, destroyed, or otherwise rendered incapable of being used for the purposes of this Agreement.

GOVERNING LAW

- 12. This Agreement is governed by the laws of British Columbia and the laws of Canada applicable therein and the parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the Courts of British Columbia.

MEASURING POINT AND BOUNDARY CONNECTION

- 13. The Measuring Point and Boundary Connection shall be paid for by Harrison and include a wireless SCADA system compatible with the Districts system which shall be maintained by the Owners, throughout the Term, for the purposes of determining the quantity and quality of the Harrison Flow discharged into the Owners' System.
- 14. The Owners shall read the Harrison Flow at the Measuring Point on a daily basis and report the readings to Harrison on a monthly basis in writing within fifteen days of the end of each calendar month.
- 15. Harrison shall provide immediate verbal notice, followed by written notification within 48-hours, to the Owners of any failure of Harrison to comply with any requirements, obligations, approvals, actual or threatened risk to or emergency affecting the Harrison System. Without affecting the obligation of Harrison to report to the Owners, the Owners may:
 - a. have access to Harrison's records and facilities of related to matters covered by the Agreement, and to the Harrison System, from time to time during ordinary business hours, to inspect, take measurements, including using the equipment and devices comprised in the Harrison System;
 - b. take copies of all such records as are under the custody or control of Harrison with respect to any of the matters described in this section; and
 - c. exercise their rights under this Agreement, as the Owners considers necessary for the purposes of this section and the administration of this Agreement.
- 16. Harrison may, from time to time, independently verify the Measuring Point readings reported by the Owners. If access to the Measuring Point is required for this purpose, Harrison will request access from the Owners, which request will not be unreasonably delayed or denied.

23. Harrison agrees to comply with all Federal and Provincial Environmental Laws and Approvals, in the operation, repair and maintenance of the Harrison System in a manner that does not prevent the Owners from fulfilling their obligations under this Agreement.
24. Harrison agrees to construct, reconstruct, operate, repair, maintain and replace the Harrison System in accordance with good municipal engineering and practice in a manner that does not prevent the Owners from fulfilling their obligations under this Agreement.

ENVIRONMENTAL RISK ALLOCATION

25. Harrison bears the sole risk of all costs and liability for compliance with Environmental Laws, environmental protection and waste treatment and disposal, including the safe and lawful handling, treatment and disposal of all Contaminants, related to the Harrison Flow whether or not such Harrison Flow has entered the Owners' System.
26. Harrison shall defend, indemnify and hold harmless the Owners from, and against, any Claims made against, or suffered or incurred by, the Owners, and costs incurred by the Owners as a result of, or in connection with, any loss, damage, injury or other harm connected with Contaminants in the Harrison Flow upon its delivery to the Owners' System at the Monitoring Point that do not comply with Environmental Laws, Government Approvals, Laws, and Wastewater Regulations, whether or not the Contaminants have passed into the Owners' System.

QUALITY OF HARRISON FLOW

27. If it has not already done so, within 90 days after the Commencement Date, Harrison shall cause its employees or consultants, or both, to prepare for consideration by the elected council of Harrison an ordinance that is consistent with and in accordance with all Environmental Laws, Government Approvals, Laws, and Wastewater Regulations, regulating the quality of the Harrison Flow discharged into the Harrison System.
28. Without in any way fettering the discretion of the elected council of Harrison, Harrison agrees that its elected council shall consider adoption of the ordinance and shall, if enacted, give notice to other parties forthwith after its enactment. If the ordinance is not enacted by Harrison, the Harrison Flow shall, nonetheless, be of similar quality to that accepted by the Owners from the citizens of Kent.

32. Concurrently with each payment, Harrison shall deliver to the Owners a written statement setting out, in reasonable detail, all of the payment fees, including reasonable detail of the quantities and quality of the Harrison Flow and the method of calculation of the fees. Upon request by the Owners, Harrison shall promptly provide a written statement setting out additional detail as to the matters described in this section, but only if the Owners determine that the statement delivered by Harrison under this section is insufficient.
33. Harrison shall pay the Owners within 30 days from the date of issuance for any invoices related to an odor problem in the Sewer System above Normal Maintenance Costs caused by the Harrison Flow, including additional monitoring costs, engineering, chemical treatment, testing, flushing, and all other ancillary costs related to the odor problem. Any new costs related to the odor problem will be invoiced to Harrison plus a 15% administration fee.
34. Interest is payable by Harrison to the Owners on any amounts payable under this Agreement that are not paid within 30 days after they become due. Interest is payable from the date on which any amount became due to the date on which it is paid at a rate charged on District of Kent receivables, currently set at 1% per month.
35. Without affecting any other rights or remedies the Owners may have with respect to a breach of this Agreement by Harrison, including the obligation of Harrison to make any payment to the Owners, if any amount payable by Harrison to the Owners has not been paid (together with any interest payable thereon) by the date that is 60 days after the date on which the amount became due, the Owners may suspend the provision of the Services until the amount due' (together with any interest payable thereon) is paid in full to the Owners. If any amount payable by Harrison to the Owners has not been paid (together with any interest payable thereon) by the date that is 90 days after the date on which the amount became due, the Owners may terminate this Agreement by giving notice of termination to Harrison, with that notice being effective immediately upon delivery.

REPRESENTATIONS OF THE PARTIES

44. Each of the parties hereto represents that:
- a. it has the corporate power and capacity to enter into this Agreement and to comply with each and every term and condition in this Agreement;
 - b. all necessary proceedings have been taken to authorize the execution and delivery of this Agreement; and
 - c. this Agreement has been properly executed and is enforceable in accordance with its terms.

BONA FIDE NEGOTIATIONS

45. The parties agree that, each of them shall bona fide employ best efforts to resolve any disputes arising between them by amicable negotiations to be concluded within thirty (30) days following commencement of such negotiations at the request of either party.
46. Without limiting the generality of Section 45, where a dispute arises between the parties, such shall initially be referred to the Chief Administrative Officers or Department Heads for both Kent and Harrison. If the dispute remains unresolved thirty (30) days after referral to the Chief Administrative Officers and Department Heads, the matter shall be referred to the respective Municipal Councils for resolution.

MEDIATION

47. Should any matter remain unresolved after following the process in Sections 45 and 46, any party may require the assistance of a skilled commercial mediator, such mediator to be mutually agreed upon by the parties within ten (10) days of receipt by a party of written notice requiring the Mediation, failing which the mediator will be appointed by the British Columbia International Commercial Arbitration Centre (BCICAC). Such Mediation will be conducted under the Commercial Mediation Rules of the BCICAC to resolve a dispute unless otherwise agreed by the parties. If a mediator is appointed under this Section 47, the mediated negotiations shall be terminated thirty (30) days after the appointment, unless the parties agree otherwise.

53. The Owners covenant and agree to indemnify and save harmless Harrison (including any officer, elected official, or employee of Harrison) from and against any and all losses, damages, costs, liabilities, suits, claims or expenses arising out of any breach by the Owners of any of its obligations under this Agreement or arising out of any non-compliance with government permits issued to the Owners. This covenant of indemnity shall survive the expiration or termination of this Agreement.

