

To: Electoral Area Services Committee

Date: 2024-04-11

From: Hasib Nadvi, Deputy Director of Planning & Development

File No: 3020-20 B221

Subject: Crown Land Tenure Referral for South Anderson Mountain Resort, Area B

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## RECOMMENDATION

**THAT** the Fraser Valley Regional District respond to the Mountain Resorts Branch referral regarding the Expression of Interest for the proposed all-season South Anderson Mountain resort with the following comments:

1. The Province is asked to work with the Regional District to coordinate review and approval processes that involve the adoption of a new Official Community Plan and comprehensive zoning amendment before granting final approvals that enable the proposed resort to be developed;
2. The Province is asked to work with the Regional District to identify planning processes that align the Resort Master Planning with comprehensive planning for the creation of a new small city in a distant mountain environment. It should emphasize:
  - a. alignment with the vision and goals of an OCP and its 15-20 year growth timeline;
  - b. sustainable and safe delivery of local services; and,
  - c. comprehensive risk assessment and allocation of residual risk associated with servicing, governance and administration of a new mountain city;
3. The Province is asked to work with the Regional District to undertake a Governance and Land Tenure Study to consider a range of land tenure options including Indigenous self-governance and Indigenous land management, Addition to Reserve (ATR), creation of a resort municipality from the onset, and the creation of an unincorporated community with specific triggers for becoming a resort municipality;
4. The Province and the proponent should comprehensively address matters of aboriginal rights and title to the lands and shared territory through the Crown land tenure and all-season resort application process so as not to leave outstanding matters of First Nations consultation and aboriginal rights and title to the Regional **District's OCP and zoning processes**;
5. The Province is asked to provide capacity funding to support the significant body of work required of FVRD should the proposal proceed through the Resort Master Planning process; and,
6. The applicant should maintain ongoing communication with the FVRD and other interest groups through the provincial review process.

## BACKGROUND

The Mountain Resorts Branch (MRB) of the Ministry of Tourism, Arts, Culture and Sport (TACS) has received an Expression of Interest (EOI) for a proposed all-seasons resort located in the South Anderson Valley in Electoral Area B. The EOI has been submitted by Spuzzum First Nation. The proposed mountain resort is referred to as the South Anderson Mountain Resort. The EOI stage is preliminary and conceptual; more detailed information will be provided should the project advance to subsequent stages. The Province is seeking early comments that identify the Fraser Valley Regional District's (FVRD's) broad interest. Once the Province receives all the referral comments from the local First Nations, FVRD, and other stakeholder agencies, the EOI will be advertised in the local/regional newspapers.

## DISCUSSION

The proposed South Anderson Mountain Resort is located within Electoral Area B in the Cascade Mountains east of Highway 1 and northwest of the Coquihalla Summit Recreation Area on Highway 5. It is approximately 44 km north of Hope via Highway 1.

The Controlled Recreation Area<sup>1</sup> (CRA) for the South Anderson Mountain Resort encompasses 7,415 ha within the South Anderson and Central Anderson watersheds (*see Study Area map*). The mountain resort is proposed by Spuzzum First Nation, a member of Nlaka'pamux Nation. Staff have met with Spuzzum First Nation, the Mountain Resorts Branch, and the proponent's consultants to learn about the proposal. Based on the information provided thus far, below is a summary of the proposal:

Attribute	Proposal
Location	South Anderson and Central Anderson watersheds in Electoral Area B
Area	7,415 ha
Access	The primary road access route is north of Hope via Hwy #1 and 25 km east of Alexandra Bridge Provincial Park via former logging roads. A secondary emergency access route is proposed from the Coquihalla Highway (Hwy #5) at Box Canyon, following the alignment of old mining and logging roads. <i>However a strong interest in creating a direct connection for communities along Highway 1 to the new resort development pointed unequivocally to the conclusion that the new public road access to the site should come from Highway 1. The new access road would be a paved, two-lane highway, designed and constructed to MoTI standards. (Attachment 1, pg. 56)</i>
Operations	Year-round
Key activities	<ul style="list-style-type: none"><li>a. A 330-hectare alpine ski resort on 3 mountains – Iago, Winters End, and Wolverine Track;</li><li>b. 11 ski lifts with a skier carrying capacity of 9,000 skiers per day;</li><li>c. An 18-hole golf course in the river valley, with real estate development;</li><li>d. A pedestrian resort village, including public and private accommodation such as townhouses, low-rise apartment buildings, single-family homes, and</li></ul>

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<sup>1</sup> A Controlled Recreation Area (CRA) licence of occupation is the legal mechanism that gives the right to the Developer to control access and use by other persons within the defined boundaries of the CRA.

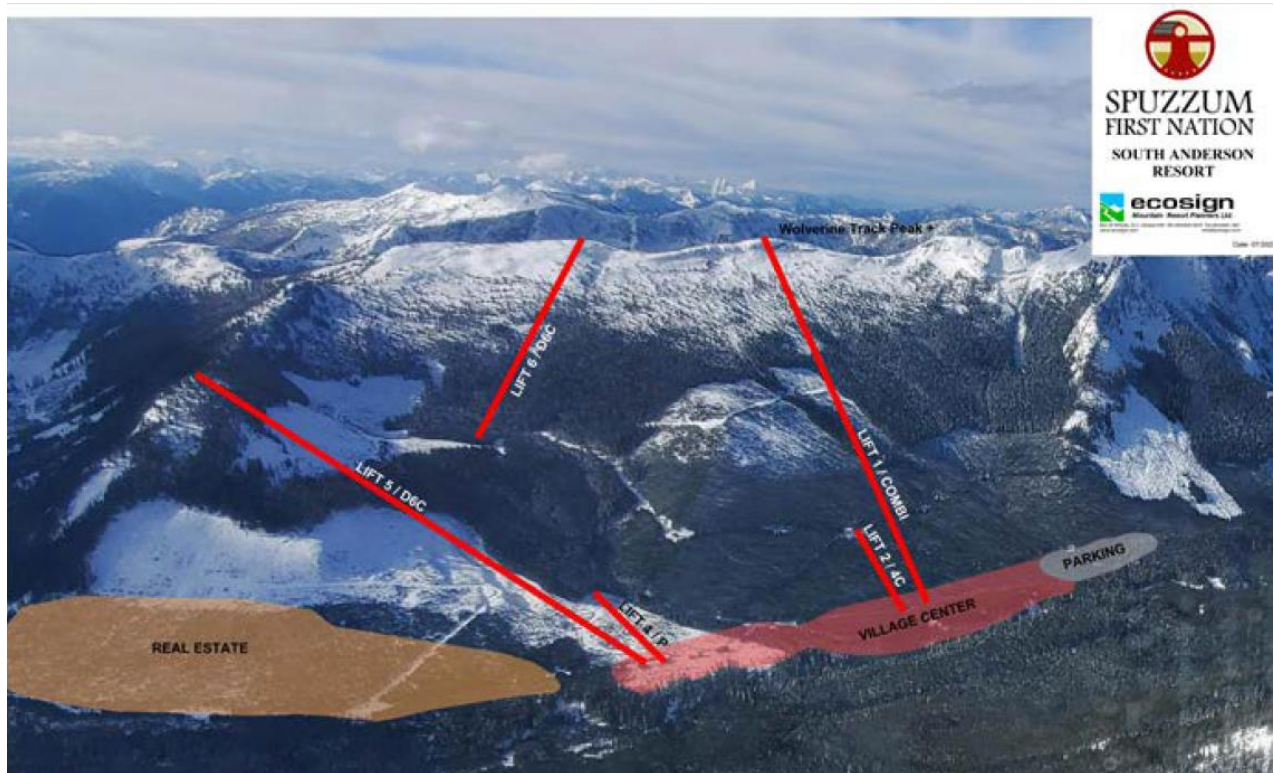
	<p>employee housing;</p> <p>e. Commercial and industrial support facilities such as hotels, restaurants, rental shops, retail;</p> <p>f. First Nation Eco-tourism enterprise opportunities such as hut-to-hut trails, wilderness campsites, guided backcountry tours, horseback riding, guided fishing, paragliding launch, mountain climbing, interpretive talks, and cultural centre; and</p> <p>g. Hiking and snowshoe trails to scenic viewpoints, old growth forests, and along South Anderson River.</p>
