

**LANDS DESCRIBED AS:  
AN APPROXIMATE 22 ACRE (8.9 HA.) PARCEL,  
LOCATED BETWEEN HIGHWAY 21 AND THE  
R.D.C.K. CRESTON VALLEY LANDFILL, WITHIN  
THE LOWER KOOTENAY INDIAN RESERVE #1**

**PREPARED FOR THE:**

**REGIONAL DISTRICT OF THE  
CENTRAL KOOTENAY  
Box 590,  
202 Lakeside Drive,  
Nelson, B.C. V1L 5R4**

**and**

**LOWER KOOTENAY  
INDIAN BAND  
Box 1107  
Creston, B.C. V0B 1G0**

**ATTENTION: MR. RON MICKEL  
ECO-LOGIC  
PHONE #: (250) 825-0074**

**PREPARED BY:**

**LINDA S. HASTINGS, A.A.C.I., P. App.  
E.K. APPRAISALS  
3178 – 49<sup>th</sup> Street,  
Cranbrook, B.C.  
V1C 7A2**

**OCTOBER 28, 2011**

# E.K. APPRAISALS

Linda Hastings, AACI, P. App.  
Real Estate Appraiser and Consultant  
3178 – 49<sup>th</sup> Street S.  
Cranbrook, BC V1C 7A2

Bus: (250) 426-6564  
E-mail: [lhastings@ekappraisals.com](mailto:lhastings@ekappraisals.com)

November 10, 2011

**Regional District of the Central Kootenay**  
Box 590,  
202 Lakeside Drive,  
Nelson, B.C. V1L 5R4

**Lower Kootenay Indian Band**  
Box 1107  
Creston, B.C. V0B 1G0

**ATTENTION: Mr. Ron Mickel**

**Dear Mr. Mickel:**

**Re:** A narrative appraisal report, to estimate the current market value for the purchase of approximately 22 acres, located between the R.D.C.K. Creston Valley Landfill and Highway 21, within the Lower Kootenay Indian Reserve No. 2

As outlined in the appended Terms of Reference, a current market value appraisal report has been completed on the property described above. The function, of this appraisal report, is to provide an independent estimate of fee simple interest, exclusive use of the land, by the Regional District of the Central Kootenay.

After an independent viewing of the property, the current market value, as at October 28, 2011, is estimated at \$33,700 Thousand Dollars / Hectare (\$13,638 /acre) or a total of:

**THREE HUNDRED THOUSAND DOLLARS**  
**(\$300,000)**

The following report, containing 44 pages of Text and Appendices, is presented in support of my findings.

Sincerely,



LINDA HASTINGS, A.A.C.I., P.App.  
**E.K. APPRAISALS**

LH/lh

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## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

### REPORT FACTS

EFFECTIVE DATE OF APPRAISAL: October 28, 2011

DATE OF INSPECTION: October 28, 2011

PURPOSE OF THE APPRAISAL: To estimate the current fair market value of the fee simple interest in the subject property.

INTEREST APPRAISED: To estimate the current market value for the purchase of a 22 acre (8.9 hectare) parcel, approximately, located between the R.D.C.K. Creston Valley Landfill and Highway 21 within the Creston Indian Reserve No. 1

### SUBJECT FACTS

TYPE OF PROPERTY: Rural Residential Property

LOCATION: Highway #21, Lower Kootenay Indian Reserve No. 1, Creston, B.C.

LEGAL DESCRIPTIONS: Approximately 8.9 hectares of land located to the east of Highway 21, on the Kootenay Indian Reserve #1.

ZONING: Neighbourhood of Agricultural AG-3 zoning and Airport M-6 zoned land. **As a hypothetical condition of this report, it is assumed that adjacent the landfill area does not exist and that all neighbouring properties are zoned for residential or agricultural uses.**

LAND AREA: Approximately 8.9 hectares (22 acres)

### VALUE CONCLUSIONS (ESTIMATES)

**HIGHEST AND BEST USE:** Residential and Agricultural use land with Highway 21 access and western views across the Kootenay River flood plain.

**Direct Comparison Approach:** **\$300,000 or**  
**\$33,700 per hectare (\$13,638/acre)**

### EXPOSURE TIME:

The exposure time, to achieve the “full market rent,” is estimated at 120 to 360 days or more, based on the recent marketing times of similar residential and agricultural use lands located in the Erickson and Lister areas of the Creston Rural surround.

## STATEMENT OF LIMITING CONDITIONS AND CRITICAL ASSUMPTIONS

1. This report has been prepared, at the request of **Mr. Ron Mickel of Ecologic and the Regional District of the Central Kootenay**, to provide an estimate of the "current market value", for the purchase of approximately 22 acres of land located between: the Creston Regional District of the Central Kootenay Landfill and Highway 21, within the boundary of the Lower Kootenay Indian Reserve #1. No one, other than those to whom this report is addressed and the representatives for the **Lower Kootenay Indian Reserve #1, Public Works Government Services Canada, and Indian Affairs Canada**, can rely on this appraisal, without first obtaining written authorization from the client and the author of this report. There may be qualifications, assumptions or limiting conditions, in addition to those described herein, relevant to that person's identity or the intended use. This report has been prepared on the assumption that no other person will rely on it for any other purpose, and all liability to all such persons is denied.
2. While expert in appraisal matters, the author is not qualified and does not purport to give legal advice. It is assumed that:
  - a. Legal descriptions, as furnished by the Regional District of the Central Kootenay and the Lower Kootenay Indian Band, are correct;
  - b. Ownership of the property is good, and the land is marketable;
  - c. There are no: encroachments, encumbrances, restrictions, leases, or covenants that would in any way affect the valuation, except as expressly noted herein;
  - d. The existing uses are legally conforming, and may be continued by any lessee from the existing owner;
  - e. Rights of way, easements or encroachments over other real property, and leases or other covenants noted herein, are legally enforceable;

Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken, that would verify these assumptions, except as expressly noted herein.
3. The author is not a qualified surveyor, (and no legal survey concerning the subject property has been provided). Sketches, drawings, diagrams, photographs, etc. are presented in this report for the limited purpose of illustration, and are not to be relied upon in themselves;
4. The author is not qualified to give engineering advice. It is assumed that there are no patent or latent defects. No soil tests, for either load bearing capacity or contamination, have been done.
5. No investigation has been undertaken, with: the Lower Kootenay Indian Reserve Band Office, the fire department, the building inspector, the health department, or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations, and if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigations may be necessary.
6. Market data has been obtained, in part, from B.C. Assessment Statistics, and/or as reported by the Kootenay Real Estate Board. As well as using such documented and generally reliable evidence of market transactions, it was also necessary to rely on hearsay evidence. Except as noted herein, a reasonable attempt has been made to verify all such information.

7. Because market conditions, including: economic, social, and political factors, change rapidly, and on occasion, without warning, the market value expressed, as of the date of this appraisal, cannot be relied upon to estimate the market value as of any other date, except with further advice of the appraiser.
8. The compensation, for services rendered in this report, does not include a fee for court preparation or court appearance, which must be negotiated separately. However, neither this nor any other of these limiting conditions is an attempt to limit the use that might be made of this report, should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of the report, which best serves the administration of justice.
9. The appraisal has been prepared on the premise that the appraised property is free and clear of all liens or encumbrances, with the exception of normal mortgage financing.
10. Information, identified in this report as being furnished by others, is believed to be reliable and has been checked to the best of the appraiser's ability, although no responsibility is assumed for its accuracy.
11. This report is subject to confidential reviews by the APPRAISAL INSTITUTE OF CANADA, as provided in the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP).
12. Copyright of this report rests with Her Majesty the Queen in Right of Canada.

### **CRITICAL ASSUMPTIONS AND LIMITING CONDITION**

- The highest and best use of this property is for residential development, including any compatible commercial uses and on the basis that the property is not located adjacent to a landfill.

## **PART II FACTUAL DATA**

## **DEFINITION OF THE APPRAISAL**

### **Purpose**

The purpose, of the appraisal, is to estimate the prepaid current "Market Value" for the purchase of approximately 22 acres (8.9 hectares) of land located between the Creston Regional District of the Central Kootenay land fill and Highway 21. It is not a feasibility study, nor is it intended to be used for insurance purposes. It is intended solely as an estimate of "Market Value", to determine an annual fee or "Market Rent" as per the following definition.

### **DEFINITION OF MARKET VALUE**

The Canadian Uniform Standards of Professional Appraisal Practise defines market value as: "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicitly in this definition is, the consummation of a sale as of a specified date, and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash, in Canadian dollars, or in terms of financial arrangement comparable thereto; and
5. The price represents the normal consideration for the property sold, unaffected by special creative financing, or sales concessions granted by anyone associated with the sale.

### **DEFINITION OF MARKET RENT**

The annual rental income that a property would probably command in the open market, indicated by current rents, that are either "paid for" or "asked for," of comparable lands, within an arms-length transaction, assuming both the lessor and the lessee are acting: knowledgeably, prudently, and without compulsion as of the date of the appraisal.

### **Legal Description:**

22 acres (8.9 Ha.) located to the east of Highway 21, on the Lower Kootenay Indian Reserve #1.

### **Civic Address:**

Highway #21, Lower Kootenay Indian Reserve No. 1, Creston, B.C.,

### **Property Rights Appraised:**

The property rights are those "as if" in the fee simple described over Lower Kootenay Indian Reserve #1 land.

### **Date of Inspection:**

The date of inspection and the effective date of the value estimate are: October 28, 2011.

