GOVERNMENT MAKES DECISION ON SIX MILE RANCH

VICTORIA — The government has approved conditions to resolve agricultural land issues around the Six Mile Ranch development proposal, Agriculture and Food Minister Corky Evans and Minister of Environment, Lands and Parks Cathy McGregor announced today.

The conditions, when met, will allow for the removal of 136 hectares (335 acres) and the inclusion of 42 hectares (103 acres) into the Agricultural Land Reserve as requested by Pagebrook Inc. for the Kamloops on the Lake Resort.

“This has been a difficult process, but one that has been open and transparent at all times, and included consultation with some 600 British Columbians through the Perry Commission,” Evans said. “Our decision was made in the best interests of the province at large.”

The developer and the province have signed a legal contract committing the developer to certain conditions and timelines, as recommended by public inquiry commissioner David Perry.

In January, the province declared the project to be in the “provincial interest” under the Agricultural Land Commission Act. Perry led public hearings into the project and recommended that the proposal be approved, that a Memorandum of Understanding between the proponent and the government be made a binding time-limited contract, and that the definition of “provincial interest” be strengthened and made part of the ALC Act or regulations.

“We are also strengthening the ALR by setting strict standards for declaring provincial interest,” Evans said. “These are now being determined through key stakeholder consultation being conducted by Moura Quayle, dean of agricultural sciences at University of British Columbia.” Quayle’s consultation has been extended until the fall.

“The government – through the Perry Report – reviewed the economic growth, job creation and agricultural and environmental benefits offered by the proposal,” said McGregor.
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Today's decision sets out the conditions for the removal or inclusion of certain lands within the ALR, and does not constitute any other approval for the proposal. Once the conditions of the contract are met, the developer, the Thompson Nicola Regional District and other regulatory agencies are responsible for further approvals. These conditions have been negotiated with the developer and form a legally binding contract.

"The development now comes under greater local and regional control, and continues on the regular track for any development, including other required reviews and approvals, such as municipal and environmental," McGregor said.

Government had waited before making a determination on the Six Mile Ranch proposal until decisions were made on conflict of interest charges against Premier Glen Clark, McGregor and Evans, and a court petition brought by Farm Folk/City Folk. Conflict of Interest Commissioner H.A.D. Oliver ruled June 4 there were no grounds for an inquiry; and on June 8, Justice Mary Saunders of the B.C. Supreme Court dismissed the Farm Folk/City Folk petition.

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A technical briefing will be held for media with senior officials at:
11:30 a.m. today
Oak Committee Room
303 Parliament Buildings

NOTE: Backgrounder, locator map available on request

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Six Mile Ranch Backgrounder

Chronology:

In October 1996, Pagebrook Inc. commenced an application that affected Agricultural Land Reserve lands at Six Mile Ranch by applying to the Thompson-Nicola Regional District. After review by the TNRD, the applications were sent to the Agricultural Land Commission, who treated the proposal as three separate applications: one for exclusion of land from the ALR; a second to include land into the ALR; and a third for permission for special use within the ALR.

On July 8, 1997, after a public hearing, the ALC rejected the special use application and exclusion application. The application for inclusion of land into the ALR was tabled. The ALC made suggestions regarding a more acceptable form of development and invited Pagebrook to modify its proposal and apply for reconsideration of the decision.

In August 1997, the Ministry of Agriculture and Food (MAF) retained Murray Rankin to assist Pagebrook in developing a revised proposal that could meet ALC criteria. Rankin undertook a series of negotiations leading to an MOU with Pagebrook, the Ministry of Environment, Lands and Parks (MELP), two neighboring ranch owners, and Ducks Unlimited. Rankin submitted his report on December 12, 1997.

On December 4, 1997, based on the discussions facilitated by Rankin, Pagebrook resubmitted a revised proposal to the ALC, asking for reconsideration. The ALC set mid-January 1998 to review the revised applications.

January 16, 1998, Cabinet exercised its discretion under Section 40 of the Agricultural Land Commission Act to declare the Pagebrook proposal to be in the “provincial interest”. David Perry was appointed to carry out a Commission of Inquiry.

During February 1998, Perry held public hearing in Kamloops and Vancouver. On February 23, 1998, the Perry Commission recommended the Six Mile Ranch proposal be approved, subject to certain conditions.

During April and May 1998, MAF led negotiations with the developer to meet the conditions set out in Perry’s report.

May 7 and 8, 1998, B.C. Supreme Court hears Farm Folk/City Folk petition against Cabinet’s right to use provincial interest clause, and conduct of Perry hearings.

May 11, 1998, Opposition requests ruling on conflict of interest by Premier, Minister of Agriculture and Food Corky Evans and Kamloops MLA Cathy McGregor.

June 4, 1998, conflict of interest commissioner rules no grounds for proceeding.

June 8, 1998, B.C. Supreme Court rules against Farm Folk/City Folk petitions on both counts.

June 10, 1998, Cabinet makes decision setting out conditions on agricultural land use applications.