Market	<p>Metro Vancouver, Fraser Valley, and Metro Seattle; up to 150,000 in year 1 to 450,000 in Year 10 during the winter season. Similar numbers are expected during the summer season. It is expected that by year 10, the origin of resort visitors will be 50-60% from Metro Vancouver, 20-25% from the Fraser Valley, and 10-15% from Metro Seattle. <i>(pg. 9, Attachment 2)</i></p>
Phasing of residential and commercial development	<p><b>Total:</b> 3,300 dwelling units housing 12,300 bed units<sup>2</sup>, 1,242 employee housing, and 930 parking stalls <i>(see Figures 1 and 2)</i></p> <p><b>Phase 1</b></p> <ul style="list-style-type: none"> <li>a. 7,473 bed units; includes single-family, townhouses, condos, and hotels</li> <li>b. Golf Course</li> <li>c. Parking P1 and P2</li> <li>d. Two hotel developments; approximately 2,500 bed units</li> </ul> <p><b>Phase 2</b></p> <ul style="list-style-type: none"> <li>a. 3,652 bed units; includes single-family, townhomes, and condos</li> </ul> <p><b>Phase 3</b></p> <ul style="list-style-type: none"> <li>a. 1,173 bed units including single-family units, townhomes, and condos</li> <li>b. Parking P3</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>a. Employee housing (1,242 bed units)</li> <li>b. Campground on the west side along South Anderson River</li> </ul>
Utilities	<p><i>Utilities such as potable water, fire protection, sanitary sewers, storm water collection, drainage, electrical and communications will be necessary for the Resort development zones, along with adequate waste water treatment facilities. Providing utilities in this area will require special consideration.</i></p>

