



Land Use Operational Policy Log Handling

NAME OF POLICY: Log Handling

APPLICATION: This policy applies to all aquatic and upland Crown lands used for log handling operations and activities

ISSUANCE: Assistant Deputy Minister
Crown Land Administration Division

IMPLEMENTATION: Ministry of Agriculture and Lands

REFERENCES: *Land Act* (Ch. 245, R.S.B.C., 1996)

RELATIONSHIP TO PREVIOUS POLICY: This policy replaces the previous Log Handling policy dated August 16, 2004

POLICY AMENDMENT: Any formal request for an amendment to this policy is to be directed in writing to the Director, Land Program Services Branch, Crown Land Administration Division.

Warren K. Mitchell

Warren Mitchell
A/Assistant Deputy Minister
Crown Land Administration Division
Ministry of Agriculture and Lands

05/10/29

Date

APPROVED AMENDMENTS:		
Effective Date	Briefing Note /Approval	Summary of Changes:
August 16, 2004		Changes made as a result of the Policy and Procedures Re-write Project.
October 21, 2005		Policy changed to reflect new agency names and responsibilities

EFFECTIVE DATE: August 16, 2004
AMENDMENT NO: 1(October 21, 2005)

FILE: 12350-00

APPROVED AMENDMENTS:

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1. POLICY APPLICATION

This policy applies to all aquatic Crown lands and Crown upland.

This policy is to be applied together with Crown Shoreland Policy, which is consolidated for reference in Appendix I of the **Residential** policy.

The italicized text in this document represents information summarized from standard Crown land management policies and procedures. This material has been inserted where it provides necessary direction or context. As well, website links offer access to the full text of the relevant land management policies and procedures. Text in standard script is applicable to this policy only.

2. PRINCIPLES AND GOALS

Provincial employees act in accordance with applicable legal requirements when making decisions. The [Guiding Principles](#) are a summary of key administrative and contract law principles which guide provincial employees.

This policy is part of a series of policies that have been developed to help provincial staff use business and legal principles to achieve the government's goals with respect to the management of Crown land in a manner that is provincially consistent, fair and transparent. To that end, this policy also serves as a communication tool to help the public understand how the Province of BC makes decisions respecting Crown land.

3. DEFINITIONS

Aquatic Crown land means that land below the visible high water mark of a body of water, extending offshore to the recognized limit of provincial jurisdiction, including the foreshore.

Authorizing agency means the provincial ministry responsible for the specific land use authorization.

General log handling use means the use of Crown land for industrial activities and related improvements for log dumping, storage, sorting, booming and barging in remote areas and other areas not associated with intensive log handling as described below.

Intensive log handling use means the use of Crown land for industrial activities and related improvements directly associated with a wood conversion facility (e.g. sawmill, pulpmill, plywood mill) and/or an integrated operational facility such as a centralized dry land or aquatic log sort, and includes, without limitations, log storage and holding areas, jackladders, feeder pockets, hot ponds, wharves and floats, float-camp sites, pilings and areas of fill directly associated with those facilities. (Float camps which are not contiguous and used in conjunction with a specific log handling tenure are authorized under Type "B" **Commercial** policy.)

4. ABBREVIATIONS

BCA - BC Assessment

ha. - Hectare

MAL - Ministry of Agriculture and Lands

MFR - Ministry of Forests and Range

MOU - Memorandum of Understanding

5. APPLICANT ELIGIBILITY

Applicants for new tenures, tenure assignment, or tenure replacement must be:

- *Canadian citizens or permanent residents 19 years of age or older; or,*
- *Corporations which are incorporated or registered in British Columbia; or,*
- *Registered partnerships, cooperatives, and non-profit societies which are formed under the relevant provincial statutes; or*
- *First Nations can apply through band corporations or Indian Band and Tribal Councils. Band or Tribal Councils require a Band Council Resolution a) authorizing the council to enter into the tenure arrangement, and b) giving the signatories of the tenure document the ability to sign on behalf of the Band. For tenures which are to be registered in the Land Title Office, First Nations must apply through either a band corporation or trustees. Band members can elect 1 or more trustees to hold a tenure on behalf of the Band. Verification of election must be by way of a letter signed by the Chief and councilors of the Band giving the full names of the trustees and stating that they were elected at a properly convened meeting of the Band. A Band Council Resolution is not required.*
- *In the case of aquatic land, non-Canadians can apply if they own the adjacent upland (companies must still be incorporated or registered in B.C.).*

*For more detailed standard policy information see **Eligibility and Restrictions**.*

6. FORM OF LAND ALLOCATION

Refer to Appendix 1 for a summary of the forms and terms of Crown land allocation available for log handling operations.

