

To: Regional and Corporate Services Committee
From: Christina Vugteveen, Manager of Parks

Date: 2023-03-09
File No: 0870-20

Subject: Agricultural Land Lease - Fraser Valley Regional Airpark

RECOMMENDATION

THAT the Fraser Valley Regional District Board authorize its signatories to enter into a five-year agreement with Lorenzetti Acres for the purpose of agricultural forage production on 17 acres of available land located at the Fraser Valley Regional Airpark in Hope at a cost of \$300 per acre, per year, for a total annual revenue of \$5,100 plus GST.

BACKGROUND

The Fraser Valley Regional Airpark is located in the District of Hope, approximately 4.8 km west of the main townsite. The entire grass airpark is approximately 106.074 acres in size, and is a short distance from mountains as well as the Fraser River. In addition to the turf runway, the airpark includes many features such as:

- Flight Centre building complete with washrooms, showers, offices, public lounge area, Wi-Fi, and observation deck
- Rental tie-down areas that accommodate approximately 8 aircraft
- Aviation fuel sales including fuel dispensing facilities for Jet A and Aviation Gas 100 low lead gas, including an automated or card-lock system
- Available lease land for aviation, groundside commercial development, or agricultural enterprises
- Gliding membership and lessons available from airpark tenant, Vancouver Soaring Association

Flights landing at the Airpark are typically for recreation purposes, for emergencies such as ambulance and fire-fighting purposes, as well as for industry such as logging and the pipeline transportation sector.

The airpark is comprised of three parcels as shown in Figure 1 (one parcel does not have a civic address). The parcel on the north side of Airport Road is 0.998 acres and contains a dwelling. There are two parcels on the south side of Airport Road. The parcel with the address of 62720 Airport is 84 acres and the other parcel is 21 acres which total 105 acres.



Figure 1. Land parcels at the Fraser Valley Regional Airport

Within these parcels (at the ends of the runway and adjacent to the runway, see figure 2 below) the Airport has approximately 35 acres of agricultural land available for lease that cannot be used for other purposes. In November 2022, the Fraser Valley Regional District (FVRD) advertised a Notice of Disposition for available lease land. Lorenzetti Acres has proposed to lease 17 acres of the agricultural land for growing grass for making hay and/or silage at a cost of \$300 per acre. The recommended agreement is for 5 years with an option to renew for an additional 5 years. There is interest in potentially taking on more agricultural land lease in the future, which the agreement would allow for.

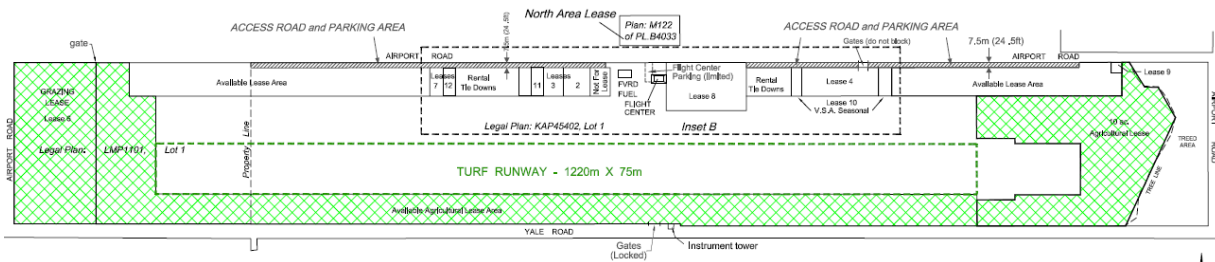


Figure 2. Agricultural Use Area

DISCUSSION

A Notice of Disposition for available lands leases at the Airport was released in November 2022, and one proposal was received for the agricultural lands from Lorenzetti Acres. The proposal includes using the land to grow grass to make hay and/or silage which would then be transported off site to feed their cattle.

The proposal is in alignment with the requirements of the property. Located within the municipal boundaries of the District of Hope, the Airpark is included in the Agricultural Land Reserve. Growing crops is considered an agricultural use permitted under the *Agricultural Land Commission Act and Regulations*. Agriculture use is also a permitted use within the District of Hope Zoning Bylaw, and is a use **compliant with the Airpark's status of "Registered Aerodrome"**.

The proposal is a fair market value which will assist in generating much-needed revenue for the Airpark. In the fall of 2022, staff completed a market rent appraisal for the agricultural lands at the Airpark which are un-serviced (no water available) and require renovation. The proposal of \$300/acre is in alignment with the rate review, which suggests that the lands being considered are valued from \$275/acre - \$350/acre annually. A five-year lease, with the option to renew, for these lands is also reasonable.

Staff are continuing to pursue additional land leases for aviation and emergency use purposes and will report back to the Board on this issue in the near future.

COST

Proposed revenue generated from this lease opportunity would be \$5,100 plus GST per year. This revenue would help fund Budget 301, which is a sub-regional service jointly funded by the District of Hope, and Electoral Areas A & B.

CONCLUSION

Staff recommends approval of an agricultural land lease at the Airpark, which will assist in gaining much-needed revenue for infrastructure improvements. The offer of \$300/acre/year is reasonable, and the only interest garnered for this opportunity.

COMMENTS BY:

Stacey Barker, Director of Regional Services: Reviewed and supported.

Kelly Lownsborough, Director of Corporate Services / CFO: Reviewed and supported.

Jamie Van Nes, Director of Legislative Services/Corporate Officer:

Jennifer Kinneman, Chief Administrative Officer: Reviewed and supported.