*Table 1: Summary of the proposal (see attachment B)*

At build-out, the proposed resort would have approximately 11 ski lifts, a golf course, campsites, commercial developments (e.g. hotels, restaurants, retail), 3,300 dwelling units, and 1,242 employee housing units (a total of 12,300 bed units). In rough numbers, the full build-out of 3,300 dwelling units would result in a population of approximately 8,000 – 10,000 residents. In addition, it is expected that from its first year, it will draw 150,000 visitors during the winter season and a similar number during the summer months. The numbers are estimated to grow over time. With the commercial developments, the number of occupants and residents in the resort will be equivalent to becoming the fourth largest community among the FVRD member municipalities.

<sup>2</sup> Bed Unit means public or private overnight accommodation for one person in the Base Area. This could include private homes or commercial accommodations such as hotels. One dwelling unit can include multiple bed units.

Reviewing a proposal that may become the fourth-largest community within the Regional District is a significant undertaking. It requires land use analysis, technical assessments, sustainable servicing considerations, location analysis, access feasibility, risk assessment/mitigation, service delivery strategies, bylaw development (i.e. Development Cost Charges and Amenity Cost Charges), and significant staff resources over an extended period.



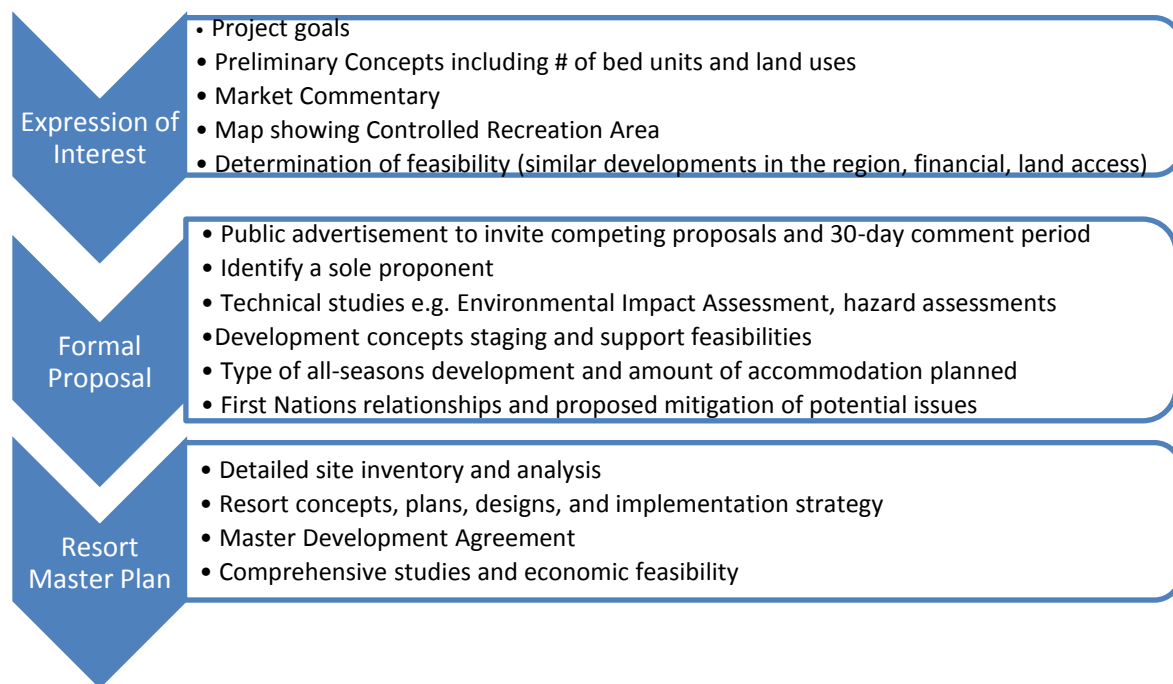
*Figure 1: Phase 1 Resort Development*



*Figure 2: Phase 2 and 3 Resort Development*

### Expression of Interest (EOI)

The referral is in the preliminary stage of consideration by the Province. Under the Province of BC's *All-Seasons Resort Policy*, an EOI is the first step toward getting a Resort Master Plan approved. An EOI generally outlines project goals, preliminary concepts, market commentary, identification of resort development opportunities and constraints, and outlines the controlled recreation area. During the EOI process, local governments are given an early opportunity for comments. All steps in getting a Resort Master Plan approved require significant time to complete. Each step includes local government and other stakeholder consultation. Technical assessments are not typically part of the EOI process. The intention at this stage is to highlight preliminary interests and constraints. At this time, staff comments do not involve a detailed review of the proposal.



*Figure 3: Mountain Resort Application Process*

### Planning for a small city

Essentially, the proposal involves the development of a new small city in a mountainous environment relatively distant from other significant settlements. Certainly, the economic base for the new city would be resort recreation, but it must be emphasized that the project involves the development of a new small city.

While there is an established provincial process for establishing mountain resorts through the Resort Master Plan, it does not fully address all the key considerations of building a new city. Solely focusing on the fundamentals of good planning, the first and most important question to ask would be what is the best way to plan for a new town in a remote location. The Province provides some guidance



through the *Local Government Act (LGA)*, the [BC Regional District Tool Kit](#), and the recently released a [Complete Communities Guide](#). While this is not meant to be an exhaustive list, the LGA states that an Official Community Plan must consider the following:

- Housing needs
- Financial Plan (e.g. the feasibility of providing all local government services)
- Waste management plan
- Demand for school facilities

Additionally, the Complete Communities Guide identifies connectivity and transportation options as a key element and characteristics of a good community. The Regional District Tool Kit emphasizes on the importance of understanding regional district finance and taxation impacts.