*For more detailed standard policy information see **Form of Crown Land Allocation**.*

6.1 Investigative Permit

An investigative permit may be issued to any proponent requiring access to the land for appraisals, inspections, analyses, inventories, surveys or other investigations of Crown land or its natural resources, or where otherwise required. No buildings or other improvements may be placed on the land.

The tenure holder must permit public access to the area without interference, and must recognize that overlapping and layering of tenures may be authorized by government.

The maximum term for an investigative permit is 2 years.

6.2 Temporary Permit

A temporary permit may be issued for temporary uses (including one-time events and sustained or repeated use of Crown land), where a business is better served by such a permit than by a licence of occupation.

The tenure holder must allow public access to the area without interference, and must recognize that overlapping and layering of tenures may be authorized by Government.

The maximum term for a temporary permit is 2 years.

Short-term tenures for up to one year may be required for log-watering sites associated with short-term timber sales by the Ministry of Forests and Range. The authorizing agency may develop special application procedures in conjunction with the Ministry of Forests and Range to facilitate the issuance of the short-term tenures.

6.3 Licence of Occupation

A licence of occupation may be issued where minimal improvements are proposed, where short-term tenure is required, where there are multiple users of a site (e.g. communication sites), or in remote areas where survey costs are prohibitive. It may also be used to allow development to proceed while awaiting completion of survey requirements for a lease or right of way.

A licence of occupation conveys fewer rights than a lease. It conveys non-exclusive use for the purpose described, is not a registerable interest that can be mortgaged, and does not require a survey.

A licence of occupation does not allow the tenure holder to curtail public access over the licence area except where it would impact the licencees' right to use the land as per the licence document. Government may authorize overlapping and layering of tenures.

The standard term for a licence of occupation is 10 years.

6.4 Lease

A lease should be issued where long term tenure is required, where substantial improvements are proposed, and/or where definite boundaries are required in order to avoid conflicts.

The tenure holder has the right to modify the land and/or construct improvements as specified in the tenure contract. The tenure holder is granted quiet enjoyment of the area (exclusive use).

A legal survey will generally be required at the applicant's expense to define the tenured area. A lease is a registerable interest in the land that is mortgageable.

The standard term for a lease is 30 years.

7. PRICING POLICY

7.1 Administrative Fees

*Application fees for tenures, and other administrative fees, are payable to the Province of BC. These fees are set out in the fee schedules contained in the **Land Act Fees Regulation**.*

For short term use (i.e. typically two years or less) multiple log handling sites may be applied for under a single application (and a single fee) by the same operator; however, the maximum number of sites should generally not exceed 10. For longer term use multiple sites are acceptable under one application if the sites are in fairly close proximity - normally within a 500m radius of each other. For both long and short term use there may be situations that warrant varying from these guidelines (e.g. local geography, mix of uses or length of use, proximity of sites to each other, etc).

7.2 Method of Valuation

7.2.1 Aquatic and Upland Valuation

The value of an aquatic land tenure is the sum of the valuations of areas of general log handling use and areas of intensive log handling use within the tenure boundaries.

Valuations for general log handling and intensive log handling use are determined in accordance with the methods outlined below.

General Log Handling use: valuations for general log handling areas (as defined in this policy) are based on the land area utilized and pricing zone values established by the province. The valuation is calculated as the total area in log handling use multiplied by the rate of the pricing zone in which the area is located (see Appendix 2).

Intensive Log Handling use: valuations for intensive log handling use areas (as defined in this policy) are calculated as the total area in such use multiplied by two times (2x) the zone value established for the pricing zone in which the area is located (see Appendix 2).

