



Vic High Land

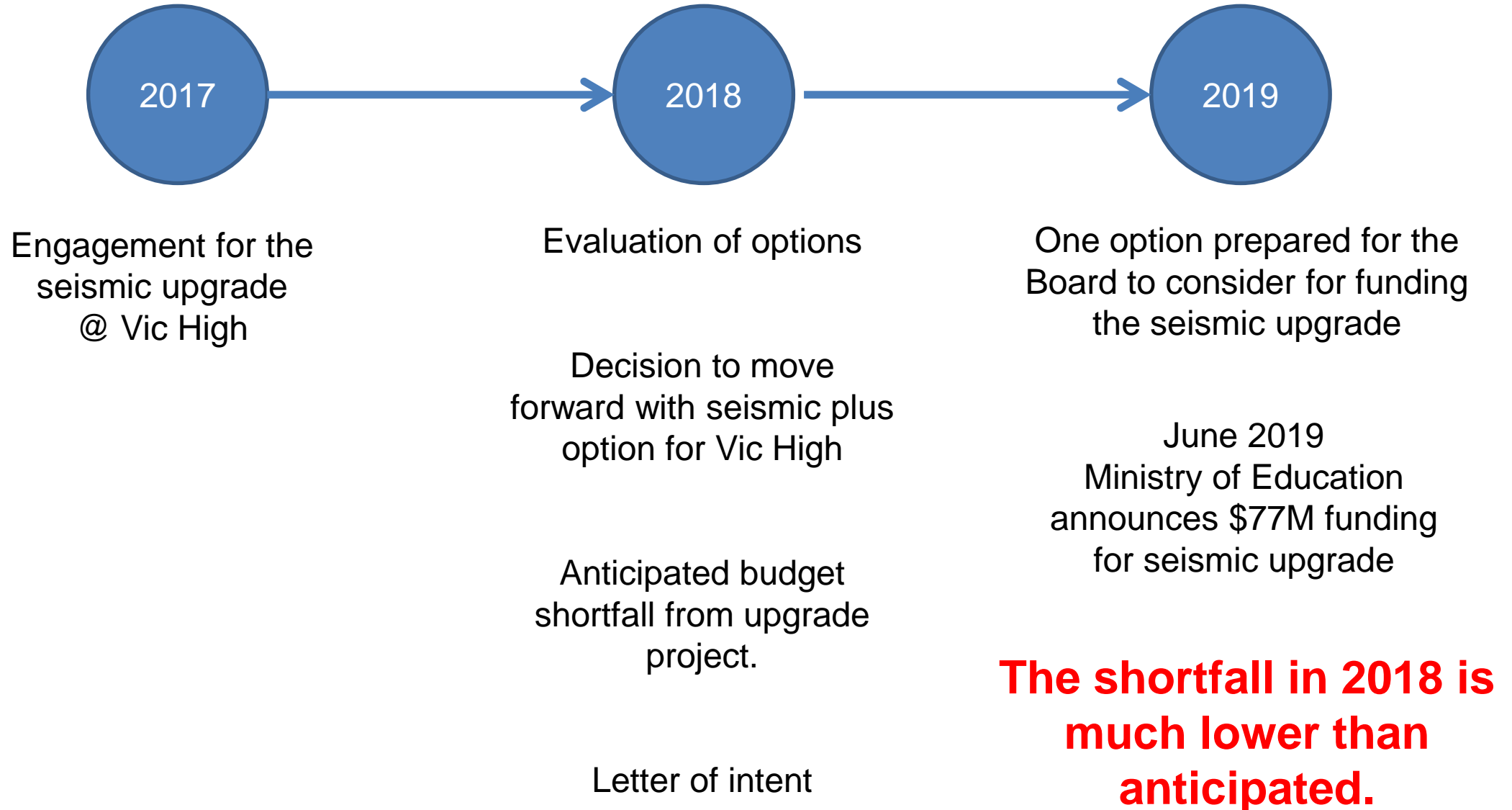
A cause for concern
- an opportunity to
do the right thing.