TERMINATION

54. This Agreement may be terminated:
- a. by mutual agreement of the parties, on terms acceptable to the parties; or
 - b. upon a material breach of this Agreement as provided in Section 55.
55. Any party to this Agreement (the "Terminating Party") may terminate this Agreement for material breach by the other party (the "Defaulting Party"); PROVIDED THAT the Terminating Party first provides written notice of such breach or failure to perform to the Defaulting Party and such breach is not corrected within sixty (60) calendar days (or such longer period as the parties may agree or such longer period as may reasonably be required to cure such default if such rectification would reasonably require more than sixty (60) days to complete). If such matter is referred for dispute resolution within fourteen (14) days of notice, such period shall run only from the date the dispute is resolved in accordance with Section 45.
56. The Defaulting Party shall be given such period of time to correct the breach and if such breach is not corrected within said time period, to the reasonable satisfaction of the Terminating Party, this Agreement may be terminated by the Terminating Party. In the event of termination, Harrison shall pay the Owners all amounts due and payable pursuant to this Agreement up to the date of termination (prorated for less than a full month, if necessary) plus any additional costs owing to the Owners pursuant to this Agreement.

NOTICE

62. Any notice, direction, demand, approval, certificate or waiver which may be or is required to be given under this agreement must be in writing and delivered personally or by courier or sent by fax or e-mail, addressed as follows:

To Harrison:

Village of Harrison Hot Springs
P.O. Box 160
Harrison Hot Springs, BC
V0M 1K0
Fax Number: (604) 796-2192
Attention: CAO

To Kent:

District of Kent
7170 Cheam Avenue,
Agassiz, BC
V0M 1A0
Fax Number: 604-796-9854
Attention:

or to such other address, e-mail address or fax number of which notice has been given as provided in this section.

63. Any notice, direction, demand, approval or waiver delivered is to be considered given on the next business day after it is dispatched for delivery. Any notice, direction, demand, approval or waiver sent by fax or e-mail is to be considered given on the day it is sent, if that day is a business day and if that day is not a business day, it is to be considered given on the next business day after the date it is sent.

SCHEDULE "A"

SERVICE AREA (*to be determined*)

SCHEDULE "C"

FORMULA FOR CALCULATING THE MAXIMUM DAILY FLOW CHARGE

The Maximum Daily Flow Charge on any day shall be calculated by doubling the Annual Rate multiplied by the Harrison Flow, per m3 for any flows exceeding the Maximum Daily Flow.

SCHEDULE "E"

SCHEDULE OF MAXIMUM DAILY FLOW The Maximum Daily Flow allowance shall not exceed the following schedule: (*actual values subject to change*)

Year Period				m3/day
1	Jan. 1	2010 to Dec. 31	2010	2,872
2	Jan. 1	2011 to Dec. 31	2011	2,990
3	Jan. 1	2012 to Dec. 31	2012	3,113
4	Jan. 1	2013 to Dec. 31	2013	3,242
5	Jan. 1	2014 to Dec. 31,	2014	3,376

SCHEDULE"G"

(schedule is subject to change once a DCC Bylaw and rates study is completed)

SYSTEM CAPACITY CONTRIBUTION CALCULATION SCHEDULE *(example only and subject to change)*

The following schedule will be applied to calculate the System Capacity Contribution, and is based on the actual volume of Harrison Flow accepted by the Owners through the Measuring Point into the Owners' System, measured in m3, and is calculated on an annual basis.

System Capacity Contribution shall be calculated as follows:

Step 1 Determination of the number of ERUs (Equivalent Residential Unit)

Number of ERUs = Harrison total annual Wastewater volume / 360 m3

If the number of ERUs is equal or less than the actual ERUs, then no additional System Capacity Contribution is required for that year. The Owners will not be refunding any System Capacity Contributions and are considered one-time non-refundable payments.

Step 2 Calculation of System Capacity Contribution

If the number of ERUs exceeds the actual ERUs, then the following formula is applied:

System Capacity Contribution = (Number of ERUs- actual ERUs) X Current Agassiz Wastewater Treatment Plant DCC Rate.

If the Current Agassiz Wastewater Treatment Plant DCC Rate changes part way through the year, then the System Capacity Contribution calculation shall be prorated accordingly.

O & M Costs

1. Based on Table 5-3 of the D & K Report.

AAF (2008) for VHHS = $1,460 \text{ m}^3/\text{day} = 532,900 \text{ m}^3/\text{year}$
O & M for the KHC upgrade \$585,000/year or **\$1.10/m³**. (Village's Cost).
This cost includes the O&M costs for plant upgrade, forcemain and lift stations.

For a total of $2,810 \text{ m}^3/\text{day}$, this would be a total of \$1,128,215. Of which, the VHHS would pay \$585,000/year and DoK would pay \$543,215 (a reduction of \$157,000 from their reported costs).

2. Using an AAF for Kent of $1,340 \text{ m}^3/\text{day}$ and a cost of \$700,000 a year (based on a verbal estimate from Mick Thiessen) for O & M, the cost per $\text{m}^3 = \$1.43/\text{m}^3$.
However, doubling the flow should not double the O & M cost. Adding the VHHS flow would bring the cost closer to the D&K estimate of $\$1.10/\text{m}^3$.
3. Proposed O & M Fees of $\$2.157/\text{m}^3$.

SCHEDULE "B" provides for a minimum flow of $1,000 \text{ m}^3/\text{day}$. At a rate of $\$2.157/\text{m}^3$, the minimum annual cost to VHHS would be \$787,305.00. Using an AAF of $1,460 \text{ m}^3/\text{day}$, the average yearly cost would be \$1,149,465.30 or \$312/resident/year. This works out to be approximately \$70/home/month. We presume that this would not include the forcemain or lift stations.

Each hotel room guest would have to pay an additional \$0.75 per night.

Using a DoK connected population of 3,430 and an O & M cost of \$700,000 would provide a per capita cost of \$204.00/capita (approximately \$46/home/month).

At a rate of $\$1.10/\text{m}^3$, the minimum annual cost would be \$401,500. Using an AAF of $1,460 \text{ m}^3/\text{day}$, the average yearly cost would be \$586,190 or \$159/resident/year. This works out to be approximately \$35.75/home/month (includes the forcemain and lift stations).

For comparison purposes, the WWTP for Harrison Highlands is approximately \$35/month per home which includes a capital replacement fund.

Existing and Projected Service Population

	2008	2018
Village of Harrison Hot Springs (VHHS)	1,677	2,365
Hotel	2,277	3,212
Day Visitor	2,890	3,959
Population Equivalent * (VHHS+Hotel+DayVisitor)	3,899	5,494
Kent including Sea Birds Island	3,430	4,150
Total [Kent (Sewered)+ Population Equivalent of VHHS]	7,327	9,646

* Population Equivalent (PE) = AAF (L/d)/3 74 L/cap/d

The average annual flows (AAF) are summarized in below:

Existing and Projected AAF Flows (m3/d) for

	2008	2018
Village of Harrison Hot Springs	628	885
Hotel + Day Visitors	832	1,172
Kent including Sea Birds Island	1,350	1,595
Total	2,810	3,652
AWWTP Plant Operating Permit (PE-00137) Capacity	3,600	

AAF/capita for residential users = 374 m³/day

AAF/capita for hotel users = 340 m³/day,

AAF/capita for day visitors = 20 m³/day.