- more -
Comparison of Perry Commission Recommendations to Agreement with Developer:

**PERRY RECOMMENDATIONS**

Improvements to the Duffy hayfields (on the Six Mile Ranch) and the neighboring Station Ranch lands should proceed immediately. If not completed in one year, the approval should be revoked. The application to include the Fort St. James land should also be made within one year of the date of approval.

Phasing of the development should result in the marina and public access to Kamloops Lake proceeding within three years of the date of approval or this approval should be revoked.

Phasing of the development so that the guest ranch hotel is the last developed hotel on the resort site.

Replacement of MELP's Memorandum of Understanding (MOU) with a binding contract specifying the obligations of all parties and realistic deadlines for completion of the various works contemplated by the agreement.

The Six Mile Ranch or control of the parent companies must not change ownership for a period of five years from the date of approval, except for sales of building or strata lots.

Additional recommendations regarding inclusion of the definition of the “provincial interest” in legislation or in regulations, clarification of the weighting to be given for assessing agricultural values relative to other values, and appointment of the Environmental Assessment Board. Perry also recommended retention of provisions that allow Cabinet to exercise its discretion regarding the removal from, or non-farm use of land within, the ALR.

**AGREEMENT**

Improvements to Duffy Hayfields and consolidation of titles, application to include Fort St. James and consolidation of its titles, and developers contributions to capital costs of Station Ranch are part of the contract. They are essential conditions prior to the ALR zoning change (Approval Orders). The timeframe has been extended from one year to two, given logistical difficulties. These improvements must be made before the developer’s property is removed from the ALR.

Developer’s covenant. This tracks Perry’s wording.

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Agreement supercedes the MELP MOU and is a binding contract between the developer and government. MELP is committed to fulfilling its obligations regarding fish habitat etc., that were in the MOU. Station Ranch and Indian Gardens will be handled through separate contribution agreements. MELP will approach Ducks Unlimited.

Developer’s covenant. Note that for purposes of raising capital, the conditions on the developer have been loosened to maintaining family or managerial control. Legal recourse if developer doesn’t abide by this once the conditions of the OICs have been met.

Dean Moura Quayle of University of British Columbia Faculty of Agricultural Science has been engaged to provide recommendations to define “provincial interest” and the weighting of agricultural values relative to other values.
The benefits of the Pagebrook contract (highlights):

Agriculture
- Impacts on local agricultural lands minimized:
  - Existing 200-acre (80.8-ha) cattle ranch at Six Mile Ranch retained in active operation.
  - Following parcels added to the ALR in the region:
    - 103 acres (41.7 ha) (Duffy Hayfields)
    - plus another potential 100 acres (40.4 ha) on the Indian Gardens land.
  - 341 acres (137.8 ha) of previously-inactive farmland brought into active operation at neighboring Station Ranch, through provision of power and water ($200,000 cost to Pagebrook).
  - Potential for an additional 224 acres (90.5 ha) of farmland brought into production on the Indian Gardens land (if brought into production, would also benefit from same water and power supplied to Station Ranch).
  - An additional 640 acres (258.5 ha) of agricultural land will be added to the ALR in the Fort St. James area.

(NOTE: If Station Ranch and Indian Gardens ranch do not want to exercise these options, the money will be used for agricultural development in the region.)

Water, fish and wildlife
- The government and the developer will work on an exchange of Crown land for water rights and other environmental benefits. The proposal would need to be taken through Delgamu'ukw consultation with First Nations before any decision will be made on disposition of those lands.
  - The province may acquire 558 acre-feet of water rights previously held by Pagebrook.
  - Estimated value of the water solely for agricultural irrigation purposes: $230,000 to $260,000; appraised value of 34 acres of Crown land: $242,000.
  - The water rights will be used to support and enhance local lakes (including Six Mile Lake and Tunkwa Lake). These lakes have experienced difficulties supporting their fish populations due to water depletion. This has forced MELP to restock the lake four times in the last 10 years, at a cost of at least $300,000. Restocking will now no longer be necessary.
  - Without the water rights, we cannot use the water to improve the current situation in the lakes. That improvement means at least another $1.2 million from angling per year for the local economy (which will bring the total to $3 million per year).

Local economy, tourism and recreation:
- Public access to Kamloops Lake, construction of a public beach.
- 500 construction jobs (2,000 person-years of employment with a $70-million payroll).
- 450 full-time, on-site jobs; $12-million annual payroll.
- $180 million total local investment by Pagebrook.
- Spin-off employment throughout local economy (such as up-country and marine guiding, higher demand for local goods and services).
- Second major tourism “anchor” to local economy, along with Sun Peaks.
On The Lake Resort

Proposed Kamloops

Knife Lake
Six Mile Ranch
Tranquille
Kamloops
Kunsthord

Vancouver
SIX MILE RANCH
Kamloops
Williams Lake
Prince George
Prince Rupert
BRITISH COLUMBIA

Victoria

Highway

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Savona
Copper Creek

May 1993