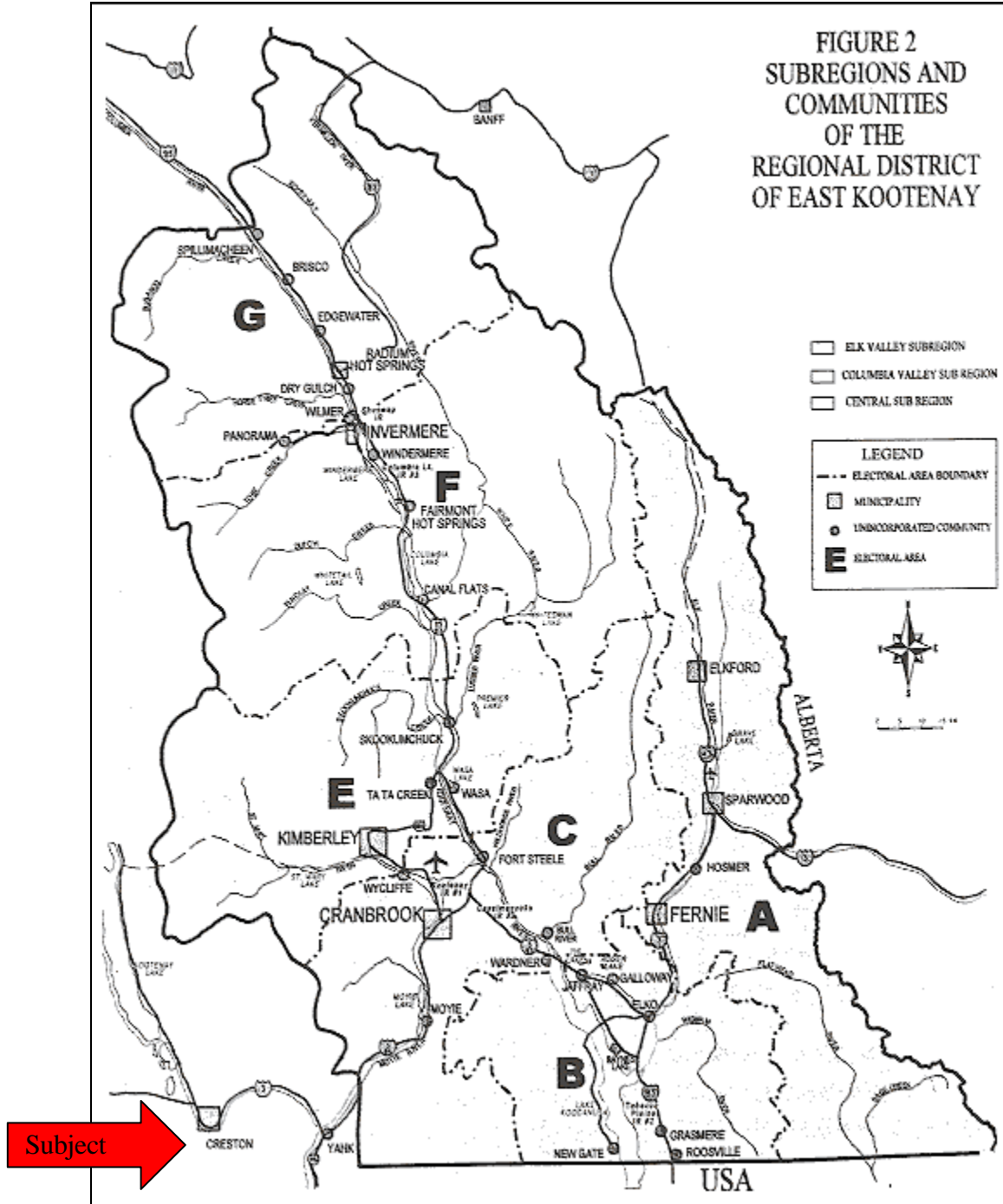


## SCOPE OF THE APPRAISAL

The scope of the appraisal encompasses the necessary research and analysis to prepare a report- that estimates the fair market value for the purpose of purchasing the subject property, in accordance with the “Terms of Reference” and the Canadian Uniform Standards of Professional Appraisal Practice. In regard to the subject property, this involved the following steps:

1. The land was viewed on October 28, 2011. The photographs, included in this report, were taken on the date of inspection. The following individuals were interviewed, on the date of inspection, or in subsequent dates, for reasons as outlined.
  - a. Realtors at Century 21, Veitch Realty regarding current listings of farm lands- that are comparable to the subject’s agricultural lands.
  - b. Curtis Wullum, the Lower Kootenay Band’s development officer.
2. Regional and neighbourhood data were based on information available from the Regional District of the Central Kootenay, and Statistics Canada information. The neighbourhood section was based upon a physical inspection, as well as the appraiser's familiarity with the subject area.
3. The subject’s property data is based upon a physical viewing of the site, and neighbourhood. Other property data was compiled from: Regional District of the Central Kootenay mapping, B.C. Assessment information, B.C. On-line information, and Kootenay Real Estate Board listings.
4. In estimating the highest and best use for the property, an analysis was made of data compiled in the three steps noted above as well as the hypothetical highest and best residential use of the subject lands, as stated in the Terms of Reference. In addition, a study of the local real estate market has been made, to help determine the current demand for properties considered comparable to the subject lands.
5. In developing approaches to value, the market data used was collected from recent sales evidence comprised of: multiple listings with the Kootenay Real Estate Board, private sales recorded as assessment statistics, realtors’ information, and persons knowledgeable of the market place.
6. After assembling and analyzing the data defined in this scope of the appraisal, final estimates of market value and “non-exclusive use” market rent were made.

## REGIONAL MAP



## LOCAL DESCRIPTION

### **Town of Creston Overview**

The Town of Creston (and area's) economic strength is based largely on: agriculture, horticulture, tourism, and forestry.

Growing produce for the entire Central Kootenay region, the town of Creston includes 8,480 ha. (20,954 acres). Reclaimed land produces: grain, vegetables, hay, milk, tree fruits, and cattle. Tree fruit production is second only to the Okanagan Valley, in B.C. The fertile land also supports a food processing industry, comprising: two packing plants, a brewery, an abattoir, an alfalfa dehydrating plant, two bakeries, two honey producers, and two wineries. Forestry, an important industry in the area, saw a reduction in employment during the nineties, due to the closure of the local Crestbrook (Tembec) sawmill. However, the loss of 60 sawmill jobs did not deter the rising demand for, and value of, residential properties within the community, for the latter half of that decade.

Creston area's tourism generators include: the Canadian Wildlife Service Interpretation Centre and winter-fowl reserve, U-pick orchards, hiking trails, several provincial parks, and two factory tours; plus, its proximity to Kootenay Lake attracts visitors. With: 11 motel/hotel operations, 4 bed and breakfast businesses, and an attractive downtown core, Creston acts as the retail and service centre for the recreational lands of Kootenay Lake's south arm. Due to: the pleasant climate, excellent outdoor-recreational opportunities, and modern amenities, Creston has emerged as a well-known retirement centre.

Situated in the Central Kootenay region of south eastern British Columbia, Creston is located on the Crowsnest Highway #3, 109 Km. west of Cranbrook, and 124 Km. southeast of Nelson. By highway, Creston is: 767 Km. east of Vancouver, 500 Km. west of Calgary, and 232 Km. north of Spokane, Washington.

Incorporated in 1924, Creston has an area of 8.48 sq. km. The community is the focal point of the Creston Valley - a broad, level, and fertile landscape that is bounded on the east and west sides by picturesque mountains.

Influenced by the proximity to Kootenay Lake, Creston Valley's climate is very moderate- with relatively mild winters and warm summers, and with more than 140 frost-free days annually.

The 2006 population was estimated at approximately 4,800 with a trading area totalling approximately 15,000 people. Past figures indicate a stable to growing population. Largely, due to the changing demographics, throughout B.C. and Canada, the population has stabilized- as more of the retired population is attracted to the climate and lifestyle within this community. According to the appended Community Facts statistics, 33.1% of the local population is older than 65. This percentage is more than twice the provincial average of 14.6%.

## **Utilities**

- Electrical - B.C. Hydro.
- Natural Gas - Terasen Natural Gas.
- Water - Source - Arrow Creek, spring and two wells.
- Type - pump and gravity with three reservoirs.
- Sewage System - secondary treatment, (including: aeration, polishing ponds, and chlorination) servicing the majority of the land in the community.  
Capacity - 8,460,000 litres (2,474,703 gallons) per day.

## **Community Services**

- Police Protection - Local RCMP detachment
- Fire Protection - Volunteer force, with full-time chief.
- Medical (hospital): Creston Valley Hospital

## **Transportation**

- Air - Paved 1,200 meter airstrip, nearest commercial flights at Castlegar and Cranbrook.
- Bus - Greyhound Lines of Canada Ltd.
- Rail – CPR, carload and freight services.
- Trucking - four firms: local, provincial, national, and international hauling.

## **Education**

- Schools - Two elementary and one junior/senior secondary. One other elementary school is located in the surrounding rural area.
- Higher Education - courses offered by The College of the Rockies

## **Media**

- Radio - CFCK 1340 and CBC
- Television - Cable available
- Local newspapers - Creston Valley Advance

## **Government**

- Municipal - Mayor and 6-person council are elected for a three-year term.
- Provincial agencies include: Government Agent, Forest Service, Highways, Health, Agriculture, Fish and Wildlife.
- Regional District functions: Refuse disposal, planning, economic development, recreation and cemetery.
- Federal agencies include: Canada Post, Environment Canada, Employment and Immigration Canada, Agriculture Canada.

## VALUE TRENDS AND MARKET CONDITIONS

The Town of Creston began to experience an increasing real estate market value trend, from 2006 to 2008, after more than a decade of relatively stable real estate demand and supply. As a result of this late start to the impact of the increasing Albertan demand on Kootenay real estate values, Creston's real estate has not encountered as substantial a decrease in vacant land value, as a result of the current recession. Although demand for properties has decreased from that experienced during the first six months of 2008, the minimal supply of new subdivisions and new construction has left the real estate market relatively stable. The stability in the real estate industry also appears to result from the fact that the town's economic base relies more on agriculture than on mining and forestry.

The following table outlines: the values of rural vacant lands, their high/average/and median sales values, and the current number of listings, as well as the average number of "days on the market" over the past four years.

<b>Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>To 11/2011</b>
Number of sales Total Vacant Sales in Rural Creston	51	33	21	20	13
Number of sales Lister and Erickson	8	13	6	3	3
High Price	\$500,000	\$443,000	\$235,000	\$318,000	\$208,000
Average Price	\$219,357	\$175,966	\$202,558	\$189,580	\$159,333
Median Price	\$208,250	\$161,000	\$195,000	\$165,000	\$165,000
Avg. days on the market	46	116	65	77	75
Current # of Property Vacant Listings in Erickson/Lister versus total vacant land listings in the Creston Rural Area					16/82

The slow start, to increases in value expectations in the Creston area, protected this community and its surrounding rural area from the recent declines experienced in the East Kootenay's residential real estate market, since 2008.