The existing plant capacities are summarized in the following table.

Existing Wastewater Plant Capacities and Treatment Units

	Agassiz WWTP	VHHS WWTP
Permits	1996	Amended in 1970
Flow (m ³ /day)	3,600	1,600

KH Sewer Connection Costs

VHHS

	Sewer Connection Components	Million \$
1	300 mm dia. HDPE forcemain	1.67
2	Lift Stations (3)	0.93
3	Cycling Path *	0.56
4	Right-of-Ways *	0.15

Sub-Total	\$3.25
25% E&C	<u>\$0.81</u>
Total	\$4.06

* not included in grant

VHHS & DoK

Kent WWTP Upgrades (D&K)	Million \$
Phase 1	3.33
Phase 2	4.00

Sub-Total	\$7.33
35% E&C	<u>\$2.57</u>
Total	\$10.00

Total KH Sewer Connection Cost	\$14.06
D&K estimate	\$22.11

To date, we have not identified what portion of the WWTP costs are directly related to the Village of Harrison Hot Springs and what portion of the costs are related to a District of Kent upgrade.

Village of Harrison Hot Springs
Direct Operating Costs - Sewage Treatment Plant

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Average</u>
<u>\$ 160,999.86</u>	<u>\$ 180,330.77</u>	<u>\$ 133,305.26</u>	<u>\$ 121,275.99</u>	<u>\$ 203,420.72</u>	<u>\$ 159,866.52</u>

For All Revenue, Expense Accounts
Zero Balance Accounts NOT Included

Transactions Entered From 01/01/2004
To 31/12/2004

Account	Description	Period Actual	Period Budget	Period Variance	YTD Actual	YTD Variance
2-4-3-41-465-3105	SEWER TREAT & DISP. - LAB & PAYR COS	83,310.06	100,000.00	16,689.94	83,310.06	16,689.94
2-4-3-41-465-3505	SEWER TREAT. & DISP - TEL ALARM	990.93	1,200.00	209.07	990.93	209.07
2-4-3-41-465-3810	SEWER TREAT. & DISP. - MAINT. & REPA	20,550.83	58,770.00	38,219.17	20,550.83	38,219.17
2-4-3-41-465-4105	SEWER TREAT. & DISP - PERMIT FEES	787.66	1,410.00	622.34	787.66	622.34
2-4-3-41-465-4115	SEWER TREAT. & DISPOSAL - INSURANCE	6,716.71	7,000.00	283.29	6,716.71	283.29
2-4-3-41-465-4705	SEWER TREAT. & DISP. - CHEM. & SUPPL	9,894.68	10,000.00	105.32	9,894.68	105.32
2-4-3-41-465-4815	SEWER TREAT. & DISP. - HYDRO CHARGES	38,748.99	41,000.00	2,251.01	38,748.99	2,251.01
	REPORT TOTALS:	160,999.86	219,380.00	58,380.14	160,999.86	58,380.14

*** End of Report ***

For All Revenue, Expense Accounts
Zero Balance Accounts NOT Included

Transactions Entered From 01/01/2005
To 31/12/2005

Account	Description	Period Actual	Period Budget	Period Variance	YTD Actual	YTD Variance
2-4-3-41-465-3105	WAGES - SEWAGE TREATMENT PLANT	86,057.89	100,000.00	13,942.11	86,057.89	13,942.11
2-4-3-41-465-3505	TELEPHONE ALARM	1,027.59	1,200.00	172.41	1,027.59	172.41
2-4-3-41-465-3795	WASTEWATER SAMPLING	196.49	0.00	196.49-	196.49	196.49-
2-4-3-41-465-3810	REPAIRS & MAINTENANCE	31,398.76	52,250.00	20,851.24	31,398.76	20,851.24
2-4-3-41-465-4105	PERMITS	1,093.94	1,410.00	316.06	1,093.94	316.06
2-4-3-41-465-4115	INSURANCE PREMIUMS	6,295.85	7,000.00	704.15	6,295.85	704.15
2-4-3-41-465-4705	CHEMICALS	14,616.56	10,000.00	4,616.56-	14,616.56	4,616.56-
2-4-3-41-465-4740	HARDWARE & SUPPLIES	149.55	0.00	149.55-	149.55	149.55-
2-4-3-41-465-4815	ELECTRICITY	39,494.14	41,000.00	1,505.86	39,494.14	1,505.86
REPORT TOTALS:		180,330.77	212,860.00	32,529.23	180,330.77	32,529.23

*** End of Report ***

For All Revenue, Expense Accounts
Zero Balance Accounts NOT Included

Transactions Entered From 01/01/2006
To 31/12/2006

Account	Description	Period Actual	Period Budget	Period Variance	YTD Actual	YTD Variance
2-4-3-41-465-3105	WAGES - SEWAGE TREATMENT PLANT	40,327.15	74,000.00	33,672.85	40,327.15	33,672.85
2-4-3-41-465-3505	TELEPHONE ALARM	1,070.77	1,000.00	70.77-	1,070.77	70.77-
2-4-3-41-465-3795	WASTEWATER SAMPLING	2,551.63	2,000.00	551.63-	2,551.63	551.63-
2-4-3-41-465-3810	REPAIRS & MAINTENANCE	34,024.93	70,000.00	35,975.07	34,024.93	35,975.07
2-4-3-41-465-4105	PERMITS	2,467.70	1,100.00	1,367.70-	2,467.70	1,367.70-
2-4-3-41-465-4115	INSURANCE PREMIUMS	5,786.00	5,790.00	4.00	5,786.00	4.00
2-4-3-41-465-4705	CHEMICALS	8,299.44	20,000.00	11,700.56	8,299.44	11,700.56
2-4-3-41-465-4740	HARDWARE & SUPPLIES	1,187.37	1,000.00	187.37-	1,187.37	187.37-
2-4-3-41-465-4815	ELECTRICITY	37,590.27	36,000.00	1,590.27-	37,590.27	1,590.27-
REPORT TOTALS:		133,305.26	210,890.00	77,584.74	133,305.26	77,584.74