Scott Fox
Oct 21, 2019

Agenda

- High level chronology
- Lack of Due Diligence
- Three viable options for funding the project which do not negatively impact students at Vic High

Chronology of Events



The single option being contemplated

Land
Swap

+

Lease

=

\$ for Seismic
Upgrade

Extras!

“Land Swap” Due Diligence

- No land appraisals performed by qualified independent appraisers
- No cost benefit analysis performed regarding the land sales
- No checklists to ensure District is performing its due diligence
- No internal controls to prevent bias and collusion

Recommendations from AG should have been considered



CAROL BELLRINGER, FCPA, FCA
Auditor General

AN INDEPENDENT AUDIT OF THE MINISTRY OF CITIZENS' SERVICES REAL ESTATE ASSET SALES MANAGEMENT

www.bcauditor.com

- Released in July, 2018
- 7 recommendations - 4 described in the previous slide
- Best practices

The result:

Proposed Land Swap with City of Victoria



- SD61 is giving up land in red for land in green
- No cash changes hands
- District loses the equivalent to ~4.5 lots (~2ha)
- BC Assessment values adjacent residential land @ \$679k per lot
- **The “swap” results in the District giving up net ~\$3M of land for free!**

Proposed Lease with CRHC

- Only one developer was engaged on the proposed leasing opportunity
- Shrewd negotiations have the current deal sitting a little above \$4M
- **CRHC Approved Provisional Budget for Lease Acquisition/ Servicing is \$6.9M**

Table 1: Provisional Project Budget

	\$
Appraisals/ Studies	25,000
Lease Acquisition/ Servicing	6,868,129
Municipal Fees	864,749
Utility Fees	260,000
Design Consultants	1,460,000
Consultants	961,500
Miscellaneous Soft Costs	242,800
Borrowing Costs	855,000
Construction	33,991,944
Building Start-Up/ Commissioning	35,500
Contingencies (10.2%)	4,661,103
Total Capital Cost of Project:	50,225,725

Is this a good deal?

Lease to CRHC	\$4.5M (or less)
Lost opportunity on land swap to City	<u>\$3.0M (or more)</u>
Real value of the deal	~\$1.5M
What is 1.5M worth over 60 Year Lease?	\$25,000/yr \$2,100/mo
Revenue 2018/19 movie truck parking on gravel lot in question?	\$30,039

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3 other methods of covering a possible shortfall

- Existing project funding
- District investments
- Renegotiate a land sale

Vic High Seismic Upgrade

Project Contingency

- Project Budget ~\$80M
- Ministry Funding ~\$77.1M
- The contingency is likely ~\$8M-\$12M

- unspent contingency at the end of the project goes to the District
- Manage the project & scope, the District will the anticipated costs of \$2.6M

SD61 Investments



Operating Bank Account

Bond

Central Deposit Program (CDP)

- CDP administered by Min of Finance
- Pooled fund
- Highly Liquid
- Yield is prime less 1%
- SD61 has participated since at least 2014

Central Deposit Program (CDP)