Declining numbers of sales and increasing available listings suggest that there is currently more than a two year supply of rural land listings, located within the Erickson/Lister areas. The comparatively located West Creston and Creston Flats areas have had only one multiple listed vacant land sale over the past year, and this areas have a combined total of 9 listings at the date of this report.

Between the 1996 and 2006 censuses, the Town of Creston's population remained static at 4,815 and 4,826 people. However, the number of housing units grew by 330 units to 2,465 housing units, and the average age grew by 8.5 years to 54. All of these statistics indicate a lack of growth in demand for real estate as the number of people per household has declined from 2.25 to 1.96.

## NEIGHBOURHOOD DESCRIPTION

The subject neighbourhood is best described by the following maps and attached photographs. Similar sized lands are located within the ALR regulated AG2 zone located along the east side of Highway 21 to the north of the subject. These properties include rural residential and hobby farm uses.

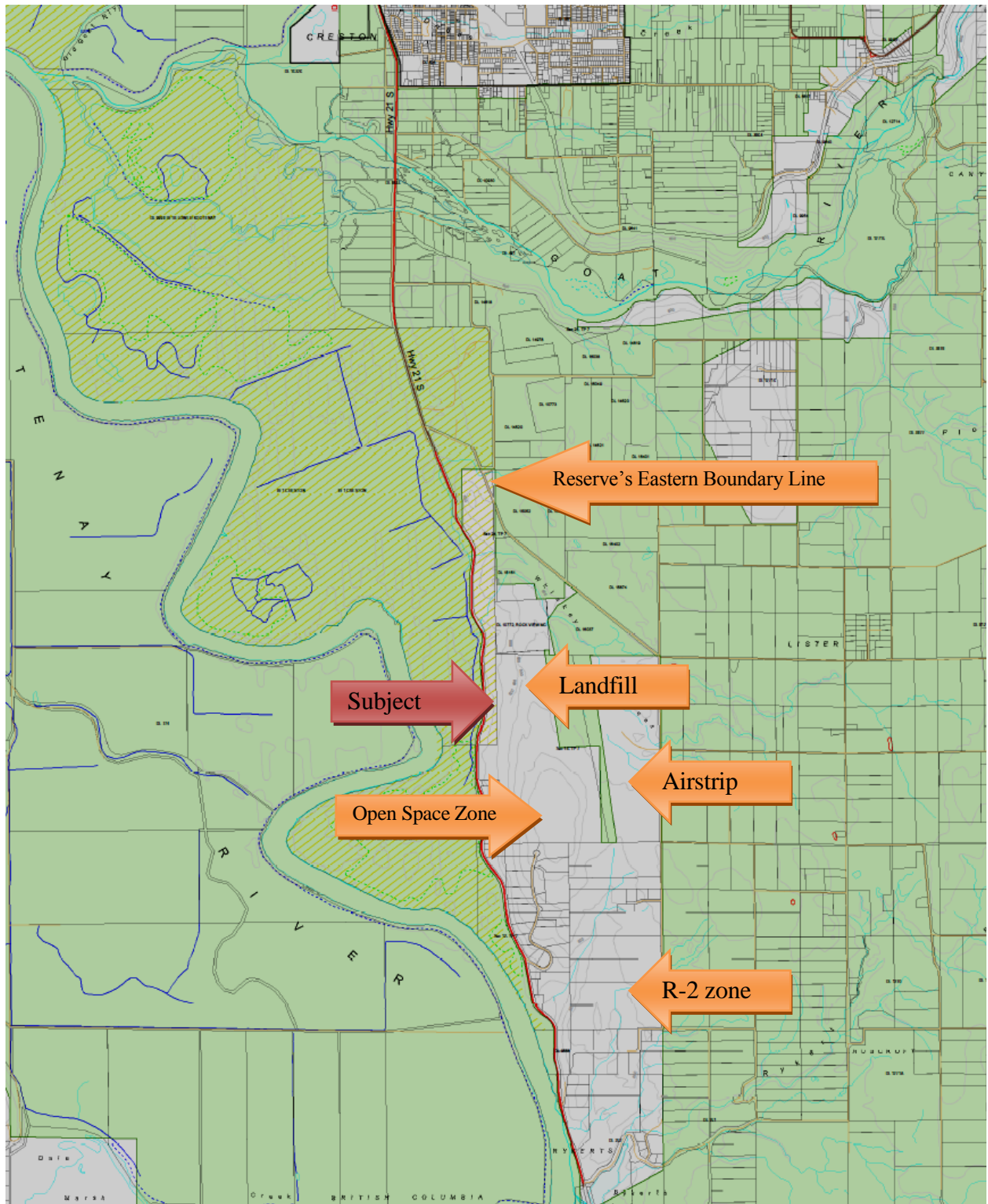
Higher density zoning is available in non-ALR regulated lands located to the south of the subject. The following maps describe the subject site's location in terms of: the Creston townsite, Highway #3, and the Kootenay River neighbourhood. The subject property is located to east of the Kootenay River and lands known as the Creston Flats, as well as 5.5 kilometers south of the Town of Creston.



This topographic map depicts the Creston, Idaho region. The Snake River flows through the center, with several islands and marshes. Highway #3 runs vertically through the middle. Various land parcels are outlined in green and red, with some labeled with numbers like 10000, 10002, 10003, 10004, 10005, 10006, 10007, 10008, 10009, 10010, 10011, 10012, 10013, 10014, 10015, 10016, 10017, 10018, 10019, 10020, 10021, 10022, 10023, 10024, 10025, 10026, 10027, 10028, 10029, 10030, 10031, 10032, 10033, 10034, 10035, 10036, 10037, 10038, 10039, 10040, 10041, 10042, 10043, 10044, 10045, 10046, 10047, 10048, 10049, 10050, 10051, 10052, 10053, 10054, 10055, 10056, 10057, 10058, 10059, 10060, 10061, 10062, 10063, 10064, 10065, 10066, 10067, 10068, 10069, 10070, 10071, 10072, 10073, 10074, 10075, 10076, 10077, 10078, 10079, 10080, 10081, 10082, 10083, 10084, 10085, 10086, 10087, 10088, 10089, 10090, 10091, 10092, 10093, 10094, 10095, 10096, 10097, 10098, 10099, 10100, 10101, 10102, 10103, 10104, 10105, 10106, 10107, 10108, 10109, 10110, 10111, 10112, 10113, 10114, 10115, 10116, 10117, 10118, 10119, 10120, 10121, 10122, 10123, 10124, 10125, 10126, 10127, 10128, 10129, 10130, 10131, 10132, 10133, 10134, 10135, 10136, 10137, 10138, 10139, 10140, 10141, 10142, 10143, 10144, 10145, 10146, 10147, 10148, 10149, 10150, 10151, 10152, 10153, 10154, 10155, 10156, 10157, 10158, 10159, 10160, 10161, 10162, 10163, 10164, 10165, 10166, 10167, 10168, 10169, 10170, 10171, 10172, 10173, 10174, 10175, 10176, 10177, 10178, 10179, 10180, 10181, 10182, 10183, 10184, 10185, 10186, 10187, 10188, 10189, 10190, 10191, 10192, 10193, 10194, 10195, 10196, 10197, 10198, 10199, 10200, 10201, 10202, 10203, 10204, 10205, 10206, 10207, 10208, 10209, 10210, 10211, 10212, 10213, 10214, 10215, 10216, 10217, 10218, 10219, 10220, 10221, 10222, 10223, 10224, 10225, 10226, 10227, 10228, 10229, 10230, 10231, 10232, 10233, 10234, 10235, 10236, 10237, 10238, 10239, 10240, 10241, 10242, 10243, 10244, 10245, 10246, 10247, 10248, 10249, 10250, 10251, 10252, 10253, 10254, 10255, 10256, 10257, 10258, 10259, 10260, 10261, 10262, 10263, 10264, 10265, 10266, 10267, 10268, 10269, 10270, 10271, 10272, 10273, 10274, 10275, 10276, 10277, 10278, 10279, 10280, 10281, 10282, 10283, 10284, 10285, 10286, 10287, 10288, 10289, 10290, 10291, 10292, 10293, 10294, 10295, 10296, 10297, 10298, 10299, 10300, 10301, 10302, 10303, 10304, 10305, 10306, 10307, 10308, 10309, 10310, 10311, 10312, 10313, 10314, 10315, 10316, 10317, 10318, 10319, 10320, 10321, 10322, 10323, 10324, 10325, 10326, 10327, 10328, 10329, 10330, 10331, 10332, 10333, 10334, 10335, 10336, 10337, 10338, 10339, 10340, 10341, 10342, 10343, 10344, 10345, 10346, 10347, 10348, 10349, 10350, 10351, 10352, 10353, 10354, 10355, 10356, 10357, 10358, 10359, 10360, 10361, 10362, 10363, 10364, 10365, 10366, 10367, 10368, 10369, 10370, 10371, 10372, 10373, 10374, 10375, 10376, 10377, 10378, 10379, 10380, 10381, 10382, 10383, 10384, 10385, 10386, 10387, 10388, 10389, 10390, 10391, 10392, 10393, 10394, 10395, 10396, 10397, 10398, 10399, 10400, 10401, 10402, 10403, 10404, 10405, 10406, 10407, 10408, 10409, 10410, 10411, 10412, 10413, 10414, 10415, 10416, 10417, 10418, 10419, 10420, 10421, 10422, 10423, 10424, 10425, 10426, 10427, 10428, 10429, 10430, 10431, 10432, 10433, 10434, 10435, 10436, 10437, 10438, 10439, 10440, 10441, 10442, 10443, 10444, 10445, 10446, 10447, 10448, 10449, 10450, 10451, 10452, 10453, 10454, 10455, 10456, 10457, 10458, 10459, 10460, 10461, 10462, 10463, 10464, 10465, 10466, 10467, 10468, 10469, 10470, 10471, 10472, 10473, 10474, 10475, 10476, 10477, 10478, 10479, 10480, 10481, 10482, 10483, 10484, 10485, 10486, 10487, 10488, 10489, 10490, 10491, 10492, 10493, 10494, 10495, 10496, 10497, 10498, 10499, 10500, 10501, 10502, 10503, 10504, 10505, 10506, 10507, 10508, 10509, 10510, 10511, 10512, 10513, 10514, 10515, 10516, 10517, 10518, 10519, 10520, 10521, 10522, 10523, 10524, 10525, 10526, 10527, 10528, 10529, 10530, 10531, 10532, 10533, 10534, 10535, 10536, 10537, 10538, 10539, 10540, 10541, 10542, 10543, 10544, 10545, 10546, 10547, 10548, 10549, 10550, 10551, 10552, 10553, 10554, 10555, 10556, 10557, 10558, 10559, 10560, 10561, 10562, 10563, 10564, 10565, 10566, 10567, 10568, 10569, 10570, 1