The zone values described in Appendix 2 will be adjusted periodically in relation to the market value of an appropriate industrial land base, or values being used for other comparable land uses. Where an area of general log handling or intensive log handling use occupies more than one pricing zone, the higher zone value will apply. The province retains the right to adjust lease and licence rentals pursuant to an adjustment in the zone values.

The value of land for an upland lease or licence of occupation is based on the BCA actual land value or appraised land value where BCA is not available.

The authorizing agency may require an appraisal of a log handling tenure area that is contiguous to a processing plant, or where a prescribed zone value is considered not to reflect current market value for a particular tenure or group of tenures.

7.2.2 Filled Areas Valuation

The value of aquatic lands for general and intensive log handling use is based on the methods outlined below.

Procedure for Valuation for Filled Areas

General Log Handling use: fills are valued at a minimum of two times (2x) zone value.

Intensive Log Handling use: Unauthorized fills that are being legalized, pre-authorized fills created from materials that have been dredged from adjacent aquatic lands, and all fills that have been in place for a period greater than 10 years, are valued at 100% of upland value. Where special costs will be incurred to create an authorized fill, the value of such areas will be discounted by a percentage of appraised market value of up to 50% for a period of up to ten years.

7.2.3 Procedure for Valuation of Other Areas

The maximum value relationship is 100% of upland value for integrated upland-aquatic lands uses where the subject aquatic lands are used in close conjunction with, or as a continuation of the adjacent upland (e.g. improvements such as wharves affixed to the upland and the substrate).

7.3 Rentals

7.3.1 Investigative Permit

\$250 for terms up to one year, or \$500 prepaid for 2 years.

7.3.2 Temporary Permit

\$250 for terms up to one year, or \$500 prepaid for 2 years.

7.3.3 Licence of Occupation

Annual rent for licences of occupation is based on 7.5% of land value (as determined in accordance with section 7.2). The minimum annual rental is \$500.

See section 9.3.3 for licence rentals in the case of conversion of lease to licence of occupation.

7.3.4 Lease

Annual rent for leases is based on 8% of land value (as determined in accordance with section 7.2). The minimum annual rental is \$500.

8. ALLOCATION PROCESSES

8.1 Applications

New and replacement tenures are normally offered in response to individual applications.

8.1.1 Application Package

Applications must be complete before they can be accepted for processing. A complete application package will include all the material defined in the Application Checklist.

Applications for lease or licence of occupation must be accompanied by a Log Handling and Prospectus Form (as per Application Package) prepared by the applicant.

8.1.2 Application Acceptance

New applications will be reviewed for acceptance based on application package completeness, compliance with policy and program criteria, preliminary statusing, and other information which may be available to provincial staff. The acceptance review is to be completed within 7 calendar days. Applications that are not accepted will be returned to the applicant.

8.1.3 Clearance/Statusing

After acceptance, provincial staff undertakes a detailed land status of the specific area under application to ensure all areas are available for disposition under the Land Act and to identify potential issues.

8.1.4 Referrals

Referrals are a formal mechanism to solicit written comments on an application from recognized agencies and groups. Referrals are initiated as per legislated responsibilities and formal agreements developed with other provincial and federal government agencies. Referrals may also be used to address the interests of local governments and First Nations. Referral agencies, organizations and identified special interest groups provide their responses to the authorizing agency within 30 days (45 days for First Nations).

Project Review Team (PRT)

A Project Review Team (PRT) is an advanced referral method which may be used for complex applications. It is a team chaired by the authorizing agency and comprised of recognized agencies and groups which meets to review and comment on specific Land Act applications.

8.1.5 Advertising/Notification

At the time of application acceptance, provincial staff will notify applicants if advertising is required and provide the necessary instructions.

Upland Owner Consent

Owners of waterfront property have certain "riparian rights" which include the right of access to and from the upland (see [Riparian Rights and Public Foreshore Use in the Administration of Aquatic Crown Land](#)). Provincial staff will advise applicants if there is a need to obtain a letter indicating the upland owner's consent to their application.