In the last couple of decades, resort proposals have shifted towards an all-season focus with significant residential development, range of commercial uses, and recreational amenities. For example, the Hemlock Ski Resort was originally developed as a winter ski resort in the 1960s and eventually went on to secure a Crown lease over 84 ha (206 acres) of land. Below are the total resort master plan area at full build-out for the approved Resort Master Plans or proposed Resort Master Plans in the area.

- Sasquatch Mountain (Hemlock) Resort: 1,255.6 ha
- Proposed Bridal Veil Mountain Resort: 4,772 ha
- Proposed South Anderson Mountain Resort: 7,415 ha

Development viability, market evaluations, climate change, and the Provincial Resort Master Plan process may be some of the contributing factors. Today, the resort plans do not centre on traditional winter recreation such as ski/snowboarding hills with some tourist accommodations (i.e. lodging). A major component of resort developments – and one at the heart of their economic viability - is major residential development catered towards seasonal and permanent residents. This requires the local government review to be shifted towards planning for a new town in rural areas rather than only reviewing these proposals as a commercial recreational resort with amenities.

### Planning for a New Small City in a Mountain Environment

The ultimate goal of every resort proposal is the approval of a resort master plan. A Resort Master Plan includes resort concepts, phasing of development, a master development agreement, and an implementation strategy. A Master Development Agreement contains triggers for requirements at each phase of the resort implementation plan. Based on experience in working on other resort proposals, staff have realized that the provincial Resort Master Plan is suited to the development of a commercial resort; however, it does not address several key considerations involved in the development of a new community or a large real estate development. Both the recreational amenities that attract visitors as well as the real estate development that brings residents to the development are critical for a successful resort. As residents and visitors arrive in an area, there is a strong expectation of community services such as:

- reliable utilities (water, sewer, storm drainage),

- fire protection,
- transit and active transportation (e.g. trails, sidewalks),
- community parks and trails,
- solid waste,
- emergency management,
- provide community amenities such as community halls and childcare facilities
- transparent fiscal management, and
- civic services (e.g. building inspection, bylaw, planning).

The Resort Master Plan process has limitations in the above-mentioned aspects for which a local government is the responsible authority. After the formation of a resort community, the Regional District also plays an important advocacy role for other essential services such as health services, policing, hydro, gas, road improvement, and snow removal.

An Official Community Plan (OCP) fills some of the above-mentioned gaps. It is an equally important step in the formation of a resort community. The provincial resort approval process is a multi-year process. It can be expected that an OCP would be an extensive multi-year process. A Resort Master Plan often considers a timeline that is typically beyond the consideration of an OCP. Staff understand the challenges associated with undertaking a comprehensive provincial resort approval process and the need to maximize the resort tenure to avoid repeating such a process in the future.

While there may be important reasons to apply for a long-term resort plan, the mismatched timelines between an OCP and the provincial Resort Master Plan create considerable challenges. Typically, an OCP shapes the vision of a community over the next 15-20 years. For example, the Sasquatch Mountain Resort Master Plan has a 60-year full build-out timeline in five (5) phases<sup>3</sup>. Phase 1 is already experiencing delays. Based on recent discussions, staff understand that development anticipated in pre-phase 1 (e.g. employee residential) and phase 1 itself may take 15-20 years. This indicates that the full build-out of a project while accounting for market cycles may be longer than 60 years as anticipated in the provincial Resort Master Plan. This creates difficulty in planning local area services (e.g. water, sewer, fire protection) and establishing development requirements for each phase. Such timelines also create challenges for residents and visitors to envision the timeline of community amenities that are critical to turning a recreational resort into a community where people live.