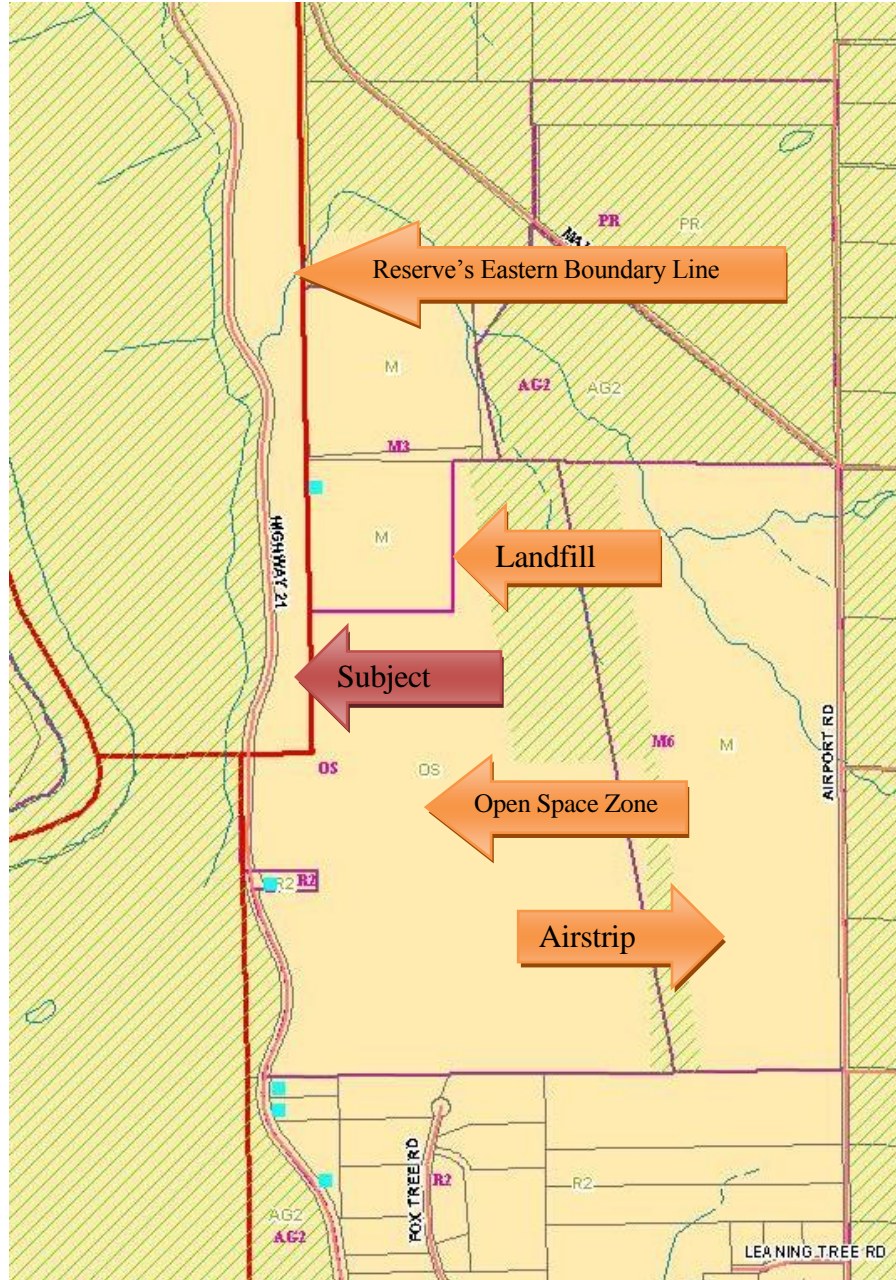
## ALR MAPPING



## SITE DESCRIPTION

### DIMENSIONS AND SHAPE

The subject property is defined primarily as a rectangular site located at the southeastern corner of Lower Kootenay Reserve #1, between Highway 21 and the Central Kootenay landfill lands. Highway 21 forms the western boundary of the property with a length of approximately 800 meters (2,600 feet). Overall, the land area associated with this property is described as approximately 22 acres or 8.9 hectares.





## **ACCESS & SERVICES**

International Highway #21 abuts the western boundary of the property. Access, onto the subject land, is available from the access road connecting Highway 21 across the subject land to the landfill site. Services include: B.C. Hydro supplied electricity, open ditches, as well as rural police and fire protection.

## **ZONING**

The surrounding similar sized properties- located to the north and east, are zoned Agricultural AG-2, and lie within the Agricultural Land Reserve. Lands to the south are outside of the ALR. For the purposes of this report, the subject property is assumed to be outside of the ALR; however, its size supports an AG-2 zoning. The appended AG-2 zoning bylaw indicates that a number of residential and agricultural uses are permitted within this zone.

**For the purposes of this report, it is assumed that the landfill does not exist** and that this adjacent property has similar AG-2 zoning to that of the subject and the neighbouring lands. Proximity to the local air strip with an M-6 zoning as well as the Open Space (OS) zoned lands are assumed to **NOT** have a negative impact on the subject or the neighbourhood.

## **GENERAL ASPECT AND APPEAL**

The subject treed lands rise above Highway 21. This topography provides the land with western views over the Creston Flats (Kootenay River Flood Plain) towards the Selkirk Mountains.

The tree cover will require a “timber cruise” to determine its current value. The trees provide some privacy to the property and they muffle the Highway 21 sounds along the approximate 800 meter width and in the upper elevations of the property. Similar sloped lands, which have sold within the Creston rural surround, have similar tree cover. Most issues related to slope deterioration are avoided by the leaving the tree cover in place.

The access road, to the landfill lands, bisects the subject into two areas. For the purposes of the report, it is considered probable that the subject property could be readily subdivided along the access road. This subdivision would create two saleable acreage parcels, each having +/- 7 to 15 acres (2.8 to 6.0 hectares). Two properties would not have a significant impact on the inventory of available rural listings at this time.

## **ASSESSMENTS AND TAXES**

Assessed values, for taxation purposes, are arrived at by B.C. Assessment for the Lower Kootenay Reserve #1 Jurisdiction. As Band held lands, the subject parent property is not subject to taxation.

# GOOGLE MAP



## **HIGHEST AND BEST USE**

### **HIGHEST AND BEST USE DEFINITION**

Highest and best use, as defined by CUSPAP, is “that reasonably probable and legal use of vacant land, or an improved property, which is: physically possible, appropriately supported, financially feasible, and that results in the highest value.”

Estimating the highest and best use of a property, is a critical appraisal component, which provides the valuation context within which market participants and appraisers select comparable market information. An appraiser considers highest and best use of the property, as if vacant, separately from the highest and best use of the property, as improved. This is because the highest and best use of the site, as if vacant and available for development, determines the value of the land, even if the property’s existing improvement does not represent the highest and best use of the site.

Highest and Best Use is a concept which becomes the cornerstone of all property valuations. To analyze a property, in an effort to determine its Highest and Best Use, an appraiser attempts to determine- to what use can the land in question be expected to be put.

Four factors that govern the concept of Highest and Best use are:

1. Is the use legal? Does the use comply with land-use classifications and zoning regulations?
2. Is the use probable (greater than 50% possible) within a reasonable period of time?
3. Is the use in demand; and, do economic conditions indicate that the use will probably take place?
4. Is the use profitable; and will it provide the highest net return to the owner of the land?

The following points are noted in answer to the above questions, with references to land use restrictions.

1. The subject neighbourhood is a rural setting. Rural residential and hobby farm properties are the primary holdings to the east of Highway #21, while cultivated and irrigated flood plain lands are the primary holding along the west side of Highway #21.
2. The property’s location, on the slopes above Highway #21, allows for the development of a residential holding with a western view.
3. The decline in demand for rural residential properties, located in the Erickson/Lister areas, since 2008 (from 13 per year to 3 per year) indicates that the subdivision of more land is not in an owner’s best interest at this time. The absorption rate of land (rate of sales) indicates that the number of years it may take to sell out a new subdivision will become costly because of annual: property taxes, financing charges on development costs, and sales commissions.
4. These costs can eliminate the profitability of any land development during years of slow demand and limited sales.

### **HIGHEST AND BEST USE – (cont'd)**

The former demand for development lands, within the East Kootenays, is evident in the sales that took place prior to 2008. However, the reduction in the absorption, of vacant subdivided and serviced sites, has discouraged the willingness to take on the risks of land development since 2008.

Only the 2007/2008 year supported a relatively strong demand, of 13 vacant lot sales, within the Erickson/Lister neighbourhoods. For 2010 and 2011, the annual sales of vacant land, in these neighbourhoods, declined to 3 properties.

### **HIGHEST AND BEST USE – CONCLUSION**

Based on the foregoing discussion, as well as the description of the subject property, this land potentially has the highest and best use as a two rural residential/hobby farm sites, with possibilities for further future subdivision should demand support an absorption rate that supports the additional supply of smaller sites at a 5.5 kilometer distance from the Town of Creston's boundaries.

To create two sites will require the proof of water to the land, as well as power and percolation tests to support a septic system. This will require the investment estimated at \$20,000 per site or \$40,000 before these properties can be brought to market.

**PART – III**  
**ANALYSIS AND CONCLUSIONS**

## **THE VALUATION PROCESS**

The valuation process is an orderly program, in which data is: collected, classified, analysed, and presented, as a final estimate of market value. In estimating Market Value of real property, there are three different approaches utilized. They are: the Cost Approach, the Income Approach, and the Direct Comparison Approach.

### **Cost Approach to Value**

This approach is based on the depreciated value of the building and improvements, plus the estimated value of the land. This is a reliable indicator of value, when a buyer weighs the cost of buying a site and constructing a new building, instead of purchasing an existing development. This approach is most reliable when improvements are newer, and the subjective estimate of depreciation is lower.