Adjacent Owner Notification

New applications to tenure foreshore adjacent to privately owned property, including Indian Reserves, are brought to the adjacent property owner's attention through referrals

or direct contact. In certain circumstances, provincial staff may advise applicants that there is a need to obtain a letter indicating adjacent owner's consent to their application.

8.1.6 Aboriginal Interests Consideration

The authorizing agency is responsible for ensuring the province's obligations to First Nations are met in the disposition of Crown land. Provincial staff carry out consultations in accordance with the consultation guidelines of the Province to identify the potential for aboriginal rights or title over the subject property and to determine whether infringement of either might occur.

8.1.7 Field Inspections

Field inspection means the on-site evaluation of a parcel of Crown land by provincial staff. The need to conduct a field inspection will vary and the decision to make an inspection ultimately lies with the authorizing agency.

8.1.8 Decision/Report

The applicant will be notified in writing of the government's decision. **Reasons for Decision** are posted on the relevant website.

8.1.9 Issuing Documents

If the application is approved, tenure documents are offered to the applicant. All preconditions must be satisfied prior to the authorizing agency signing the documents. It is the applicant's responsibility to obtain all necessary approvals before placing improvements or commencing operations on the tenure.

8.2 Competitive Process

The authorizing agency may initiate one of a number of different competitive processes (e.g. public auction, request for proposals) where permitted by program policy and when deemed appropriate by provincial staff.

9. TENURE ADMINISTRATION

9.1 Insurance

A tenure holder is generally required to purchase, and is responsible for maintaining during the term of the tenure, a minimum level of public liability insurance specified in the tenure document. The province may make changes to the insurance requirements and request copies of insurance policies at any time during the term of the tenure.

9.2 Security/Performance Guarantee

A security deposit or bond may be required to be posted by the tenure holder where any improvements on, or changes to, the land are proposed. The security deposit is collected to insure compliance and completion by the tenure holder of all the obligations and requirements specified in the tenure. Some examples where such security may be used are for any type of clean-up or reclamation of an area, and/or to ensure compliance with development requirements.

Companies holding a number of leases/licences may deposit a single amount to cover all their tenures, rather than an individual deposit for each.

9.3 Assignment and Sub-Tenuring

Assignment is the transfer of the tenure holder's interest in the land to a third party by sale, conveyance or otherwise. Sub-tenuring means an interest in the Crown land granted by a tenant of that Crown land rather than the owner (the Province).

Assignment or sub-tenuring requires the prior written consent of the authorizing agency. The assignee or sub-tenure holder must meet eligibility requirements. The authorizing agency may refuse the assignment of existing tenures if the details of the assignment or sub-tenure are not acceptable to the province.

Investigative and temporary permits can not be sub-tenured or assigned.

9.3.1 Sub-Tenuring

The lessee may sub-lease the entire leasehold or "a portion of" for the same purpose, in accordance with the provisions of the lease document.

The term of a sub-lease will normally be 2 years, with a maximum of 5 years. When the proposed use is for more than 5 years, the lessee should either assign the lease (with approval from the authorizing agency) or convert the lease to a licence of occupation (as per section 6.4.2).

There will be no rental discount to the lessee. The sub-lease rates are the responsibility of the lessee and the sublessee.

9.3.2 Multiple Use of Leases

A lessee may have certain leaseholds which are critical to the long term operation of the lessee, but due to changing operations (i.e. harvesting rotation) are not required on a continuous basis.

The authorizing agency, at the request of a lessee, may consider either approval of a sub-lease or conversion of a developed lease to a licence of occupation to provide for the multiple use of a log handling site while recognizing the long term needs of the lessee. The selection of either option and the number of leases to which it applies, is at the discretion of the authorizing agency.

Written support from the District Forest Manager for the multiple use proposal should be provided by the tenure holder.

9.3.3 Conversion of Lease to Licence of Occupation

The lessee may request the authorizing agency to convert all or a portion of a lease to a licence of occupation (initial licence). This allows the province to issue a subsequent licence over all or a portion of the area for a purpose which does not conflict with the initial licence.

The term of the initial licence will be consistent with the term remaining on the lease.

The authorizing agency will consult with the initial licensee prior to issuing any subsequent licence.