SD61 Holdings

F08CAP15-03
2018/03/02
13:49:30

Ministry of Finance
Central Deposit Program
Statistics : By Government Body

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*** As At: MAR 01,2018 ***

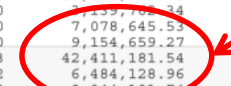
Report Options:
Ministry : - All

Ministry : ED EDUCATION
Division : 01 SCHOOL DISTRICTS

	# Certs	Total Deposits	Interest to Date	Withdrawals to Date	Total
0005 SD#5 SOUTHEAST KOOTENAY	1	10,500,000.00	292,913.99	5,365,514.65	5,427,399.34
0006 SD#6 ROCKY MOUNTAIN	1	5,000,000.00	171,771.57	4,000,000.00	1,171,771.57
0008 SD#8 KOOTENAY LAKE	1	4,000,000.00	208,408.66	2,035,000.00	2,173,408.66
0019 SD#19 REVELSTOKE	1	1,300,000.00	53,932.51	400,000.00	953,932.51
0020 SD#20 KOOTENAY-COLUMBIA	1	500,000.00	11,894.65	0.00	511,894.65
0022 SD#22 VERNON	1	10,000,000.00	511,854.42	0.00	10,511,854.42
0023 SD#23 CENTRAL OKANAGAN	1	39,100,000.00	631,595.79	32,600,000.00	7,131,595.79
0027 SD#27 CARIBOO-CHILCOTIN	1	3,000,000.00	276,953.38	351,657.49	2,925,295.89
0028 SD#28 QUESNEL	1	800,000.00	65,877.82	0.00	865,877.82
0033 SD#33 CHILLIWACK	1	45,500,000.00	1,560,868.50	26,500,000.00	20,560,868.50
0034 SD#34 ABBOTSFORD	1	30,052,000.00	1,532,598.10	12,000,000.00	19,584,598.10
0035 SD#35 LANGLEY	1	30,008,925.00	1,327,875.56	10,008,925.00	21,327,875.56
0036 SD#36 SURREY	1	50,000,000.00	3,385,230.91	10,000,000.00	43,385,230.91
0037 SD#37 DELTA	1	36,500,000.00	1,940,989.76	17,500,000.00	20,940,989.76
0038 SD#38 RICHMOND	1	80,000,000.00	4,968,032.95	0.00	84,968,032.95
0039 SD#39 VANCOUVER	1	194,500,000.00	7,735,318.04	108,500,000.00	93,735,318.04
0040 SD#40 NEW WESTMINSTER	1	23,500,000.00	620,424.19	14,305,000.00	9,815,424.19
0041 SD#41 BURNABY	1	107,000,000.00	4,959,277.91	43,500,000.00	68,459,277.91
0042 SD#42 MAPLE RIDGE-PITT MEADOWS	1	56,200,000.00	2,525,653.25	27,000,000.00	31,725,653.25
0043 SD#43 COQUITLAM	1	347,681,055.00	6,585,967.70	220,641,902.16	133,625,120.54
0044 SD#44 NORTH VANCOUVER	1	30,800,000.00	1,591,995.19	7,000,000.00	25,391,995.19
0045 SD#45 WEST VANCOUVER	1	18,000,000.00	840,038.95	12,500,000.00	6,340,038.95
0046 SD#46 SUNSHINE COAST	1	11,000,000.00	436,410.53	7,000,000.00	4,436,410.53
0047 SD#47 POWELL RIVER	1	750,000.00	30,652.08	500,000.00	280,652.08
0048 SD#48 SEA TO SKY	1	5,000,000.00	301,809.07	0.00	5,301,809.07
0049 SD#49 CENTRAL COAST	1	500,000.00	26,150.70	0.00	526,150.70
0050 SD#50 HAIDA GWAI	1	700,000.00	32,781.22	0.00	732,781.22
0051 SD#51 BOUNDARY	1	1,250,000.00	75,605.17	0.00	1,325,605.17
0052 SD#52 PRINCE RUPERT	1	1,862,000.00	101,788.73	0.00	1,963,788.73
0053 SD#53 OKANAGAN SIMILKAMEEN	1	1,500,000.00	95,160.17	0.00	1,595,160.17
0054 SD#54 BULKLEY VALLEY	1	3,000,000.00	163,543.72	0.00	3,163,543.72
0057 SD#57 PRINCE GEORGE	1	56,600,000.00	1,203,619.75	44,000,000.00	13,803,619.75
0058 SD#58 NICOLA-SIMILKAMEEN	1	3,000,000.00	139,762.34	0.00	3,139,762.34
0059 SD#59 PEACE RIVER SOUTH	1	8,500,000.00	578,645.53	2,000,000.00	7,078,645.53
0060 SD#60 PEACE RIVER NORTH	1	18,050,000.00	354,659.27	9,250,000.00	9,154,659.27
0061 SD#61 GREATER VICTORIA	1	39,000,000.00	3,414,880.17	3,698.63	42,411,181.54
0062 SD#62 SOOKE	2	30,739,720.97	961,584.71	25,217,176.72	6,484,128.96
0063 SD#63 SAANICH	1	9,900,000.00	644,101.74	2,500,000.00	8,044,101.74
0064 SD#64 GULF ISLANDS	2	2,690,077.42	171,526.76	750,000.00	2,111,504.18
0067 SD#67 OKANAGAN SKAHA	1	11,000,000.00	214,875.27	10,050,000.00	1,164,875.27
0068 SD#68 NANAIMO-LADYSMITH	1	17,000,000.00	1,256,004.05	5,000,000.00	13,256,004.05
0069 SD#69 QUALICUM	1	5,500,000.00	308,618.91	0.00	5,808,618.91
0070 SD#70 ALBERNI	1	1,000,000.00	37,834.66	500,000.00	537,834.66