*** End of Report ***

For All Revenue, Expense Accounts
Zero Balance Accounts NOT Included

Transactions Entered From 01/01/2007
To 31/12/2007

Account	Description	Period Actual	Period Budget	Period Variance	YTD Actual	YTD Variance
2-4-3-41-465-3105	WAGES - SEWAGE TREATMENT PLANT	39,317.41	65,000.00	25,682.59	39,317.41	25,682.59
2-4-3-41-465-3505	TELEPHONE ALARM	1,131.21	1,100.00	31.21-	1,131.21	31.21-
2-4-3-41-465-3795	WASTEWATER SAMPLING	5,538.76	2,500.00	3,038.76-	5,538.76	3,038.76-
2-4-3-41-465-3810	REPAIRS & MAINTENANCE	19,675.28	37,000.00	17,324.72	19,675.28	17,324.72
2-4-3-41-465-4105	PERMITS	1,764.09	2,500.00	735.91	1,764.09	735.91
2-4-3-41-465-4115	INSURANCE PREMIUMS	5,827.00	5,830.00	3.00	5,827.00	3.00
2-4-3-41-465-4605	GAS, OIL, DIESEL & PROPANE	1,772.37	0.00	1,772.37-	1,772.37	1,772.37-
2-4-3-41-465-4705	CHEMICALS	9,058.31	10,000.00	941.69	9,058.31	941.69
2-4-3-41-465-4740	HARDWARE & SUPPLIES	2,173.29	1,500.00	673.29-	2,173.29	673.29-
2-4-3-41-465-4815	ELECTRICITY	35,018.27	38,000.00	2,981.73	35,018.27	2,981.73
REPORT TOTALS:		121,275.99	163,430.00	42,154.01	121,275.99	42,154.01

*** End of Report ***

For All Revenue, Expense Accounts
Zero Balance Accounts NOT Included

Transactions Entered From 01/01/2008
To 31/12/2008

Account	Description	Period Actual	Period Budget	Period Variance	YTD Actual	YTD Variance
2-4-3-41-465-3105	WAGES - SEWAGE TREATMENT PLANT	39,341.25	40,000.00	658.75	39,341.25	658.75
2-4-3-41-465-3505	TELEPHONE ALARM	1,179.50	1,200.00	20.50	1,179.50	20.50
2-4-3-41-465-3795	WASTEWATER SAMPLING	2,274.03	4,000.00	1,725.97	2,274.03	1,725.97
2-4-3-41-465-3810	REPAIRS & MAINTENANCE	106,508.37	100,000.00	6,508.37-	106,508.37	6,508.37-
2-4-3-41-465-4105	PERMITS	1,703.04	2,000.00	296.96	1,703.04	296.96
2-4-3-41-465-4115	INSURANCE PREMIUMS	8,052.00	8,050.00	2.00-	8,052.00	2.00-
2-4-3-41-465-4605	GAS, OIL, DIESEL & PROPANE	0.00	1,800.00	1,800.00	0.00	1,800.00
2-4-3-41-465-4705	CHEMICALS	7,804.63	10,000.00	2,195.37	7,804.63	2,195.37
2-4-3-41-465-4740	HARDWARE & SUPPLIES	1,950.20	2,000.00	49.80	1,950.20	49.80
2-4-3-41-465-4815	ELECTRICITY	34,607.70	38,000.00	3,392.30	34,607.70	3,392.30
REPORT TOTALS:		203,420.72	207,050.00	3,629.28	203,420.72	3,629.28

*** End of Report ***

Sanitary Sewer - Kent WWTP to McCallum					Timbro		Span		Strohmaier	
ITEM NO.	DESCRIPTION	PIPE	UNIT	QTY M	UNIT PRICE	AMOUNT \$	UNIT PRICE	AMOUNT \$	UNIT PRICE	AMOUNT \$
1	WWTP connection	300 HDPE	1		\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
2	WWTP to McDonald (west side shoulder in RW)	300 HDPE		210	\$140.00	\$29,400.00	\$190.00	\$39,900.00	\$106.92	\$22,453.20
3	McDonald crossing (open cut)	300 HDPE		15	\$326.00	\$4,890.00	\$215.00	\$3,225.00	\$153.26	\$2,298.90
4	Tranmer to Hwy 9 (west shoulder)	300 HDPE		880	\$110.00	\$96,800.00	\$190.00	\$167,200.00	\$107.10	\$94,248.00
5	90° sweep	300 HDPE	2		\$500.00	\$1,000.00	\$500.00	\$1,000.00	\$500.00	\$1,000.00
6	open pavement cut crossings	300 HDPE		20	\$316.00	\$6,320.00	\$215.00	\$4,300.00	\$152.76	\$3,055.20
7	Trans Mountain pipe line crossing	300 HDPE	1		\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00
8	45° sweep	300 HDPE	1		\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
9	Lougheed Hwy crossing	300 HDPE	1		\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00
10	45° sweep	300 HDPE	1		\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
11	Pixley (open cut R & R)	300 HDPE		220	\$150.00	\$33,000.00	\$200.00	\$44,000.00	\$153.09	\$33,679.80
12	CNR Crossing	300 HDPE	1		\$47,000.00	\$47,000.00	\$47,000.00	\$47,000.00	\$47,000.00	\$47,000.00
13	90° sweep	300 HDPE	3		\$500.00	\$1,500.00	\$500.00	\$1,500.00	\$500.00	\$1,500.00
14	Main between Lougheed Hwy and CNR	300 HDPE		260	\$115.00	\$29,900.00	\$210.00	\$54,600.00	\$111.56	\$29,005.60
15	Lougheed Hwy crossing	300 HDPE	1		\$47,000.00	\$47,000.00	\$47,000.00	\$47,000.00	\$47,000.00	\$47,000.00
16	Lougheed Hwy north shoulder 1 m off-set	300 HDPE		1230	\$146.00	\$179,580.00	\$190.00	\$233,700.00	\$111.42	\$137,046.60
17	Lougheed Hwy north shoulder (1.5 m off-set asphalt restoration)	300 HDPE		670	\$140.00	\$93,800.00	\$210.00	\$140,700.00	\$157.34	\$105,417.80
18	Lougheed Hwy behind poles (from asphalt shoulder to bend in Hwy)	300 HDPE		550	\$113.00	\$62,150.00	\$190.00	\$104,500.00	\$111.55	\$61,352.50
19	Lougheed Hwy shoulder of road in front of poles to gas station	300 HDPE		320	\$115.00	\$36,800.00	\$190.00	\$60,800.00	\$111.47	\$35,670.40
20	Around the back of the gas station in a RW	300 HDPE		150	\$148.00	\$22,200.00	\$150.00	\$22,500.00	\$111.57	\$16,735.50
21	Jacked crossing of Hwy 9	300 HDPE	1		\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00
22	Hwy 9 west side 1 m off-set to McCallum	300 HDPE		1160	\$111.00	\$128,760.00	\$190.00	\$220,400.00	\$111.46	\$129,293.60
23	Tie into Lift Station #2 at McCallum	300 HDPE	1		\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
						\$940,600.00		\$1,312,825.00		\$887,257.10
5685										

