

**D.S.Cunliffe, P.Eng.  
Consulting Services**

8 – 5260 SQUILAX ANGLEMONT ROAD, CELISTA, B.C. V0E 1M6

**Consulting Engineering**

CELL (250) 851-6852 FAX (800) 831-5791  
EMAIL: [DaveCunliffe@AirspeedWireless.ca](mailto:DaveCunliffe@AirspeedWireless.ca)

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December 18, 2024

Laura Gibson  
CSRD Planning  
555 Harbourfront Drive NE  
PO Box 978  
Salmon Arm, BC V1E 4P1

Dear Laura:

Subject: Proposed Scotch Creek Rezoning:

- 1) 3860 Squilax Anglemont Road – Frac SE ¼ Sec 33 Tp 22 Rg 11 W6M KDYD  
Except Plans 8429, 11667, 12027, 18498, 20276, and 35916 (PID 002-212-838)
  - 2) 3862 Squilax Anglemont Road – Lot A Sec 33 Tp 22 Rg 11 W6M KDYD  
Plan 35916 (PID 002-212-234)
  - 3) 3868 Squilax Anglemont Road – Lot B Sec 33 Tp 22 R11 W6M KDYD Plan  
35916 (PID 002-212-498)
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I am writing to follow up my letter of November 17<sup>th</sup> and our meeting of December 16<sup>th</sup> to provide further justification for the proposed plan for the development of the above noted properties in Scotch Creek.

For 3860, limiting the planned storage development in Zone 1 to 2 rows of buildings affects the economic feasibility of the whole project.

The current plan for Zone 1 to build 4 rows of storage needs to be considered in relation to the goal of the CSRD to see Scotch Creek develop as the primary settlement area in the North Shuswap. [REDACTED] supports this goal but needs to find a way to develop his property so that he can rationalize his support and still have a development that at least breaks even in the short term. Here is the information that needs to be considered.

1. 3860 is a large 9-acre parcel and Zone 1 as proposed represents about 50% of the land.
2. The proposed storage use in Zone 1 would be almost 500 ft from Squilax Anglemont Road.

3. It is possible to subdivide 3860 into 2 lots, Zone 1 and Zone 2 without having to build public roads to MoTI standards which is very expensive and removes developable land.
4. Storage does not require community water or sewer and there appears to be enough known demand to proceed with development.
5. A subdivision concurrent with rezoning is necessary so that Phase 1 of the storage development can be registered once construction is complete.
6. The residential development planned for Zone 2 can't proceed without community sewer and water which optimistically won't occur for at least 10 years.
7. [REDACTED] storage project on Jordan Road is about ½ the size of what is proposed for Zone 1 and it took 5 years to complete. It is reasonable to estimate then that the development proposed for Zone 1 will take 10 years which aligns well with the date when we can expect community services.
8. 3862 is a ½ acre parcel. The proposed 4 unit commercial/residential development for it can proceed now without community services primarily because a public utility for water is not triggered.
9. 3868 is a 1-acre parcel. The proposed 8 unit commercial/residential development for it cannot proceed without community services. The requirement for a public utility (CPCN) for water will be triggered. The Comptroller of Water Rights will not approve a CPCN for a strata with less than 35 connections and the CSRD is not considering new requests for acquiring water systems so the "Cottonwood solution" is not available.

At this time [REDACTED] can only develop a portion of 3860 in storage and 3862 into a 4 unit commercial/residential development without community water and sewer.

1. If he can develop 4 rows of storage occupying 50% of 3860, the effective land cost per unit of storage will be 2 times what he paid for the property. While significant, this effective increase in land cost can be absorbed in the Zone 1 development.
2. He also plans on proceeding with the 4-unit development on 3862 at the same time. This is a risky, untested development in Scotch Creek. The planned 4 rows of storage development will provide enough capital so that if there is market resistance, there will be a cushion to cover losses for as many years as it takes to sell out.
3. The 4-unit commercial/residential development fronting Squilax Anglemont Road is exactly what the OCP specifies for the Village Centre designation.

The situation is dramatically different if only 2 rows of storage can be developed.