- SD61 Greater Victoria
- Balance in March 2018:

\$42.4M



Land Disposition

Sale of non-contiguous lands:

- The District holds 8 residential sized lots on Chambers Street worth \$5.4M
- The District can sell them privately, or negotiate a more favorable deal than giving away \$3M of land to the City

Contiguous school grounds:

- The contiguous grounds at Vic High are **not surplus** to school needs
- They must be retained for academic purposes
- On this basis there should be no lease to CRHC for this land

Closing

- With limited resources and District information we have presented 3 sound options to deal with an anticipated \$2.6M shortfall which do not impact students negatively
- The District has proposed a single solution resulting in:
 - Negative impacts to students including safety and mental health
 - Failure to meet Ministry of Education Standards for land
 - Creating limits to capacity to the Vic High for the next 60 years

We need this Committee and Board to demand options and alternatives – as the proposed solution is a bad deal for Students, the District, and the Community it serves.

For more information please visit

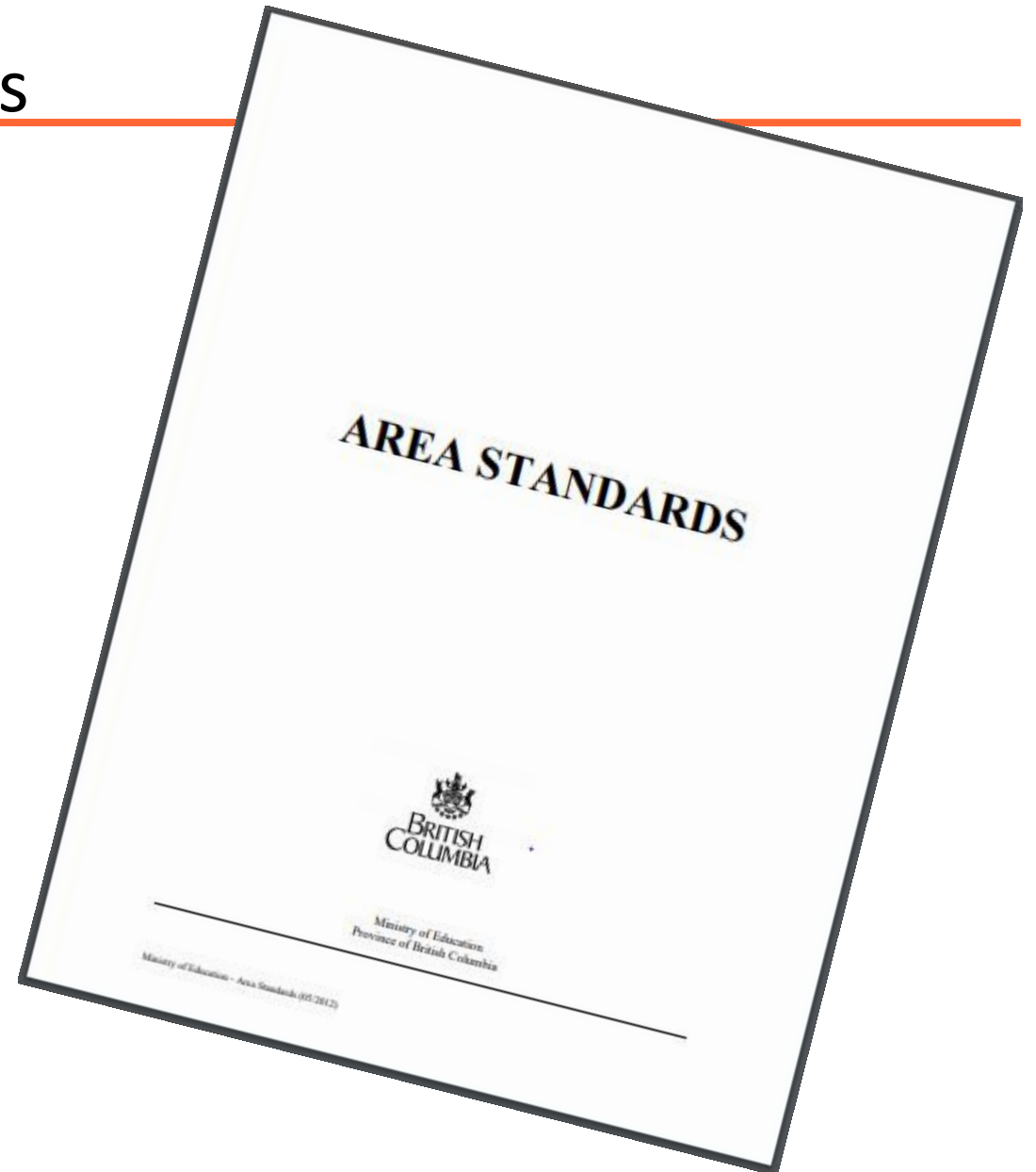
www.itsnotsurplus.com

Appendix

Ministry of Education Area Standards

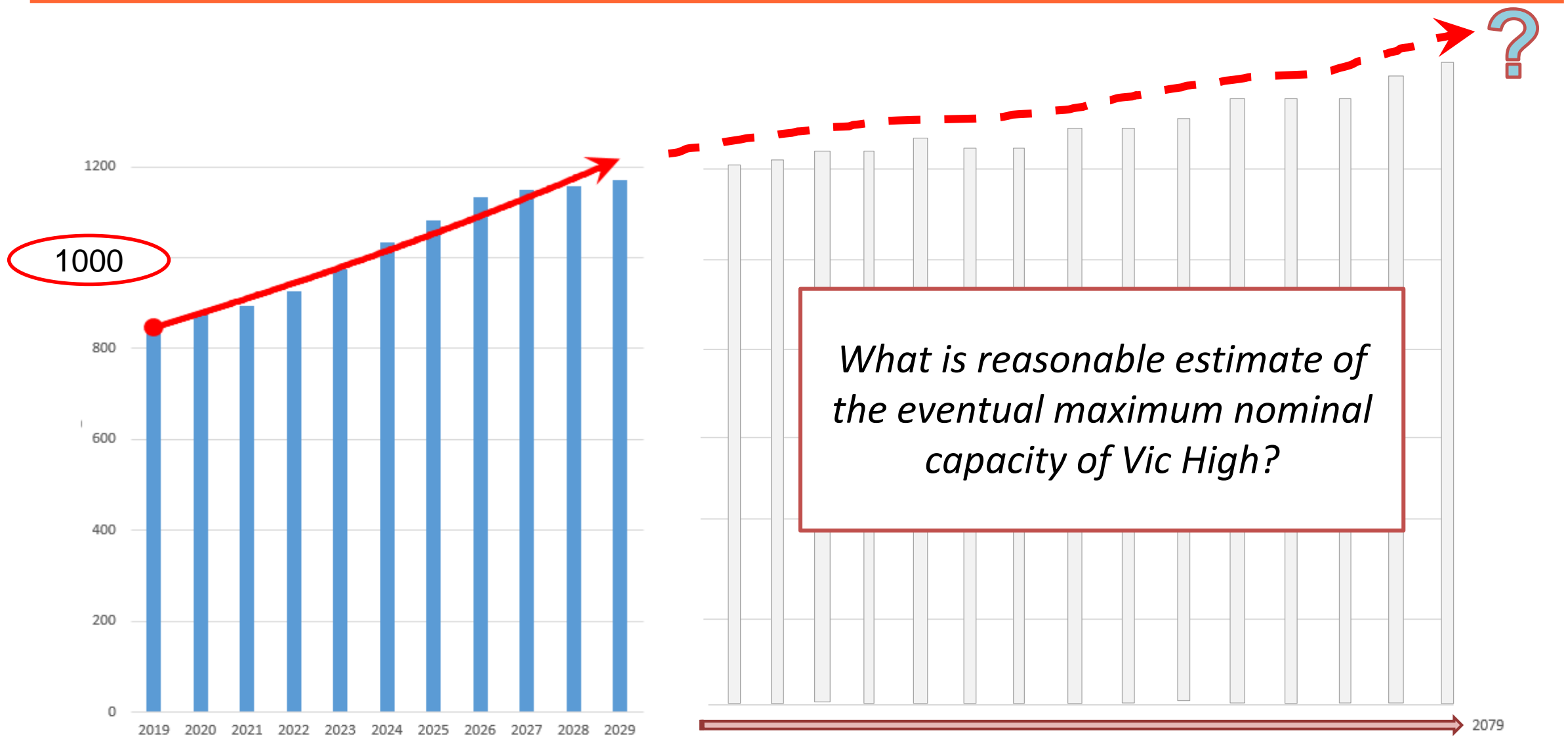
“These standards apply to all facilities that are to be either newly constructed or enlarged.”