Staff recommend that the Province works with the Regional District in creating and coordinating an approval process that emphasizes the creation of a Resort Master Plan that:

- aligns with the vision and goals of an OCP and respects its growth timeline;
- focuses on the creation of a new small city in a remote area; and
- sustainable and safe delivery of local services and emergency services.

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<sup>3</sup> Hemlock Valley Official Community Plan

## Preliminary Considerations

### *a. Land Use Bylaws*

Should the proponent proceed to the Formal Proposal stage, several land use approvals will be necessary. Land use approvals are discretionary approvals by the Regional Board. The proposed development will create significant land use changes in the South Anderson and Central Anderson watersheds in the Fraser Canyon, Electoral Area B. As such, comprehensive public and Indigenous consultation must take place to understand the community feedback.

The draft FVRD Regional Growth Strategy (RGS) 2050 anticipates that the majority of growth will be within the municipal boundaries. It does not anticipate the creation of new communities within the electoral areas due to a lack of essential amenities such as medical centres, transit, and local amenities such as banks, retail, and grocery stores. The RGS policies are aimed at concentrating growth within the existing rural communities and promoting compact development that minimizes infrastructure and development costs.

Currently, there is no Official Community Plan in the area. The proposal area is zoned as Rural 5 (R-5) under the FVRD Zoning Bylaw No. 1638, 2022. The R-5 zone does not allow or consider a resort development. As such, a comprehensive planning process that undertakes the creation of an OCP and comprehensive zoning will be required. Based on the phasing of the resort development, the creation of Neighbourhood Plan areas is also typical.



*Figure 4: Land Use Hierarchy*

It is anticipated that the consultation process will identify additional issues for the proponent to address. The FVRD is reserving the right to provide detailed comments on the land use process for the proposed resort until it reaches the final stages of the Formal Proposal. Staff anticipate the below technical requirements will allow the applicant to gain an understanding of the key technical assessments to undertake the adoption of an OCP and zoning amendment.

Item	Technical Assessment
1.	Detailed lot Layout/ development phasing plan
2.	Site Servicing
3.	GeoHazard and hydrology assessment
4.	Environmental assessment
5.	Riparian assessment
6.	Traffic assessment and secondary egress assessment



7.	Solid Waste Management Plan and Landfill Capacity
8.	Stormwater Management Plan
9.	Viewshed analysis
10.	Local parks and trail connectivity study
11.	Transit needs and feasibility analysis
12.	Fire protection study
13.	Emergency management study
14.	Form and character/architectural design
15.	Archaeological Impact Assessment (AIA)
16.	Servicing feasibility study, financial planning for services/capital requirements, and identification of financial bylaws required (e.g. service areas, DCC, ACC)
17.	Sustainable service plan and service cost feasibility study
18.	governance and land tenure study
19.	Comprehensive risk assessment
20.	Creating and Adopting an Official Community Plan
21.	Zoning Amendment Bylaw drafting
22.	Consultation and engagement plan
23.	Professional consulting services

*b. Sustainable and Affordable Service Delivery*

As mentioned earlier, as residents and visitors arrive in an area, there is a strong expectation of local government services such as reliable utilities (water, sewer, storm drainage), emergency services and fire protection, transit and active transportation (e.g. trails, sidewalks), community parks and trails, and civic services (e.g. building inspection, bylaw, planning). The proposed resort development will be in a remote location that would be 25 kms off Highway 1 through the Fraser Canyon. Providing timely and efficient service in remote rural areas are challenging due to a lack and availability of third-party contractors, lack of staff resources, distance from FVRD offices, delayed ability to respond to emergencies, accessibility, and low population density that makes it challenging to provide electoral area wide services such as transit and emergency services.