Sanitary Sewer - McCallum to PS #1 HHS										
ITEM NO.	DESCRIPTION	PIPE	UNIT	QTY M	UNIT PRICE	AMOUNT \$	UNIT PRICE	AMOUNT \$	UNIT PRICE	AMOUNT \$
24	Open pavement cut McCallum	300 HDPE		11	\$466.00	\$5,126.00	\$215.00	\$2,365.00	\$158.49	\$1,743.39
25	Hwy 9 west side 1 m off-set to narrow RW	300 HDPE		1520	\$111.00	\$168,720.00	\$190.00	\$288,800.00	\$114.96	\$174,739.20
26	Hwy 9 west side narrow RW	300 HDPE		300	\$113.00	\$33,900.00	\$190.00	\$57,000.00	\$111.57	\$33,471.00
27	Hwy 9 west side 1 m off-set to McPherson	300 HDPE		700	\$117.00	\$81,900.00	\$190.00	\$133,000.00	\$111.47	\$78,029.00
28	Hot Springs Rd from McPherson to bridge crossing 1 m off-set	300 HDPE		1156	\$111.00	\$128,316.00	\$190.00	\$219,640.00	\$111.50	\$128,894.00
29	Cased Bridge Crossing	300 HDPE	1		\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
30	Hot Springs Rd from bridge crossing to bridge crossing 1 m off-set	300 HDPE		740	\$111.00	\$82,140.00	\$190.00	\$140,600.00	\$111.40	\$82,436.00
31	Cased Bridge Crossing	300 HDPE	1		\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00
32	open pavement cut Hot Springs Road	300 HDPE		110	\$156.00	\$17,160.00	\$215.00	\$23,650.00	\$157.68	\$17,344.80
33	90° sweep	300 HDPE	1		\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
34	open pavement cut Cedar Street to PS #1	300 HDPE		180	\$151.00	\$27,180.00	\$215.00	\$38,700.00	\$157.47	\$28,344.60
35	Mobilization, Bonding and insurance		1		\$44,569.00	\$44,569.00		\$0.00	\$56,710.00	\$56,710.00
36	Cleaning, testing, material testing and survey		1		\$34,713.00	\$34,713.00		\$0.00	\$27,606.00	\$27,606.00
				4717		\$689,224.00		\$969,255.00		\$694,817.99
					Total	\$1,629,824.00	Total	\$2,282,080.00	Total	\$1,582,075.09

Cycling Path									
ITEM NO.	DESCRIPTION	UNIT	QTY M	UNIT PRICE	AMOUNT \$	UNIT PRICE	AMOUNT \$	UNIT PRICE	AMOUNT \$
1	Re and Re asphalt shoulder 2 m wide for item 18		500	\$55.00	\$27,500.00	\$98.00	\$49,000.00	\$94.53	\$47,265.00
2	2 m wide walkway behind poles (fill onto RW) for item 19		550	\$55.00	\$30,250.00	\$120.00	\$66,000.00	\$94.35	\$51,892.50
3	2 m wide walkway in front of poles for item 20 tie to new walkway		320	\$54.00	\$17,280.00	\$70.00	\$22,400.00	\$94.57	\$30,262.40
4	2 m wide walkway over pipe line for item 22		1160	\$54.00	\$62,640.00	\$70.00	\$81,200.00	\$94.26	\$109,341.60
5	2 m wide walkway over pipe line for item 25, 26, 27, 28, 30 and 32		4526	\$54.00	\$244,404.00	\$65.00	\$294,190.00	\$94.16	\$426,168.16
6	install Telus underground item 26		300	\$170.00	\$51,000.00	\$90.00	\$27,000.00	\$103.73	\$31,119.00
Total			7356		\$433,074.00		\$539,790.00		\$696,048.66

Estimate for the Kent/Harrison Sanitary Sewer Works

5685 meters of 300 mm dia. HDPE from the Kent WWTP to McCallum Road	\$887,257.10
15% contingencies	\$133,088.57
10% engineering	<u>\$102,034.57</u>
	\$1,122,380.23
12% HST	<u>\$134,685.63</u>
	\$1,257,065.86

4717 meters of 300 mm dia. HDPE from McCallum Road to PS #1 HHS	\$689,224.00
15% contingencies	\$103,383.60
10% engineering	<u>\$79,260.76</u>
	\$871,868.36
12% HST	<u>\$104,624.20</u>
	\$976,492.56

\$2,233,558.42

Cycling Path

7,356 meters, 2 meters wide, crushed gravel surface	\$433,074.00
telephone pole relocation	\$50,000.00
Environmental Assessment for ditches	\$50,000.00
15% contingencies	\$79,961.10
10% engineering	<u>\$61,303.51</u>
	\$674,338.61
12% HST	<u>\$80,920.63</u>
	\$755,259.24

Lift Stations

PS #1 HHS

Pumps	2 at \$34,500 each	\$69,000.00
FRP Tank - 4 meter diameter		\$82,600.00
Kiosk (waiting for this estimate use \$50,000)		\$50,000.00
Installation - (\$75,000 estimate)		\$75,000.00
Equilization Tank (\$60,000 estimate)		<u>\$60,000.00</u>
		\$336,600.00
15% contingencies		\$50,490.00
10% engineering		<u>\$38,709.00</u>
		\$425,799.00
12% HST		<u>\$51,095.88</u>
		\$476,894.88

PS #3 McCallum Road

Pumps	2 at \$39,500 each	\$79,000.00
FRP Tank - 3 meter diameter		\$82,600.00
Kiosk (waiting for this estimate use \$50,000)		\$50,000.00
Installation - (\$75,000 estimate)		\$75,000.00
Equilization Tank (\$60,000 estimate)		<u>\$60,000.00</u>
		\$346,600.00
15% contingencies		\$51,990.00
10% engineering		<u>\$39,859.00</u>
		\$438,449.00
12% HST		<u>\$52,613.88</u>
		\$491,062.88

\$967,957.76

\$3,956,775.43

Membrane WWTP for HHS sewage alone (equipment only)

\$1,545,000

Membrane WWTP for HHS plus Federal Prison sewage combined (equipment only)

\$1,720,000

RECEIVED

NOV 17 2009



VILLAGE OF HARRISON HOT SPRINGS

Request to Appear as a Delegation

In order to make a presentation to Council at a Council Meeting, you are required to submit a written request to the Corporate Officer no later than 4:30 p.m. on the Wednesday before the regular meeting. The request can either be a copy of this completed form or a separate letter that you have written which contains the information requested on this form. Any background materials are appreciated and will be circulated to the Mayor and Council with the agenda. You can submit your request in person, by mail at PO Box 160 Harrison Hot Springs, BC V0M 1K0, fax at 604-796-2192 or e-mail at dkey@harrisonhotsprings.ca.

The Administration Department will advise you when you are scheduled to appear before Council. Council meetings commence at 7:00 p.m. in the Village's Council Chambers at 495 Hot Springs Road, Harrison Hot Springs, BC.

You are limited to a maximum of 10 minutes to present your material, regardless of the number of presenters in your delegation.

Date: 17 NOV 09 Requested Meeting Date: 30 NOV 09

Organization Name (if applicable): EFFECTIVE HOTEL

Name of Presenter: R.S. MALIK + OR NOMINEE

Name of Applicant if Other than Above: _____

Contact Phone Number & E-Mail: BAMA-MALIK @ HOT MAIL.COM.