1. With the storage project occupying only 25% of 3860, the effective land cost per unit of storage will be 4 times what he paid for the property.
2. Buildout of the 2 rows of storage would be expected to take 5 years similar to the Jordan Road project.
3. It isn't possible based on the time it has taken for the Scotch Creek West water system to be completed, to expect community water and sewer to be available in 5 years.
4. This would increase holding costs and there would be no cushion for further delay waiting for community services or market resistance for the 4-unit development.

This increase in holding costs, combined with the risk associated with the 4-unit commercial/residential development planned for 3862 would necessitate a different, survival-oriented approach to how to develop these 3 properties.

Currently the MU zoning for 3862 and 3868 would allow [REDACTED] to develop around 30 storage units, the equivalent of 2 rows of buildings on 3860. Rather than the proposed residential/commercial development proposed for these 2 lots, this option would do nothing to help Scotch Creek develop as the principal settlement area in the North Shuswap.

3860 would need to be set up for a long-term hold until community water and sewer is available. This would likely involve fencing the property for liability purposes and establishing a low taxation use like agriculture.

The alternative of allowing 4 rows of storage in 3860 helps supports the vision for Scotch Creek's Village Centre as outlined in the OCP. [REDACTED] has a track record of supporting the community

1. [REDACTED] has agreed to remove the following uses from the proposed C1-Commercial Zoning for 3862.
  - (b) Campground
  - (e) Marina
  - (f) Mini storage
  - (g) Motel
  - (i) Outdoor sales
  - (k) Plant nursery and services
  - (n) Recycling drop-off facility
  - (r) Service station
  - (t) Tourist cabin

Even if market conditions prevent 3862 from proceeding as planned, the proposed rezoning would permanently remove these uses and help protect the future of Scotch Creek.

2. More flexibility is proposed for 3868 and [REDACTED] has agreed to remove the following uses from the proposed C1-Commercial Zoning.

- (b) Campground
- (e) Marina
- (f) Mini storage
- (k) Plant nursery and services
- (n) Recycling drop-off facility

It is important to note that storage has been proposed to be removed from this property as an allowable use. As with 3862, even if market conditions prevent 3868 from proceeding as planned, the proposed rezoning would permanently remove these uses and help protect the future of Scotch Creek's Village Centre.

3. Scotch Creek currently has 21 properties fronting on Squilax Anglemont Road within the area designated as Village Centre in the OCP that are zoned MU or C1, both of which allow storage. In fact, 3990 is already advertising pre-sales for storage units. The proposal for the three properties; 3860, 3862, and 3868 removes 3 of the 21 properties from the potential to frustrate the creation of a Village Centre in Scotch Creek.
4. [REDACTED] has also proposed to set up a 10-year lease over Zone 2 of 3860 for community purposes. The land would be leased for a nominal fee. The details of how this would work need to be fleshed out but in principle, we are proposing the following. A lease over a portion of a title is only legal for a maximum of three years. If the zoning is completed prior to registration of the subdivision, a 3-year lease would be issued to the CSRD (or designate) and then replaced with a 10-year lease when the new title is created. [REDACTED] will also want input into how the land will be used so that it doesn't affect the security or marketability of either the storage or the commercial/residential development.

[REDACTED] has an interest in seeing Scotch Creek develop into a real Village Centre. His storage development on Jordan Road has set a standard for quality and visual appearance.

His commitment to the community is also evidenced by him housing the Scotch Creek/Lee Creek Fire Department in 4 unsold units on Jordan Road until the firehall can be rebuilt. The rent being paid by the CSRD is well below market rates and while the ultimate goal is to sell the units, they have been effectively taken off the market for at least 3 years.

To summarize, [REDACTED] is committed to the vision of Scotch Creek as outlined in the Official Community Plan. He is willing to take personal risk to see this happen and will restrict the uses of the properties fronting Squilax Anglemont Road to conform to that vision. He is also prepared to reserve 50% of the 9-acre site at 3860 for medium density residential development, again to support the vision even though the sewer and water services required to proceed will not be available for years to come. In exchange, he seeks support for developing the west 50% of the 9-acre site into a storage strata similar to his development on Jordan Road.

Please contact me if you have any questions. We hope CSRD staff and the Board will support this development proposal.

Yours truly,

A handwritten signature in blue ink, appearing to read 'D.S. Cunliffe', with a stylized flourish at the end.

D.S. Cunliffe, P.Eng.