Based on the comprehensive development plans of 12,300 bed units in addition to the other land uses, there will be a need for major infrastructure construction, operation and maintenance. It will be critical to gain an understanding of servicing and financial feasibility through a Servicing Feasibility Study. The study will estimate initial capital costs, long-term operation/maintenance costs, servicing strategies and capital replacement costs and provide financing strategies and plans. It will assist the Regional District in determining the impact on existing taxpayers, the capacity of the regional district to provide services, affordable service area charges for new residents, and whether the development can pay for itself in the short and long-term.

*c. Capacity and Resource Constraints*

The proposed resort may become the fourth-largest FVRD community at its full build-out. According to the proponent, the size of the community after the completion of Phase 1 may be 1,500 permanent residents, which would be larger than the existing Canyon communities (i.e., Boston Bar, Yale, and

Dogwood). Should the proposal proceed to the Resort Master Plan stage, the Regional Board will have to adopt an OCP and a comprehensive zoning amendment bylaw to allow the resort development to proceed.

Undertaking an OCP process that outlines the path to creating a new community of 8,000 – 10,000 residents (permanent and recreational) is a multi-year process. There will be a need to hire external consultants and additional internal staff over several years to undertake the drafting of an OCP, completing the feasibility of providing local services, and internal capacity to manage the project. Based on recent experience in undertaking two ongoing neighbourhood plans in the Electoral Area C, the capacity contribution costs could be in the range of \$1.5M plus inflationary adjustments.

The Regional District will also need to consider whether it has the capacity to provide water, sewer, stormwater management, solid waste, fire protection, emergency and other services in the long-term. It is well-established that concentrating growth is a means to deliver effective and efficient local services. It leads to more effective management of staff resources as well. In the recent years, there has been a shortage of volunteer firefighters in several of the electoral areas. The 2023 Nahatlatch Wildfire is an example of significant strain on the FVRD organizational capacity and the challenges in providing emergency management services in remote areas.

#### *d. Indigenous Engagement*

The Provincial [Consultative Areas Database](#) shows that the proposal lies in the traditional territory of several Indigenous Nations. Spuzzum is the applicant for the South Anderson Mountain Resort. The final corporate structure and ownership of the proposed South Anderson Mountain Resort project remains to be finalized.

*At present, the intent and expectation is that the Spuzzum First Nation will retain a significant interest in the project by way of an economic development corporation owned by the Band. The Spuzzum First Nation is also expected to have an ownership stake in a number of project components. (e.g. the RV Park, the golf course, cultural/interpretive centre, eco-tourism opportunities). (Appendix B)*

FVRD acknowledges aboriginal rights and title claims. Matters related to shared Indigenous interests and aboriginal rights and title claims are important to be addressed at the onset of the development interest, especially since the entire proposal is on Crown land. A major resort community in Electoral Area B will have an extensive development application process such as the creation of an Official Community Plan and zoning amendment application. During the development application process, the role of the Regional District process is to understand the feasibility of creating a new community, planning for long-term sustainable growth, identifying and addressing any negative impacts, engaging with the Indigenous Nations, and advocating to avoid any potential negative impacts to rights and title, and seek input from community members to shape the vision of the new community. As such, the Province should address matters of aboriginal rights and title to the lands and shared territory through the Crown land tenure and all-season resort application process and not leave outstanding matters of rights and **title to the Regional District's OCP and zoning amendment** application processes.

*e. Reconciliation & Governance*

The Regional District is supportive of the Province reviewing major tourism and recreation proposals in alignment with the *Declaration on the Rights of Indigenous Peoples Act (DRIPA)*. Staff understand that economic development opportunities and business ventures that create long-term economic viability are important to Indigenous reconciliation. We are supportive of the prospect of significant economic development and vitality of the region for the current and future generations of Spuzzum First Nations and surrounding areas.