Mailing Address with Postal Code: _____

Audio/Visual requirements: NO

Topic: STARTUPING OF HOTEL

Action you wish Council to take: STARTUP Fy HOTEL

FOR YOUR INFORMATION

5.1



VILLAGE OF HARRISON HOT SPRINGS

REPORT TO COUNCIL

COPY

TO: Mayor and Council

DATE: November 12, 2009

FROM: Larry Burk,
Chief Administrative Officer

FILE: 3320-20-11

SUBJECT: Conversion of the current Executive Hotel to a Strata Hotel
190 Lillooet Avenue

RECOMMENDATIONS

COPY

THAT Council receives this report;

THAT staff prepare and present a Certificate of Approval under Section 242, Regulations Section 14.5(4) of the *Strata Property Act* to approve the proposed subdivision when the following issues have been considered:

- a) the life expectancy of the building;
- b) the projected maintenance costs of the existing building;
- c) structural and fire safety requirements bring the existing building to current code standards;
- c) servicing requirements meet the current zoning;
- e) architectural requirements meet current development permit and design guidelines; and

BACKGROUND

Proposal: The applicant proposes to convert the existing 88 room hotel into separate strata titles for the purpose of selling them as separate strata units. (For the purposes of this report it is assumed a full conversion ie: all 88 units).

Applicant: Mr. R. S. Malik (President)

Owner: Khalsa Developments Ltd.,
1030 Hamilton St.,
Vancouver, BC V6B 2R9

Legal Descriptions: Parcel 1, Sec 13, Twp 4, Range 29, Meridian W6, New
Westminster District Plan LMP 26379

OCP: Village Centre

Present Zoning: C1 (Village Commercial Zone)

Surrounding Uses: N: across Lillooet - Canada Post Office;

S: 170 Cedar (River Wind) - 16 strata units, and 186
Cedar is 12 strata units; (see figure 1 & 2)

E: Zee's Gas Bar and convenience store (See Figure 7)

W: Comai Building is 18 strata units (See Figure 3)

Site Description: The subject property is basically 100% covered by the Executive
Hotel building. Building features include a small internal court
yard with minimal landscaping. Entrance and exit from
underground parking lot is off Lillooet. The streetscape
frontages are 1.5 m wide concrete sidewalk on Cedar, no
municipal sidewalk on Lillooet, barrier curbs and gutters on
Cedar, roll over curbs and gutters on Lillooet, no ornamental
street lighting and 1.2 m boulevards with street trees. (See
Figure 3, 4, 5, 6).

BACKGROUND

On April 11, 2008 Mr. Malik wrote to Mayor and Council asking for support to convert the Executive Hotel into a strata hotel.

April 14, 2008 a report to Council from the CAO recommended seeking a legal opinion on the proposal vis a vis the Provincial/Federal law suit financial issues. The recommendation was not approved.

A report to Council dated May 27, 2008 (Council mtg. June 2, 2008) recommended responding to the owner that although the proposal was not contrary to the zoning bylaw, Council reserve further comment until they had reviewed a Disclosure Statement; and that a restrictive covenant limiting the owners' use of the units (no details) be negotiated. Council resolved instead to respond to the owner indicating that Council did not support the proposed conversion.

On July 15, 2008 the Village received a letter from Archery Realty Ltd. in support of the proposed conversion. The letter expressed an opinion from the writer that there would not be an adverse impact on property taxes if the hotel was converted to a strata hotel/condominium style building.

On July 31, 2008 a letter was sent from the Village to the BC Assessment Authority's Area Assessor requesting information on whether a conversion would have any tax implications for the Village. There was some concern that the change in use might have a negative property tax implication as well as a concern for potential loss of hotel tax revenue.

An email received from Mr. Doug Williamson, BCAA Area Assessor on August 11, 2008 provided an opinion. An excerpt in that email stated that:

".....we would first like to take the opportunity to alert you to the fact that although the Executive Hotel is currently in Class 6 – business and other – if the manner in which the rooms or some of them are offered for rent changes, there is a potential that the property class could be split between Class 1 – residential and Class 6. Where a hotel has rooms dedicated exclusively to monthly rentals BCAA will place a proportionate amount of the property in Class 1 to reflect this residential use....."

It was not immediately apparent to BCAA that the Village would suffer a loss in property taxes as a result of conversion.

A strata accommodation property is defined in s.19(1) of the *Assessment Act* as a strata lot in a strata plan that includes 20 or more strata lots and which are rented or offered for rent as overnight accommodation for periods of less than 28 days for at least 20% of the 12 month period ending June 30. Strata lots that do not meet this definition fall entirely within Class 1.

Based on the Archer letter, BCAA thinks the strata lots will constitute "strata accommodation properties". Strata accommodation properties will only qualify for a Class 1/Class 6 split if they meet the additional requirement set out in the *Prescribed Classes of Property BC Reg. 438/81*. There are personal use and reporting requirements that must be met.

Further, the benefit of a partial residential classification will be denied to any owner (or in case of corporation; affiliated owner) who owns more than 14 strata lots within a strata plan. There again it is impossible to predict whether the strata lots would qualify for a split classification.

If all the criteria for split classification are met, the value of the strata lots will likely be split between Class 1 and Class 6. The split would be based on the usage statistics reported by the owners. This is impossible to predict in advance or even from year to year. But it does not necessarily follow that the Village will suffer a tax loss by reason of a partial shift to Class 1.

If the units are converted to strata lots, the Executive Hotel will likely be valued on a different approach. Strata lots are generally valued using the direct comparison approach as opposed to the income approach. It is possible that the overall value of the Executive Hotel may increase. It is possible that the increase in value may offset some or all of the loss resulting from a shift in property class.

Again, it is impossible to predict as there is no way of confirming the level of demand for the strata lots/units or the sale prices that may be achievable.

A comparison with the Harrison Beach Hotel assessments is not reliable as some of its units provide significantly different property characteristics (ie: waterfront location, views, and kitchenettes). More importantly, the Harrison Beach Hotel was marketed as a 'fractional interest' development (1/3 share ownership). There is no mention of fractional interest marketing for the Executive Hotel in the Archer letter.

Finally, the Archer letter does not clearly indicate that all 88 rooms will be converted into separate strata lots. For purposes of opinion, BCAA assumed that the strata plan would be more than 20 strata lots.

BCAA also assumed, based on the Archer letter, that the strata lots would be rented or offered for rent on a short term basis (e.g., for periods of less than 28 days) for at least 20% of the year. And the Archer letter appears to state that the owners will be able to use their strata lots for 4 weeks each year.

ANALYSIS

1. The Official Community Plan (OCP) places the property within the Village Center land use category. The OCP policies support tourist accommodation uses. The current 88 unit hotel contains a lounge/bar with a limited food service menu but no designated restaurant. The current use as a hotel is supported by the OCP and zoning. A strata hotel may be interpreted to meet the policies of the OCP, however due to the very limited commercial space on the ground floor; it may be interpreted as being very limited if not contrary to the intent of the OCP and zoning bylaws.
2. The lounge/bar has a current liquor primary license with patron participation approval meaning that there can be liquor service in other areas of the building such as convention/meeting rooms for weddings and receptions etc.
3. The major planning issues to be addressed in reviewing this application are:
 - (a) An aesthetic concern as the property is located in a high profile gateway area. Any external improvements to meet policies and Design Guidelines as expected or stipulated in the OCP will require a Development Permit (DP); and
 - (b) Do the existing number of off street parking spaces and community utility services accommodate the designation of "multi-family" under

the current zoning bylaw. Additions or alterations may require security and/or engineering design and construction prior to approval.