A cost of development approach is often considered applicable in the valuation of development lands, if all aspects of the valuation problem are available, and if comparable development lands are unavailable. Market supported absorption rates of the developed property, and adequate margins for profit and overhead must be provided, for the purpose of determining a reasonable residual value to the vacant land, after all costs of construction are acknowledged. There is a time lag between the purchase of the subject land and the development of marketable land units on this property.

This approach is provided for comparison to the findings of the Direct Comparison Approach.

### **Income Approach to Value**

This approach to value is most appropriate and logical for revenue producing properties, and is based on the theory: that value is equal to the present value of the income stream, which the property is capable of producing, when developed to its Highest and Best Use. The annualized net income is converted into an estimate of present value, through the process of capitalization. Various techniques can be employed in the development of the "capitalization rate", but essentially, all are based on the return achievable by the next best alternative investment.

This approach is not considered applicable for most vacant land valuations, because of the lack of comparable vacant acreage: rents, expenses, and capitalization rates. Therefore, this approach to the valuation of the subject site is not provided.

## **Direct Comparison Approach to Value**

This approach is based on the principle of substitution, which maintains that a knowledgeable purchaser would not pay more for a property than the cost of acquiring an equally desirable substitute, without undue delay or expense. It is a process of correlating and analyzing comparable properties, to arrive at an estimate of value for the subject property, thereby reflecting the action and behaviour of buyers and sellers in the market place.

The most commonly used method of vacant land and single-family residential valuation, is the Direct Sales Comparison Approach. Ideally, this technique involves analyzing recent sales, of similar properties, with adjustments made for dissimilarities in terms of: size, location, level of servicing, etc.

Few agricultural or development acreage sales have occurred over the past three years. However, the most recent sales are itemized in the following charts and located on the maps that follow.

**For the purposes of this report, the following table includes a number of sales with improvements. The residual land values, from these sales, offer support to those vacant land sales that are available. To provide a consistency in adjustments for the improvements, assessed values, derived from B.C. Assessments for the applicable sales year, are deducted from the overall sales price. Although this adjustment process does not include an individual inspection of each property, the residual land values are considered comparative to those similar sized properties that were vacant, or those that only included storage buildings on the sale dates.**

In addition to these sales, a number of current and recent listings, of unsold comparable properties, are also provided. These indicate the expectations in value for competitive properties. The unsold listings, and their time on the market, indicate the lagging demand for vacant lands that are located within the Creston Valley.

**CRESTON VALLEY ACREAGE SALES – Table 1.0**

#	Description	Attributes And Comments	Size In Ha. (Acres)	Sale Date	Sale Price Title #	Building Adjustment Based On Assessed Values	Net Land Value	\$/Ha.
1	Hwy 21, Block 51, D.L. 9555, ref. Map B40, PID 016-464-711	In the ALR. Sold after 5 listing days at \$179,000. Had been on the market intermittently since September 2008.	2.79 (6.9)	January 2011	\$165,000 CA193404	Nil	\$165,000	\$59,140
2	Hwy 21, Block 41, D.L. 9555, except Ref Plans 70391I and 77533I, PID 016-456-068	Grain farm class with no buildings. In the ALR Sold after 123 listing days. Includes a shallow well	5.46 (13.48)	August 2011	\$208,000 CA215693	Nil	\$208,000	\$38,095
3	1522 Airport Road, Lot 7, Plan 1421, D.L. 812, PID 013-844-164	Other farm class with larger but older residence assessed at \$258,500.	7.69 (19.01)	August 2010	\$510,000 CA169467	\$258,500	\$252,500	\$32,835
4	Hurry Road, Block 5, Part S ½ D.L. 9555, PID 016-464-605	Grain farm class in AG-2 zone in the ALR. No buildings	7.89 (19.5)	April 2011	\$250,000 CA199150	Nil	\$250,000	\$31,685
5	3100 Phillips Rd. Lot 23, Plan 1653, D.L. 12716, PID 015-653-099	Grain Farm class with no buildings. Partially outside of the ALR. AG-2 zone	8.08 (20)	June 2010	\$252,000 CA163596	Nil	\$251,000	\$31,064

**CRESTON LISTINGS OF FARM AND LARGE ACREAGE LANDS – Table 1.1**

#	Location	Size Ha. (acres)	List Price	Price / Ha.	List Dates and Comments
A	1037 Hwy 21, Block 21, D.L. 9555, PID 016-464-613,	6.76 (16.7)	\$197,400	\$29,201	Listed since September 1, 2011, Grain farm class. AG-2 zone in ALR. Level land borders the Goat River. Includes a 1,500 square foot Quonset hut on a concrete slab. Shallow well.
B	3408 Lloyd Road, Lot 27, Plan 1417, D.L. 812, PID 016-679-306	8.03 (19.85)	\$245,000	\$30,511	Listed since December of 2010, AG-2 zoned within the ALR. Water supply from a creek, septic system and irrigation.
C	Phillips Road, Lot 26, Plan 1653, D.L. 12716, PID 011-968-001	8.05 (19.9)	\$250,000	\$31,056	Listed since August 26, 2011. AG-2 zoned in the ALR
D	1651 Alder Road, Lot 27, Plan 1417, D.L. 812 PID 015-800-083	8.08 (20)	\$275,000	\$34,035	Listed since October 2011, Includes old house with storage and shop. The house has a nominal value estimated at \$30,000 to \$50,000 leaving a residual land value range from \$27,847 to \$30,322/hectare. AG-2 zoned within the ALR.





## LAND VALUE ESTIMATE – DISCUSSION AND ANALYSIS

The available vacant land market information represents the past year's interest in properties- located in the vicinity of Highway #21 and within the on the Kootenay River floor plain near the Town of Creston. Emphasis is placed on properties located to the east of Highway 21, and above the Kootenay River flood plain.

There is no strong evidence for time adjustment over the past year; however, it is of note that Sale #5 and Listing C are located across Phillips Road from each other. Sale #3 is partially outside of the ALR; however, its sale price at \$31,064 per hectare is very similar to the sale prices of Sales #3 and #4 that are located entirely within the ALR. Also Listing C on Phillips Road is listed at \$31,056 per hectare and has not been able to find a buyer since August of 2011. The similarity in sale price to list price suggests that the sale of Listing C will be at a lower rate than Sale #5. This implies a declining trend in market values for this type of land.

As two potential properties, the subject is considered to be most comparable to Sales s#1 and #2. These sales support an overall value range of \$160,000 to \$210,000 for land that ranges in size from 2.5 to 5.5 hectares (6 to 15 acres). Larger properties of approximately 8 hectares (20 acres) support a value of approximately \$250,000. The size range for the two potential sites is adjusted for the access road.

The following assumptions apply to the property, based on the highest and best use as, a currently potential, two residential/hobby farm sites.

1. The subject property is located outside of the Agricultural Land Reserve,
2. The subject property is located within an Agricultural AG-2 zone allowing 2 hectare minimum sites.
3. The existing access road, which divides the subject property, supports a probable subdivision of the land into two parcels.
4. The two potential parcels can be sold within 365 days.
5. The costs of: subdivision, proving water, providing power, percolation tests, and marketing are estimated at a total of \$60,000.

The range in sales indicates that smaller properties market for higher rates. As smaller sites ranging from 7 to 15 acres, the subject is estimated to market for a total of \$350,000 to \$370,000. Allowing for costs to subdivide the land into two saleable properties at \$60,000, reduces this range to a current "as is" value of \$290,000 to \$310,000. When compared to the recent sales of 8+ hectare sized lands at approximately \$250,000 per property, the potential for subdivision enhances the subject's value by \$40,000 to \$60,000.

In summary, as at October 28, 2011 the "as is" 8.9 hectare subject property has a potential for subdivision into two AG-2 zoned lots with a size range of 2.5 to 5.5 hectares. Based on the sales of smaller sites less the costs of subdivision and marketing, the subject has an estimated current market value of a rounded:

**\$300,000 (or \$33,700/Ha.),**

or a total of \$50,000 more than the sales of approximate 8.9 hectare properties located within the ALR.

## REASONABLE EXPOSURE TIME:

### EXPOSURE TIME AND MARKETING TIME DEFINITIONS

**Exposure Time** as defined in the Dictionary of Real Estate Appraisal (Third Edition, Chicago, Appraisal Institute, 1993) as:

*“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of the past events, assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time, but also adequate, sufficient, and reasonable effort.*

*The estimate of the time for reasonable exposure is not intended to be a prediction of a date of sale or a one-line statement. Instead it is an integral part of the analyses conducted during the appraisal assignment. The estimate may be expressed as a range, and can be based on one or more of the following;*

- *Statistical information about days on market;*
- *Information gathered through sales verification; and*
- *Interviews of market participants.*

Related information garnered through this process included: the identification of typical buyers and sellers for the type of real estate involved, and typical equity investment levels, and/or financing terms.”

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**Marketing Time** has been defined in the same dictionary as:

*“The time it takes an interest in real property to sell on the market, subsequent to the date of an appraisal”.*

*Reasonable marketing time is an estimate of the amount of time it might take to sell a property interest in real estate, at the estimated market value level, during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers, and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions.*

*The estimate of marketing time is an integral part of the analysis conducted during the appraisal assignment. The estimate may be expressed as a range, and can be based on one or more of the following;*

- *Statistical information about days on market;*
- *Information gathered through sales verification;*
- *Interviews of market participants, and*
- *Anticipated changes in market conditions.*

Note: The key difference between these two terms is: that exposure time is presumed to precede the effective date of the appraisal, whereas marketing time is considered to be the period immediately following the effective date of the appraisal”

**To achieve a “Market Value” of \$33,700/hectare (\$13,640/acre) requires an estimated exposure time of 120 to 360 days or more, based on the recent marketing times of rural residential and agricultural lands located within the Erickson and Lister areas of the Creston rural surround.**

### **SUBJECT SALES HISTORY**

Canadian Uniform Standards of Professional Appraisal Practice require investigation and consideration of transactions of the subject property occurring near the effective date of appraisal. Where a recent arms length market transaction occurred, compelling evidence of value arises, often requiring only an adjustment for market conditions.

There is no known market activity on the subject property being one part of land held within the Kootenay Indian Reserve #1.