The annual rent for the initial licence is based on 7.5% of the licence value over all or any portion of the licence area which is not issued to a subsequent licensee. If all or a portion of the licence area is issued to a subsequent licensee, the initial licensee will pay an annual fee over the subsequent licence area of 2% (\$500 minimum) in order to retain a long term interest in the area, and the subsequent licensee will pay an annual fee of 7.5% (minimum \$500) of the licence value.

The normal term for a subsequent licence will be 5 years for a different purpose (i.e. fish farm) and 10 years for the same purpose (i.e. log handling).

The term of a subsequent licence will not overlap with the timeframe for when the licence area will again be required by the initial licensee. A replacement subsequent licence may or may not be issued, as appropriate.

A subsequent licence will be given 2 years notice prior to expiry of the licence.

Following absolute expiry or cancellation (90 days) of all subsequent licences, the initial licensee may request the authorizing agency to re-issue a lease over the original leasehold. Resurvey is at the discretion of the Surveyor General.

9.4 Tenure Replacement

Replacement tenure means a subsequent tenure document issued to the tenure holder for the same purpose and area.

In most cases, tenure holders may apply for a tenure replacement at any time following the mid-term of the tenure. Replacement of tenures is at the authorizing agency's discretion. The province may decline to replace a tenure, or may alter the terms and conditions of a replacement tenure. For tenure terms and conditions see Section 6.

Investigative permits are not generally replaced. A further two year term may be provided, at the authorizing agency's discretion, when there are legitimate requirements for a longer investigative period.

9.5 Monitoring and Enforcement

Tenure terms and conditions, including requirements contained in approved management/development plans, act as the basis for monitoring and enforcing specific performance requirements over the life of the tenure.

10. VARIANCE

Any decision that would vary from this policy must be made by the Assistant Deputy Minister, Crown Land Administration Division, Ministry of Agriculture and Lands.

Appendix 1. Log Handling Policy Summary

TENURE	TERM ¹	VALUATION	PRICING	METHOD OF DISPOSITION
Investigative Permit	2 years	Fixed amount	\$250 for terms up to one year, or \$500 prepaid for 2 years.	Application
Temporary Permit	2 years	Fixed amount	\$250 for terms up to one year, or \$500 prepaid for 2 years.	Application
Licence of Occupation	10 years	<u>General Use Areas:</u> zone rate (see appendix 2) <u>Intensive Use Areas:</u> 2 x zone rate	Annually at 7.5% of land value. Minimum \$500 See section 9.3.3 for pricing of multiple use areas.	Application
Lease	30 years	<u>General Use Areas:</u> zone rate (see appendix 2) <u>Intensive Use Areas:</u> 2 x zone rate	Annually at 8% of land value. Minimum \$500	Application

¹ This summary applies to both new and replacement dispositions

Appendix 2. Pricing Zones and Zone Values

ZONE	DESCRIPTION	VALUES (\$/HA)
A	HOWE SOUND	6,178
B	VICTORIA HARBOUR * ABOVE CNR BRIDGE * BELOW CNR BRIDGE	7,413 8,649
C	SECHELT INLET-JERVIS INLET	3,768
D	SOUTH COAST	4,200
E	WEST COAST	2,718
F	KITIMAT, PRINCE RUPERT, STEWART	3,015
G	NORTH COAST	1,964
H	LOWER FRASER	5,127
J	UPPER FRASER – SOUTH INTERIOR	2,409
K	PITT LAKE	3,015
L	NORTH INTERIOR	1,964

LOGHANDLING PRICING ZONES (EFFECTIVE 88-09-15)

LOGHANDLING ZONE VALUE

ZONE	DESCRIPTION	VALUE(\$/hs)
A	Nova Sound	6,170
B	Victoria Harbour	7,413
	• above DNR bridge	8,649
	• below DNR bridge	3,768
C	Sechart Inlet-Jervis Inlet	4,700
D	South Coast	2,710
E	West Coast	3,615
F	KITimat, Prince Rupert, Stewart	1,964
G	North Coast	5,127
H	Lower Fraser	2,409
J	Upper Fraser - South Interior	3,015
K	Pitt Lake	1,964
L	North Interior	1,964