4. The major building and engineering issues to be addressed in reviewing this application are:
 - (a) Council must ensure that the expected maintenance costs associated with moving into or buying into a building that is not new are either limited, eliminated and fully disclosed to prospective owners.
5. Typically when a property is located within 800 m of a Provincial highway, and is a commercial project over 4,500 sq. m., Ministry of Transportation (MoT) approval of the Development Permit is required. In this case this is not a commercial operation however the change in use is worthy of at least notifying the Ministry for information purposes. If they do have any comments it would be better to receive those as soon as possible rather than well into the process.

Visually Appealing Gateway

6. The subject property is located within the Lakeshore Development Permit area and encourages visually attractive commercial development, which promotes compatibility between commercial and other adjacent land uses. Before a building permit is issued, a Development Permit for form and character must be issued. No DP has been applied for as of yet as we have not determined if there are any improvements that would, could or should be required.
7. The means to ensure the aesthetics of the Hot Springs Road gateway on this site would include excellent architectural design and judicious landscaping. The property has a partial view of the lake from the north side and good exposure to Mt. Cheam from the south and east side of the building. The current building design is less than spectacular. Whether or not improvements can be required or are necessary would be made by staff after determining if Council is able to consider reviewing the proposed conversion. Whether or not these improvements can be made economically would have to be determined by an architect.
8. The exterior finishing consists of limited quality materials and virtually no glazing. Architecturally pleasing and exciting finishes acceptable in today's markets include things like extensive glazing, granite, and polished aluminum. Appealing roof lines are also used extensively to improve the appearance of buildings. Also, high quality finishes would be typical of all elevations on any new buildings in this location and under the current design guidelines.
9. Conference/meeting facilities are a significant economic generator for the Village. The Economic Development Commission should consider if any improvements for the conversion might include retention or improvement of any existing conference/meeting spaces within the building. Certainly it

would be a loss if existing conference/meeting spaces might be lost with the conversion. Retaining these facilities must be incorporated in the disclosure for ownership if conversion goes forward. The Village is underserved in the hotel and meeting room market. The result is that potential business may not be able to be accommodated here that might otherwise consider coming to our community. The hotel is consistent with the Village's tourism expansion objectives.

10. Staff advises that the building must meet current Fire Code standards prior to approval of the subdivision plan including but not necessarily limited to:
 - (a) The strata hotel concept and associated security issues and egress requirements will need to be addressed;
 - (b) Fire Department access route to the principal building entrance must be located between 3 m and 15 m from the building;
 - (c) Fire Department access route to the principal building entrance from a fire hydrant must not exceed 90 m for buildings without a Fire Department connection;
 - (d) Fire Department access route must be designed so that there is an unobstructed path of travel (maximum 45 m) from the Fire Department pumper to the Fire Department connection;
 - (e) Adequate access, grade, widths and turning radius (clear width of not less than 6 m, minimum 3 m clearance from any building), centerline radius of not less than 12 m, overhead clearance not less than 5 m, a change in gradient not more than 1 in 12.5 over a minimum distance of 15 m and support a weight of 36,000 kg are required;
 - (f) Adequate fire flows to Fire Underwriters Survey standards are required;
 - (g) The Fire Department shall provide input on any new hydrant location;
 - (h) A fire hydrant must be within 75 m of all possible building sites and within 150 m of the exterior perimeter of the building other than a single-family or duplex dwelling that is sprinklered; and
 - (i) The Fire Department input on location of remote sprinkler Fire Department connection will be required.
11. The property is not located within an Environmental Development Permit Area and is not adjacent to any watercourses.
12. An engineering review of the works and services necessary to support this application shall be completed prior to approval. Any improvements will be the responsibility of the owner prior to approval.

13. In addition to the above comments, the developer is responsible to adhere to all other legislation, which may apply to the land, including:

- (a) Complying with all applicable Village bylaws, such as Official Community Plan Bylaw 864, 2007, Subdivision and Development Bylaw 578, 1993, Building Bylaw 581, 1993, Sign Bylaw 479, 1988, Development Cost Charges Bylaw 763, 2000 administered by the Village; and
- (b) Obtaining all other necessary approvals and permits on such terms as they may be issued, including but not limited to a development permit, building permit, Ministry of Health permit and Ministry of Transportation approval.

SUMMARY AND OPTIONS


Staff could support the proposed conversion provided it has no negative impact to taxes and the owner voluntarily agrees to provide improvements, changes or modifications as may be generated from reports and requirements noted above.

It can be interpreted also that the type of use – strata hotel - meets the intent and objectives of the Official Community Plan in that:

- (a) the proposed strata conversion should serve to strengthen and provide further diversity to the local economy;
- (b) if applicable and agreeable, improvements to the exterior elevations and streetscape including landscaping, are positive moves toward objectives of the design criteria and OCP gateway policies.

Council may also choose to receive the report and refer to staff or APC and/or EDC for further comment.

Respectfully submitted for your consideration;



 Larry Burk
 Chief Administrative Officer

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FIGURE 1



FIGURE 2



FIGURE 3



FIGURE 4



FIGURE 5



FIGURE 6



FIGURE 7

Larry Burk

From: Larry Burk [lburk@harrisonhotsprings.ca]
Sent: Friday, November 20, 2009 11:50 AM
To: 'Michael Rosen'
Cc: 'Ken Becotte'; 'Bob Perry'; 'Alan Jackson'; 'Dave Harris'; 'Dave Kenyon'
Subject: Executive Hotel strata conversion application

Hi Michael (and others.)

Just thought I would let you know about the conversation I had with Bill Barrett who is the CAO in Whistler.

Bill is definitely not a fan of strata hotels. They have not had any conversions but have had them developed as a strata hotel from the beginning of the approval or building permit process. They have learned through misadventure all the pitfalls and tribulations with them as they fill up or occupied over the years.

The following is a synopsis of his comments. Remember too, that Whistler has a decidedly different market than Harrison. They have the ski season (mid Nov to April) which is much longer and more dynamic than our summer season. They also have a particularly dynamic summer season – mid June to Labour Day and some good weekends until end of Sept. Their average occupancy rates for the year in “hotels” are between 48 to 51%, with the ski season often 100% - especially weekends, summer season generally 60% and the shoulder seasons in or around the 20% mark. Hotels are extremely competitive and tenuous operations at best.

- a pure hotel is one owner, you only have to deal with that owner;
- a pure hotel provides a service level that comes with an automatic or built in surety that the units and building will likely be kept up to standards of some sort;
- a brand name also provides surety of standards and an administrative comfort level and likelihood of sustainability, national and international commercial industry acceptance;
- hotels are notoriously market driven and thus suffer the severity of downturns, seasonal fluctuations etc. – strata's typically don't have this issue. They have a consumer value and once sold are set. Renting them by the owners is the tenuous part;
- if there is a commercial component in the building it is absolutely imperative that the strata has nothing to do with it because of the many parties involved with any use or retail space issues;
- do everything possible to prevent share splits of individual units. The reporting process is impossible;
- ensure that all units come under a single rental pool operator. Keeps the administration, assessment, reporting responsibilities and details under a single entity – much better for both BCAA and the hotel tax assessments;
- ensure that the pool operator abides by the hotel tax requirements via covenants and reporting parameters set by the Village;
- the conversion of a hotel to a strata hotel loses overall hotel bed counts due to the definition. Review how VHHS assessment of our hotel tax component was established and make sure our assessment won't go down if we lose bed count, else we may lose a point or two on the tax reimbursement;
- ensure building and suite standards are set via covenant and an inspection process.