## CERTIFICATION

**RE: Lands described as +/- 22 acres (8.9 hectares) located along Highway #21 within the Lower Kootenay Band Creston IR#1**

I hereby certify that, except as otherwise noted in the preceding analysis, to the best of my knowledge and belief:

- The statements of fact contained in this appraisal report are true and correct.
- The reported: analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal unbiased professional: analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value, or direction in value, that favours: the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- I have made a personal inspection, of the property- that is the subject of this report, on **October 28, 2011.**
- This report has been prepared, in conformity with: the Canadian Uniform Standards of Professional Appraisal Practice (Can USPAP) of January 1, 2010.
- No one provided significant professional assistance to the person signing this report.
- I have the knowledge and experience to complete the assignment competently.
- As of the date of this report, the undersigned has fulfilled the requirements of The Appraisal Institute of Canada's Continuing Professional Development Program for designated members, and
- Based upon the: data, analyses, and conclusions contained herein, my final estimate, of the current market value as at October 28, 2011 equals, \$33,700 per hectare or a rounded:

**\$300,000.**



November 10, 2011

*Date*

*Appraiser*

AACI, P. App

*Designation*

## **SUPPORTING DATA - APPENDICES**

Terms of Reference - Appraisal  
Fair Market Fee for the Purchase of 22 Acre Parcel Located Between  
the RDCK Creston Valley Landfill and Highway 21  
Creston Indian Reserve No. 1

**Preamble:**

The Regional District of Central Kootenay operates a solid waste landfill and resource recovery facility for the benefit of the Creston Valley on lands described as Part of the Northwest Quarter of the un-surveyed Portion of Section 13, Township 7, Kootenay District.

The landfill operation is located on a Provincial Crown Lease and is adjacent to and upslope of Lower Kootenay Indian Band Creston IR #1.

Monitoring data has indicated that contaminants emanating from the landfill operation have migrated onto these Reserve lands causing the RDCK to be in non-compliance with Provincial legislation.

The Lower Kootenay Indian Band and Regional District of Central Kootenay have been engaging in a dialogue to attempt to address this issue and have agreed to investigate the option of a land transfer that would allow the Regional District of Central Kootenay to mitigate off-site contamination issues.

The Lower Kootenay Indian Band and Regional District of Central Kootenay have agreed to an independent and professional evaluation of the property located to the west of the existing landfill and to the east of Highway #21 (see attached map)

A narrative appraisal report is required regarding the land described as follows:

The function of the appraisal is to provide an independent fair market value for the subject land.

**Report:**

To prepare four bound, one unbound and four electronic copies of a Narrative (or Complete, Self Contained) Appraisal of the properties described below, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice guidelines (the Standards) of the Appraisal Institute of Canada (AIC).

The electronic copy is to be PDF format, and is to contain all maps, addenda, photos, spreadsheets, etc., contained in the written report.

The appraisal must be completed and signed by an AACI, P.App designated appraiser.

Appropriate research assistance can be implemented where required. The report must comply with the Canadian Uniform Standards of Professional Appraisal Practice. It is to be completed in accordance with the appraisal guidelines of PWGSC for Self-contained (Narrative) Reports 1B1, which may be referenced at [www.pwgsc.gc.ca/appraisals](http://www.pwgsc.gc.ca/appraisals).

**Copyright of the report is to rest with Her Majesty the Queen in Right of Canada.**

INAC requires three hard copies of the final report, as well as one electronic version (Adobe Acrobat "PDF" format, inclusive of all information and signatures in the bound copies).

On the cover page and in the letter of transmittal, the appraiser shall clearly show:

**INAC File Number: XXXX.**

**The report must contain appropriate, specific wording allowing PWGSC and INAC use of and reliance on the report.**

**Report Outline:**

- Purpose and Scope
- Legal Description of Property
- Location with Map
- Property Rights Existing
- Property Rights Appraised
- Effective Date of the Appraisal
- Definition of Market Value
- Reporting of Evidence
- Market Period
- Sales History / Comparables
- Encumbrances
- Photos of Property
- Land Use Controls
- Assessment
- Highest and Best Use Valuation
- Conclusion(s)
- Contingent and Limiting Conditions
- Certification
- Qualifications of Appraiser

**Scope:**

The purpose of this appraisal include the establishment of "**market value**" which is defined as the most probable sale price that the property will bring in an



open market unaffected by undue stimulus and based on the following:

- (a) The subject property consists of Federal land set aside as Indian Reserve under the *Indian Act*.
  - (b) It is assumed that the property is owned by the *Minister* in fee simple (free of charges and encumbrances) and any valuation will not be discounted for any factor relating to the property being in an Indian reserve
- Lower Kootenay Indian Band and the Regional District of Central Kootenay have agreed to the Terms of Reference for an Appraisal to be prepared for the purposes of this fee simple transfer.

**Location/Legal Description:**

In British Columbia; in Kootenay District; in Lower Kootenay Indian Band Creston IR #1, a 22 acre parcel of land, more or less.

**Assumptions:**

- Follow all current legislation, provincial or federal that is considered beneficial to, or binding on Indian Reserves.
- All factors influencing value, such as land use, non-exclusive uses, if any, neighbourhood and community trends, market and economic factors, physical factors (e.g. site shape, size, level of municipal and other utility services), and location should be considered, and discussed in the report.
- The complete report must clearly and accurately present the analyses, opinions and conclusions of the appraiser in sufficient depth and detail to fully address the appraisal problem. The appraisal should be well documented with all information verified wherever possible.
- The appraisal must include all pertinent valuation approaches.
- Adjustments, if any, to comparables are to be quantified from market evidence.
- The appraiser shall provide an explanation for any valuation approaches that are not developed, therefore excluded from the report.
- Your valuation is to proceed on the assumption that the highest and best use of this property is for residential development, including any compatible commercial uses and on the basis that the property is not located adjacent to a landfill.

- The analysis and presentation of comparable site transactions and other market activity must be clearly provided in the report in imperial and metric measurements.
- A map illustrating comparable market data locations relative to the subject property must be included in the report.
- All persons providing significant professional assistance to the person signing the reports are to be identified.

**Resources to Be Made Available:**

Attached

**Contract Requirements:**

These reports are prepared jointly for the Regional District of Central Kootenay and the Lower Kootenay Indian Band. The Regional District of Central Kootenay is responsible for the costs of this Appraisal.

Before completion of any of the reports drafts are to be prepared for review by both parties.

The parties to this contract understand and agree that the fee will be \$ 3,500.00 plus HST and reasonable disbursements, and that three copies of each of the reports will be provided to the parties no later than November 15, 2011. The fee is payable within 30 days of receipt of reports by the Regional District of Central Kootenay.

Confidentiality requirements are described and referred to in the Contract for Services.

| Lower Kootenay Representative:

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Regional District of Central Kootenay Representative