“The required site area should be based on a reasonable estimate of the eventual maximum nominal capacity of the school.”



[Link:](https://www2.gov.bc.ca/assets/gov/education/administration/resource-management/capital-planning/areastandards.pdf)
<https://www2.gov.bc.ca/assets/gov/education/administration/resource-management/capital-planning/areastandards.pdf> page 2 & 32

Projected Enrolment at Vic High



Total Land (Site Size) Shortfall

Area Standards		Proposed Future State: Vic High
Nominal Capacity	Total Land	
800	4.5 ha	
850	4.6 ha	
900	4.7 ha	
950	4.9 ha	
1000	5.0 ha	4.69 ha
1100	5.3 ha	
1200	5.6 ha	

Future State →

Therefore the proposed space does not meet Ministry of Education Area Standards for site size.

Activity Space Shortfall

Ministry Standards versus Vic High Scenarios

Area Standards		Vic High	Vic High
Nominal Capacity	Total Activity Space	Current State	Proposed Future State
600-1000	2.0 ha	2.6 ha	~1.15 ha
1100-1500	3.0 ha		
1600-2000	4.0 ha		

Known Future Pressures on Land:

- 0.03 ha for school addition
- 0.15 ha Neighbourhood Learning Centre (proposed)
- 1.13 ha for turf field (restricted space, proposed)
- ? ha additional parking for staff & students

**Therefore
Ministry of Education
Area Standards
for activity space
also not met.**

Impacts to Vic High Students

School	Land (acres)	Capacity	Students per Acre of Land
Victoria High School	11.59	1000-1100	86.2 - 94.9
Mt. Doug Secondary	15.46	775	50.1
Reynolds Secondary	16.37	950	58.0
Spectrum & Marigold	25.1	1410	56.2
Oak Bay High School	18.21	1300	71.4
Esquimalt Secondary	13.01	950	73.0
Lambrick Park Secondary	10.3	725	70.4

Proposed Future State at Vic High:

- 3rd largest high school population
- 2nd smallest land size of high schools
- Least amount of land per student
- Failure to meet Ministry of Education Standards

Student Impacts

- Mental Health & Wellbeing
- Safety
- Land Equity and Student Pride
- Land at Vic High is **not surplus** – there is an **academic need** to retain them for current and future educational purposes

MENTAL HEALTH

NATURAL ENVIRONMENT EXPOSURE = HEALTH BENEFITS



SOURCE: [Ref NECR204 www.gov.uk](http://www.gov.uk)

LAND EQUITY & STUDENT PRIDE

EQUALITY

VS.

EQUITY



EQUALITY = SAMENESS
GIVING EVERYONE THE SAME THING
It only works if everyone starts from the same place



EQUITY = FAIRNESS
ACCESS TO SAME OPPORTUNITIES
We must ensure equity before we can enjoy equality