An item that is important to consider is the reporting process with BC Assessment. A hotel (class 6) is assessed based on its annual revenues. A class 1 unit is assessed on its value. How are these strata units going to be consistently assessed – you won't get consistency from one year to the next.

If a unit is rented the owner may want it to be assessed at class 6 especially if he has limited success in renting it. BCAA will ultimately decide on the split and there is a chance that one year or another we could lose tax value. Of course there is also the potential for an increased tax assessment but only if the class 1 value is consistent and/or inflating annually. Reduced values occur and would be relative to any fee-simple investment. Unless the owner reports adequately to BCAA then it may not achieve a highest and best use assessment for the Village. This depends entirely on the reporting requirements and follow through by the owner(s).

Finally, Bill Barrett indicated that Bill Bulhouzer provided them with much of their protocol and process with respect to strata hotels. It was his opinion that Mr. Bulhouzer is probably one of the most proficient in this area at the moment. I/we should talk with Michael McAllister about his experiences and ideas as well as any opinion he might have as to whether it behooves us to ask Mr. Bulhouzer to assist us with this issue.

Thanks for your comments and help with this.

Larry B.

Larry R. Burk

Chief Administrative Officer

Village of Harrison Hot Springs

PO Box 160

495 Hot Springs Road

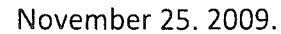
Harrison Hot Springs, BC V0M 1K0

Telephone: 604-796-2171

Fax: 604-796-2192

email: lbark@harrisonhotsprings.ca

www.harrisonhotsprings.ca



Executive Hotel – Strata proposal.
190 Lillooet Avenue. Harrison Hot Springs. B.C.

Harrison Hot Springs is one of British Columbia's most beautiful resort villages. Nestled between Harrison Lake and several picturesque snow-capped mountains, it is truly a sight to behold. Having had a relationship with the Village for nearly 15 years, we have developed a special connection with the Village and its friendly and welcoming residents.

The Hotel opened in 1997. We are a Canada Select 4 star rated boutique hotel with 88 guest rooms, including Deluxe suites along with Executive and Honeymoon Suites. The hotel offers an onsite Restaurant, Day Spa, health club with Jacuzzi and work out gym facilities. In addition we have 5 function meeting rooms where we can accommodate groups of up to 200 guests.

With potentially up to 90 different owners with timeshares, the Village of Harrison Hot Springs can only benefit from the increase of travellers into the village. These travellers would potentially spend x amount of dollars in the village at the local business and restaurants.

Our current property assessment will likely double if approved for Strata use by the council.

Right now, the hotel is owned by a single family. If our application is approved, our property will be divided into 90 units and dozens of other families will have a stake in the hotel and also in the village.

One of our strategic steps would be to bring in an experienced property management group to operate the hotel. One such group in particular would be the Executive Hotels & Resorts Management team, they bring years of experience and knowledge for strata operated properties.

Having spoken to several local business owners in the village of Harrison regarding our proposed changes, we have been met with positive feedback, especially when the end result is additional traffic during the slower periods of the year.

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Phyllis Stenson of the Harrison Festival Society is supportive of our plan; as additional guests into the village will only increase the exposure of these associations.

Having Spoken to Stephanie Key with Tourism Harrison, additional traffic into Harrison Hot Springs and its trickledown effect with additional stake owners booking room nights for family and friends has a positive effect on all businesses in the area.

A caveat will be in place to protect the hotel tax. Our request to council will potentially increase the revenue to the village of Harrison Hot Springs. Laura MacNeil, former President of Archer Realty, now works for Paramount Lodging Advisors and will be present at the Council meeting to satisfy the Council that the income to the Village will increase.

Additionally, Matti Saar, the original architect of the Hotel, has been hired and will be present at the Council meeting. He has been hired to address any building issues and he will also have the authority to hire other consultants to deal with matters that are outside his expertise.

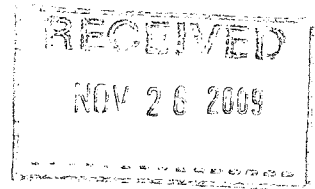
Sincerely,


Kevin O'Neil
Business Development Manager
Executive Hotel – Harrison Hot Springs
604 796 5555 ext. 114
kevin@harrisonhotsprings.com

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PARAMOUNT

COMMERCIAL REAL ESTATE



November 26, 2009

Mr. Larry R. Burch

Deputy CAO/Approving Officer
Village of Harrison Hot Springs
P.O. Box 160
495 Hot Springs Road
Harrison Hot Springs
V0M 1K0

RE: Stratification Impact on Taxes for the Harrison Hot Springs Executive Hotel

Dear Larry,

I have been asked to provide an (update) opinion as to what impact the stratification of the Harrison Hot Springs Executive Hotel would have on property taxes.

After having reviewed the July 15, 2008 letter sent from Larry Traverence of Archer Realty to Bob Wilson, the Acting Chief Administration Officer at the time, I would have to concur with the opinion furnished at that time that you should be able to expect a significant increase in tax revenues from stratification.

While not speaking as to actual current market values, I'd have to agree as to the effect stratification would have on taxes. It is common or expected that values of strata-titled units are significantly higher than that of non-strata unit values. I believe Larry Traverence succinctly addressed the obvious reasons for an increase to the tax base in his aforementioned letter too, while I can perhaps further add more specifically that the Executive Hotel is not performing as an operating hotel currently, and that its' revenues have declined further since the financial crisis and the impact it has had on guest demand and tourism specifically. Hence, if anything,



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I'd venture that property taxes could expect to see a further decline given valuations of hotel properties are primarily based on revenue.

On an aside, I can also see some obvious benefits coming from a property upgrade as contemplated for strata conversion that I would think would be of further benefit to the community, some of which could be as follow:

- Property upgrading to current code and life safety
- Property beautification (including exterior façade, landscaping, interiors, improved finishing quality, etc)
- New multi-owners ownership structure compared to a single property owner in itself should also drive increased business and activity to the local market and community, with varied spin-offs to the community
- New Professional Third party Management, which would be needed if stratification was to occur for marketing purposes, which in turn should improve property performance and tax base
- Marketing benefit to the community from the typical million-dollar pre-sale project marketing campaigns – especially if a fractional type of structure is involved. Such a campaign would have to "sell Harrison" first, before it is selling the actual product, so to speak, so this in itself brings significant positive attention to the area and community at large
- Multi-million dollar renovation construction should equate to added short term jobs, not to mention the increased long term hotel jobs created – especially if any added services or amenities are provided, which typically are needed or desired for strata-titled properties

I will be joining your Council meeting this coming Monday morning at 10:00 am, November 30th on behalf of the Executive Hotel and would be delighted to answer any questions you may have then too.

Yours very truly,

Paramount Lodging Advisors

Laura MacNiel



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