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# SUBJECT PHOTOGRAPHS



**View south along Highway 21**



**View north along Highway 21**

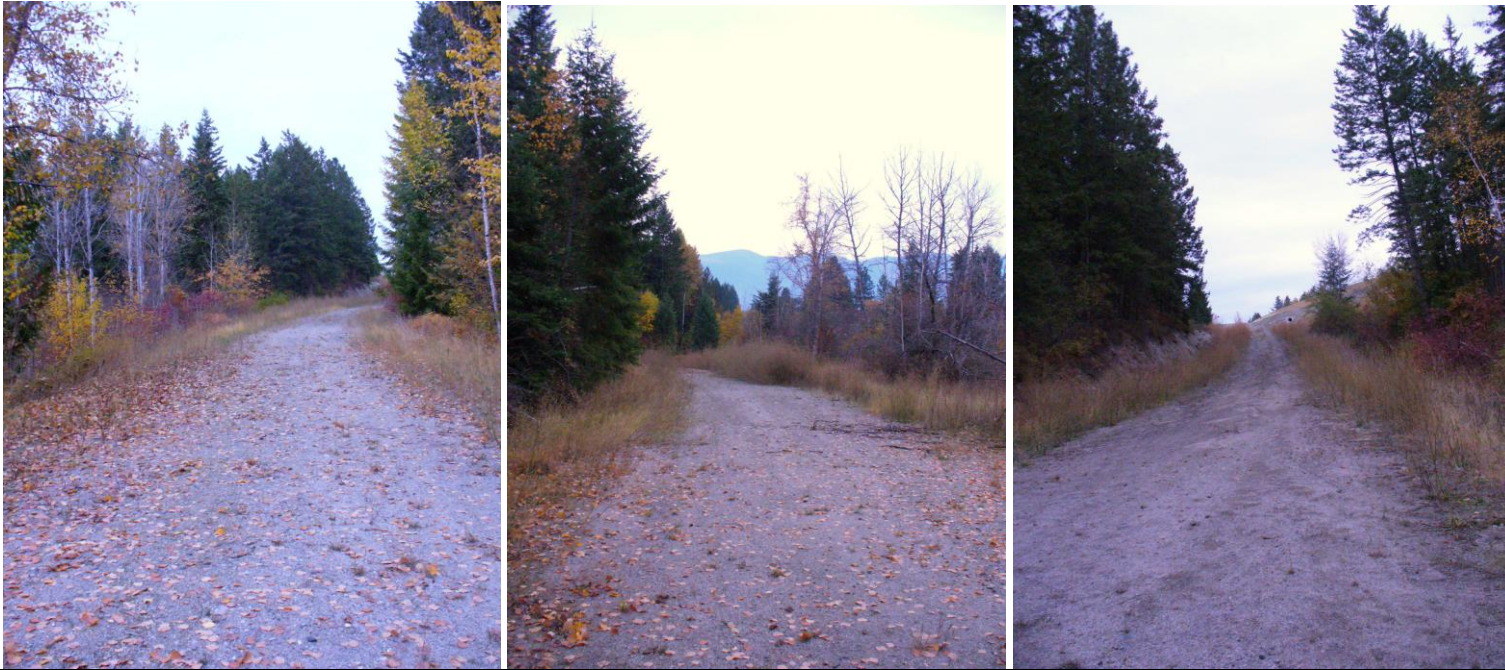


**Highway signage**



**View from the access gate towards the west**





**Views along landfill access road**



**View southwest along access road to landfill**

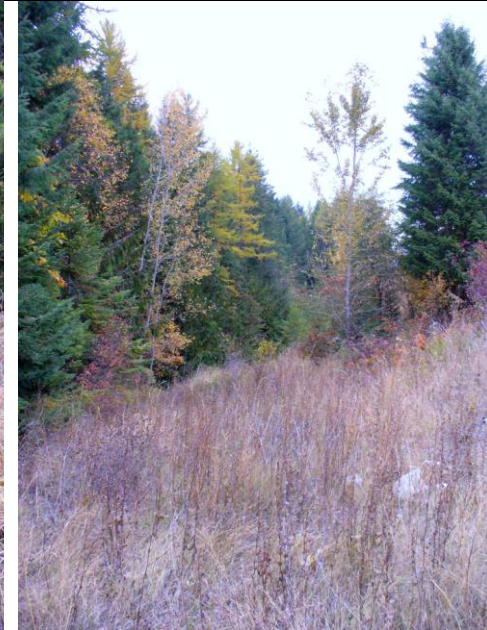


**View of landfill at the eastern end of the access road through the subject**





**Views of access road and landfill development**



**Views: 1) west from the subject, 2) of a test well 3) of tree cover**

## NEIGHBOURHOOD ZONING BYLAW

*Page 70 – Regional District of Central Kootenay Zoning Bylaw No. 1675, 2004*

### **DIVISION 17 AGRICULTURE 2 (AG2)**

#### **Permitted Uses**

- Bylaw 2038      1700      Subject to the *British Columbia Agricultural Land Commission Act*, Regulations and Orders, land, buildings and structures in the Agriculture 2 (AG2) zone shall be used for the following purposes only:  
All activities designated as "Farm Use" as defined in the *Agricultural Land Commission Act* and Part 2 of the *Agricultural Land Reserve Use, Subdivision and Procedure Regulation*;
- Dwellings:
- Single Detached;
  - Duplex;
- Horse Riding Arena and Boarding Stables;  
Keeping of Farm Animals;  
Kennel;  
Nursery, Greenhouses and Florist;  
Recreation Reserve;  
Sale of Agricultural Produce Grown by the Agricultural Business;  
Veterinary Clinic;  
Small scale food processing facilities by Development Permit (with the exception of lands within Electoral Areas B, I and J-Lower Arrow/Columbia);
- Accessory Uses:
- Accessory Tourist Accommodation;
  - Home Based Business;
  - Secondary Residences (subject to Section 1701 Sub-sections 3 and 4);
  - Portable Sawmills for processing of material harvested on site only.

#### **Development Regulations**

- 1701
- 1      The minimum lot area shall be eight (8) hectares in the Agricultural Land Reserve and two (2) hectares outside the Agricultural Land Reserve.
  - 2      The maximum site coverage permitted shall be 35 percent of the lot area unless an area not larger than 60 percent of the lot is covered with greenhouses.
  - 3      No more than one single detached dwelling or duplex may be located on a lot except where:
    - a lot is classified as a farm under the *Assessment Act*, one additional dwelling to accommodate people employed on the farm may be located on the lot as long as the lot is larger than four (4) hectares.

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- 4 In addition to that permitted in Sub-section 3, one manufactured home to be inhabited by a member of the immediate family of the owner of the principal dwelling may be permitted where:
- a the manufactured home is not sited on a permanent foundation with a basement excavation,
  - b the manufactured home is removed from the property within 90 days when no longer required by the member of the immediate family, and
  - c the manufactured home is no wider than nine (9) metres.
  - d additions, including porches, to a manufactured home permitted under this section shall not exceed 24 square metres in floor area.
- 5 No building, structures or enclosures used for housing farm animals; no drinking or feeding troughs and no manure piles may be located within five (5) metres of a lot line.
- 6 Sub-section 5 does not apply to fences adjacent to lot lines that are used for enclosures for the grazing of farm animals.
- Bylaw 2157 7 In Areas C and K the minimum setback for a kennel or small scale food processing that processes more than 50% of off farm product and is limited to livestock processing shall be 7.5 metres from any lot line (with the exception of abattoirs and lands within Electoral Area A where all setbacks shall be 30 metres).
- 8 Despite any other provision of this bylaw, development of lands within the Agricultural Land Reserve shall comply with all applicable regulations of the *British Columbia Agricultural Land Commission Act*, Regulations and Orders.
- Bylaw 2038 9 Small scale food processing facilities serving local producers:
- ⇒ must meet descriptions in Section 311 Food Manufacturing in the North American Industry Classification System (excluding Rendering from Carcasses);
  - ⇒ must be located on a minimum 2 hectare site outside the Agricultural Land Reserve or 3 hectares within the Agricultural Land Reserve;
  - ⇒ must have valid licenses to operate from the Province of BC, including:
    - meeting the BC Slaughter and Poultry Processing Policies;
    - approval by the Farm Industry Review Board;
    - approval of The Canadian Food Inspection Agency;
    - meeting BC Food Premises Regulations;
    - licensing approval from the Centre for Disease Control;
    - approval of Provincial Ministry responsible for water and wastewater systems and administration of the Meat Inspection Regulation (MIR); and
    - approval of the Agricultural Land Commission for composting; and

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⇒ must be located at least 30 meters from the nearest business or residence on another parcel.

A development permit is required for any food processing facility.

Any food processing facility considered a non-farm use must have ALC approval for an exemption.



## CENSUS CANADA – 2006 REPORT

Geographic name	Type <sup>1</sup>	Population			Private dwellings, 2006		Land area in square kilometres, 2006	Population density per square kilometre, 2006	CD/CSD population rank, 2006	
		2006	2001	% change	Total	Occupied by usual residents			National	Prov. / Terr.
▼ ▲		▼ ▲	▼ ▲	▼ ▲	▼ ▲	▼ ▲	▼ ▲	▼ ▲		
Central Kootenay		55,883	57,019	-2.0	27,351	24,680	22,130.72	2.5	105	14
Castlegar	CY	7,259	7,585 ▲	-4.3	3,225	3,062	19.80	366.6	498	69
Central Kootenay A	RDA	2,041	2,125	-4.0	1,459	986	1,704.08	1.2	1,293	189
Central Kootenay B	RDA	4,575	4,742 ▲	-3.5	1,981	1,808	1,620.91	2.8	727	100
Central Kootenay C	RDA	1,284	1,287 ▲	-0.2	583	534	733.29	1.8	1,758	248
Central Kootenay D	RDA	1,525	1,500	1.7	950	709	5,788.48	0.3	1,580	228
Central Kootenay E	RDA	3,716	3,521 ▲	5.5	1,901	1,625	812.61	4.6	861	131
Central Kootenay F	RDA	3,730	3,907	-4.5	1,722	1,587	402.62	9.3	859	130
Central Kootenay G	RDA	1,605	1,354	18.5	799	740	1,510.61	1.1	1,534	224
Central Kootenay H	RDA	4,319	4,472 ▲	-3.4	2,210	1,952	3,293.57	1.3	751	108
Central Kootenay I	RDA	2,415	2,436	-0.9	1,058	1,013	109.47	22.1	1,168	173
Central Kootenay J	RDA	2,792	2,930 ▲	-4.7	1,250	1,175	1,701.37	1.6	1,042	159
Central Kootenay K	RDA	1,800	1,979	-9.0	937	820	4,390.45	0.4	1,415	205
Creston	T	4,826	4,795	0.6	2,465	2,360	8.48	568.8	707	96
Creston 1	IRI	124	122	1.6	52	40	7.78	15.9	4,317	445
Kaslo	VL	1,072	1,032	3.9	523	480	2.80	382.7	1,962	257
Nakusp	VL	1,524	1,698	-10.2	739	679	8.00	190.5	1,581	229
Nelson	CY	9,258	9,318 ▲	-0.6	4,427	4,160	11.72	789.6	414	59
New Denver	VL	512	538	-4.8	292	243	1.10	465.1	2,982	320
Salmo	VL	1,007	1,120	-10.1	481	458	2.38	423.6	2,048	267
Silverton	VL	185	222	-16.7	132	103	0.44	416.0	4,075	410
Slocan	VL	314	336	-6.5	165	146	0.75	419.3	3,629	355

