



# Vic High Land

## Let's talk about the money.

Vic High Neighbourhood Action Group  
Oct 28, 2019

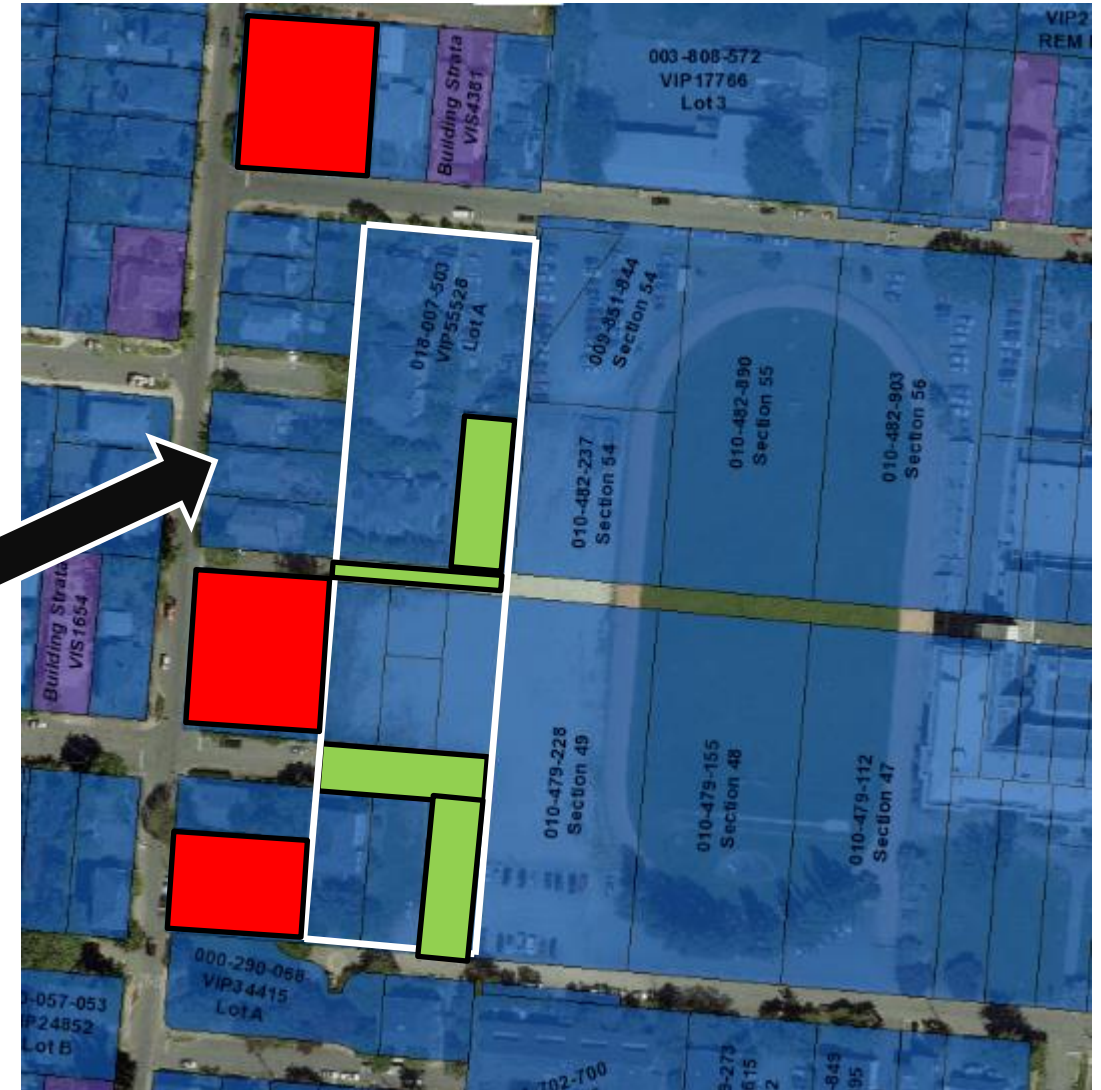
## Our Argument

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- Lack of due diligence
- There is a need to explore options and alternatives for funding the Vic High seismic upgrade

# Lack of Due Diligence: 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 of ~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!**



# Lack of Due Diligence: Proposed Lease with CRHC

- The proposed lease is currently sitting a little above \$4M in value
- **CRHC Board 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
<b>Total Capital Cost of Project:</b>	<b>50,225,725</b>

## Is this a good deal?

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

## 3 other methods of covering a possible shortfall

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- **Existing project funding**
  - contingency \$8-12M
- **District investments**
  - Central Deposit Program \$42-\$43M
- **Renegotiate deal for lots on Chambers Street**

# Contiguous Lands

## Vic High

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- The contiguous grounds at Vic High are **not surplus**
- They must be retained for academic purposes

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



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For more information please visit

[www.itsnotsurplus.com](http://www.itsnotsurplus.com)

# Appendix

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# Recommendations from AG should have been considered – they were not

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CAROL BELLRINGER, FCPA, FCA  
*Auditor General*

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

[www.bcauditor.com](http://www.bcauditor.com)

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

## “Land Swap” Due Diligence

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- 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

# Options & Alternatives

## Vic High Seismic Upgrade Project Contingency

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

**It may be possible for the project to proceed and be completed without a contribution of the District. There may be no problem here.**

# SD61 Investments

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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 \*\*\*

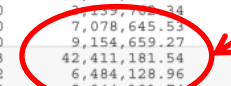
Report Options:  
Ministry : - All

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 GWAII	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

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## **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