While the Regional District is supportive of the principles of an Indigenous-led economic development project, it is obligated to consider the merits of providing safe and sustainable services to future residents. There are risks and liabilities associated with every service FVRD provides. The Regional District will need to consider the risks associated with delivering critical services - including water, sewer, emergency management and fire protection - in remote locations. After the approval of the Resort Master Plan, the Regional District would presumably become the governing body responsible for a major real estate development that will eventually become the size of small city at full build-out. As the authority having jurisdiction, the Regional Board must consider the challenges and risks associated with managing infrastructure (e.g. water, sewer, and solid waste) and providing services needed to sustain the community. Based on the above, it is important to identify ways of mitigating the risks and how residual risk is allocated. Questions about who takes on residual risks are central considerations. Risks flowing from reconciliation actions should potentially accrue to senior governments with fiduciary duties to Indigenous peoples, or to the entities that profit from the development, rather than FVRD electoral area property tax payers. It should be discussed whether the senior levels of government should play a larger role in providing the required services and take on the risks associated with such proposals to support reconciliation.

The land tenure of the proposed development is an important component of consideration of both governance and risk. Identification and assessment of various forms of land tenure should be considered in conjunction with their governance and risk allocation implications. Staff recommend that the Province work with FVRD to undertake a Governance and Land Tenure Study to consider a range of land tenure and associated governance options for the proposed development. Some options to consider are Indigenous self-governance and Indigenous land management, addition to reserve, creation of to a resort municipality from the onset, and the creation of an unincorporated community with specific triggers for becoming a resort municipality.

This kind of consideration dovetails with the DRIPA Action Plan released by the Province on March 30, 2022, which outlines self-determination and the inherent right of self-government; title and rights of Indigenous Peoples; and social, cultural, and economic well-being as important action items.

## CONCLUSION

The FVRD is in receipt of a Crown referral from the provincial Mountain Resorts Branch for a proposed all-seasons resort located in the South Anderson Valley in Electoral Area B. At build-out, the proposed resort would have approximately 11 ski lifts, a golf course, campsites, commercial developments (e.g. hotels, restaurants, retail), 3,300 dwelling units, and 1,242 employee housing units (a total of 12,300 bed units). In rough numbers, the full build-out of 3,300 dwelling units will result in a population of approximately 8,000 – 10,000 residents. Should the proposal proceed beyond the final stages, the project will require the adoption of an OCP, zoning amendment, and completion of multiple technical assessments listed in the report. The Regional District will also need to consider the feasibility of providing various local area services to a new community.

Spuzzum First Nation is the proponent of the proposed South Anderson Mountain resort located in **Spuzzum's traditional territory**. FVRD acknowledges Aboriginal rights and title claims. We are supportive of the prospect of significant economic development and vitality of the region for the current and future generations of Spuzzum First Nations and surrounding areas. Due to the complexity of providing adequate levels of service in remote locations for a major community, senior levels of governments should consider playing a larger role in supporting Indigenous led proposals and reconciliation. Staff recommend that the Province undertake a Governance and Land Tenure Study to consider a range of options to manage the proposed resort development including Indigenous self-government, Addition to Reserve, and creation of a resort municipality.

The Provincial Consultative Areas Database shows that the proposal lies in the traditional territory of several Indigenous Nations. Matters related to shared Indigenous interests and Aboriginal rights and title claims are important to be addressed at the onset of the development interest and not leave **them to the Regional District's development application process**. Once a proposal is finalized to proceed, FVRD recommends creating a coordinated approval process so that all of FVRD's requirements are met before the formal approval.

## COST

Review of all-season resort referrals and providing comments require significant staff time. At this time, there is no cost recovery with Crown referrals. Should the proposal proceed to future stages of the provincial All-Season Resort process, there will be a need for capacity contribution.

## COMMENTS BY:

**Graham Daneluz, Director of Planning & Development:** reviewed and supported

Kelly Lownsborough, Chief Financial Officer/ Director of Corporate Services: Reviewed and supported.

Jennifer Kinneman, Chief Administrative Officer: Reviewed and supported.

**Attachments (2):**

1. Mountain Resorts Branch Expression of Interest Referral Letter
2. South Anderson Mountain Resort Expression of Interest

STUDY AREA