## Community Facts

### Creston Town

1 General									
Incorporated in 1924, Creston has a total land area of 8.48 square km (2006 Census). By highway the Town is 746 km east of Vancouver, 126 km east of Trail and 106 km southwest of Cranbrook. Creston is in the Central Kootenay Regional District.									
2 Population Estimates					Age Distribution				
Annual Estimates					2006 Census			% Distribution, 2006 *	
Year	Creston	% Change Prev. Year	BC	% Change Prev. Year	Creston	Male	Female	Creston	BC
2006	4,837	-	4,243,580	-	All ages	2,250	2,575	100.0	100.0
2007	4,988	3.1	4,309,632	1.6	0 - 14	335	255	12.1	16.5
2008	5,193	4.1	4,383,860	1.7	15 - 24	200	225	8.8	13.1
2009	5,253	1.2	4,460,292	1.7	25 - 44	385	455	17.4	27.4
2010	5,245	-0.2	4,530,960	1.6	45 - 64	625	740	28.4	28.4
					65 +	700	900	33.1	14.6
Source: Statistics Canada (as of July 1, includes estimate of Census undercount) * based on published totals, both sexes									
2006 Census Profiles can be found on our Website at <a href="http://www.bcstats.gov.bc.ca/census.asp">http://www.bcstats.gov.bc.ca/census.asp</a>									
3 Selected Census Characteristics									
Creston					British Columbia				
Characteristics	2001	2006	% Change	% Change	2001	2006			
Population	4,795	4,826	0.6	5.3	3,907,738	4,113,487			
Population (by citizenship)	4,670	4,680	0.2	5.3	3,868,875	4,074,385			
Non-immigrant	4,140	4,080	- 1.4	2.9	2,821,870	2,904,240			
Immigrant	530	585	10.4	10.8	1,009,820	1,119,215			
Labour force (15+ yrs.)	2,025	1,760	- 13.1	8.1	2,059,950	2,226,380			
Employees	1,670	1,455	- 12.9	9.2	1,715,600	1,873,050			
Self-employed	280	280	-	7.4	291,455	313,000			
Participation rate [ppt.=percentage points]	51.6%	43.0%	-8.6 ppt.	0.4 ppt.	65.2%	65.6%			
Unemployment rate	9.9%	6.0%	-3.9 ppt.	-2.5 ppt.	8.5%	6.0%			
Total population 25 to 64 years	2,150	2,200	2.3	6.5	2,144,050	2,284,465			
No certificate, diploma or degree	540	390	- 27.8	- 40.1	471,470	282,200			
High school certificate or equivalent	420	535	27.4	27.7	462,925	591,275			
Apprenticeship/trades certificate or diploma	435	330	- 24.1	- 7.4	295,180	273,450			
College, CEGEP or other cert. or diploma	455	605	33.0	11.3	401,760	447,005			
University certificate, diploma or degree	300	335	11.7	34.7	512,715	690,535			
Bachelor's degree	190	175	- 7.9	23.0	282,800	347,715			
Census families	1,375	1,460	6.2	6.9	1,086,030	1,161,420			
Lone-parent families	200	205	2.5	4.0	168,420	175,165			
Households	2,220	2,360	6.3	7.1	1,534,335	1,643,150			
1-family households	1,370	1,445	5.5	6.1	1,012,925	1,074,850			
Multi-family households	-	10	-	18.4	35,050	41,510			
Non-family households	845	910	7.7	8.3	486,355	526,785			
Median Income (2000 & 2005)	\$ 18,490	\$ 20,019	8.3	12.5	\$ 22,095	\$ 24,867			
Males	\$ 22,646	\$ 27,901	23.2	9.0	\$ 28,976	\$ 31,598			
Females	\$ 15,206	\$ 16,913	11.2	14.0	\$ 17,546	\$ 19,997			
Median Family Income (2000 & 2005)	\$ 43,699	\$ 47,088	7.8	20.0	\$ 54,840	\$ 65,787			
Economic Families	1,395	1,455	4.3	6.5	1,044,850	1,112,810			
2001 Incidence, low income 2006 Prevalence, low income	9.9%	15.5%	5.6 ppt.	-0.6 ppt.	13.9%	13.3%			
Unattached persons, 15+	930	955	2.7	4.7	576,825	603,880			
Incidence, low income	43.8%	32.6%	-11.2 ppt.	-1.4 ppt.	38.1%	36.7%			
Population in private hh.	4,645	4,670	0.5	5.1	3,785,270	3,978,215			
Incidence, low income	16.4%	19.3%	2.9 ppt.	-0.5 ppt.	17.8%	17.3%			
Dwellings	2,215	2,360	6.5	7.1	1,534,335	1,643,150			
Owned	1,605	1,800	12.1	12.5	1,017,485	1,145,045			
Rented	615	555	- 9.8	- 3.6	512,360	493,995			
Average gross rent	\$ 536	\$ 687	28.2	10.4	\$ 750	\$ 828			
Average owners' payments	\$ 499	\$ 574	15.0	17.1	\$ 904	\$ 1,059			
Avg. value, owned dwel.	\$ 117,438	\$ 189,801	61.6	81.5	\$ 230,645	\$ 418,703			

Source: Statistics Canada. Notes: incomes are for 2005 and 2000; rent/owner's payments are restricted to non-farm, non-reserve private dwellings.

## Community Facts

### Creston Town

7		Values of Building Permits									
Year		Residential				Non-Residential		Total		Year	
		Number of Units		Value \$'000		Value \$'000		Value \$'000			
		Creston	BC	Creston	BC	Creston	BC	Creston	BC		
2006	23	38,835	5,487	7,620,696	964	3,920,836	6,451	11,541,532	2006		
2007	48	40,932	10,233	8,611,723	5,426	3,932,968	15,659	12,544,691	2007		
2008	41	30,110	8,954	6,899,289	5,990	3,677,866	14,944	10,577,155	2008		
2009	26	18,607	4,684	4,491,075	538	3,138,810	5,222	7,629,885	2009		
2010	57	28,942	8,891	6,701,313	3,077	3,008,506	11,968	9,709,819	2010		

Source: Statistics Canada

Note: Detailed non-residential permits data can be found on our Website: [www.bcstats.gov.bc.ca](http://www.bcstats.gov.bc.ca)

A dash can indicate a nil report, a value of less than \$500, or non-reporting. P indicates 'preliminary'.

8

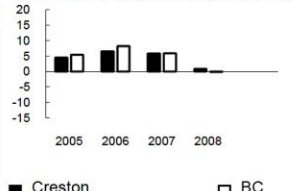
Personal Taxation Statistics

Total Income of All Returns

Year	All Returns (number)		Average Income (\$)		% Change avg. income	
	Creston	BC	Creston	BC	Creston	BC
2004	6,470	3,053,420	26,464	33,766	n/a	n/a
2005	6,700	3,154,090	27,649	35,601	4.5	5.4
2006	6,700	3,165,750	29,457	38,523	6.5	8.2
2007	7,150	3,287,750	31,180	40,802	5.8	5.9
2008	7,730	3,383,640	31,438	40,736	0.8	-0.2

Taxation data available at: <http://www.bcstats.gov.bc.ca/data/dd/income.asp>

Percent Change in Avg. Income



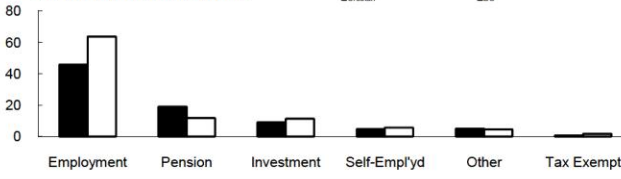
Year	Creston	BC
2005	4.5	5.4
2006	6.5	8.2
2007	5.8	5.9
2008	0.8	-0.2

■ Creston □ BC

Source of Total Income 2008

	Creston		BC
	\$Thousands	% of Total	% of Total
Employment	111,343	45.8	63.5
Pension	46,270	19.0	11.9
Investment	22,209	9.1	11.4
Self-Employed	11,460	4.7	5.7
Other	12,148	5.0	4.5
Tax Exempt	1,689	0.7	1.9
Total	243,018	100.0	100.0

% Distribution, Total Income

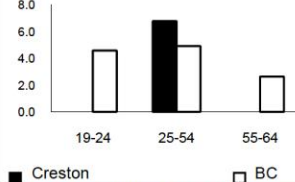


Category	Creston	BC
Employment	45.8	63.5
Pension	19.0	11.9
Investment	9.1	11.4
Self-Employd	4.7	5.7
Other	5.0	4.5
Tax Exempt	0.7	1.9

■ Creston □ BC

Source: Canada Revenue Agency. Areas are defined by postal codes and may not match municipal boundaries.

9 Dependency on the Safety Net							Total Beneficiaries by Age Group, % (Basic BC Assistance & EI)	
Percentage of Population by Age Receiving Benefits - September 2009								
Age Group	BC Basic* Income Assistance Recipients (%)		Employment Insurance Beneficiaries (%)		Total of BC Basic Income Assistance & EI Beneficiaries (%)		Creston	BC
	Creston	BC	Creston	BC	Creston	BC		
Under 19	6.4	2.7						
19-24	-	2.1	8.5	2.6	-	4.6		
25-54	3.5	1.9	3.8	3.1	6.8	4.9		
55-64	-	0.7	2.2	2.0	-	2.6		
19-64	2.7	1.7	3.7	2.8	6.1	4.4		



Age Group	Creston (%)	BC (%)
19-24	0.0	4.6
25-54	6.8	4.9
55-64	0.0	2.6

\* On temporary assistance only. Excluded are those on Continuous Assistance, aboriginals living on reserve, seniors/OAS, & children living with relatives.

Source: BC Stats (using administrative files from the BC Ministry of Housing & Social Development, and Human Resources & Social Development Canada)

Note: EI Beneficiaries reports now include regular, fishing and employment benefits, work sharing and support measures. The reports exclude sickness, maternity and parental benefits.

10 Business Formations and Failures									
Incorporations			Bankruptcies						
Year	Number		Year	Cranbrook		Kootenay DR		BC	
	Creston	BC		Business	Consumer	Business	Consumer	Business	Consumer
2006	29	33,273	2005	2	62	n.a.	n.a.	786	8,168
2007	31	34,036	2006	8	46	31	224	585	7,020
2008	31	30,085	2007	1	33	14	197	470	6,651
2009	23	26,431	2008	3	36	16	180	454	7,293
2010	17	30,305	2009	1	69	9	339	380	10,639

Source: BC Ministry of Finance

Source: Office of the Superintendent of Bankruptcy, Government of Canada

Incorporations are counted in municipality of the registered office address which may differ from the actual business location.

Note: Bankruptcy is by urban postal code forward sortation area and is counted where it is filed.

Linda Hastings

3178 – 49<sup>th</sup> Street South,  
Cranbrook, BC V1C 7A2  
Bus: (250) 426-6564  
Cell: (250) 421-0191  
Email: lhastings@ekappraisals.com

## PROFESSIONAL QUALIFICATIONS

### Accredited Appraiser of the Canadian Institute

- 2008 - Member of the Ad Hoc Committee on Peer Review – Appraisal Institute of Canada
  - 2005 - 2007 Member of the National Investigating Committee – Appraisal Institute of Canada
  - 2000 - 2004 Kootenay Chapter Chairperson – Appraisal Institute of Canada
  - 2003 - 2004 Member of the Cranbrook Planning Advisory Committee
  - 1997 - 1998 President of the B.C. Association of the Appraisal Institute of Canada
  - 1993 - 2000 Director on the B.C. Provincial Council of the Appraisal Institute of Canada
  - 1992 - Charter Member of the B.C. Expropriation Association
- Qualified as an expert witness by the B.C. Expropriation Compensation Board sitting within the City of Cranbrook - 1996
- Qualified as an expert witness in the B.C. Supreme Court sitting within the City of Cranbrook – 1990

## EDUCATION

- University of British Columbia, Vancouver B.C.  
Completed two years 1970-1972
- British Columbia Institute of Technology, Burnaby, B.C.  
Completed two years - Issued a Building Diploma 1972-1974
- Real Estate Institute of British Columbia  
Completed Appraisal Diploma 1979
- Appraisal Institute of Canada  
Received the AACI Designation 1987

## EMPLOYMENT HISTORY:

- 1974 – 1982: British Columbia Assessment Authority, Appraiser for East Kootenays, including Golden, Invermere, Kimberley, Elkford, Sparwood, Fernie, and Cranbrook. Final Position of Appraiser 3, Supervisory, also in charge of certain commercial and industrial valuations.
  - 1985 – 1993: Fee Appraiser at ABJ Real Estate, Cranbrook, B.C.
  - 1993 - Fee Appraiser with E.K. Appraisals
- Resident in Cranbrook since September 1976