

Property Acquisition Process Guide

BC Hydro received approval to proceed with the Site C project in December 2014 and construction at the dam site started in July 2015. With construction underway, we are initiating discussions for the acquisition of necessary land rights from private property owners (as described in section 11.3 of the Environmental Impact Statement for Site C).

The following is an overview of the property acquisition process for Site C.

The Acquisition Process

1. Starting the Acquisition Process

A BC Hydro property representative will contact each owner whose land is directly affected by the Site C project in advance of any project-related impacts on their land. However, if an owner wishes to start discussions with us at any time, they can request a meeting with one of our property representatives.

The property representative will discuss both the specifics of the land and/or rights that are required and the timing for the acquisition. In some instances the property representative will also request permission for BC Hydro to undertake field investigations, such as survey, heritage and archaeological or geotechnical investigations. These investigations may be required to meet commitments contained in the Site C Environmental Assessment process, or to determine the location of works.

2. Independent Valuation

BC Hydro will compensate owners based on fair market value when it acquires land and/or rights, and in accordance with applicable legislation.

To determine the market value of the land and/or right of way area, an appraisal report will be prepared by an independent appraiser hired by BC Hydro. This appraisal report will take into account any associated improvements and loss in value to the remaining land, including, where applicable, loss of merchantable timber and crops.

In some circumstances, it also may be necessary for us to engage the services of other valuers, such as a business valuator, registered professional forester, or agrologist to help determine other or more complex potential losses.

3. Compensation for Land and Improvements

Based on the appraisal and, where appropriate, other valuation reports, the property representative will meet with each property owner to discuss the findings of the valuers and to present an offer of compensation for the land and/or rights required and any additional disturbance damages, as provided for in applicable legislation.

Compensation for land and improvements may include the following, where appropriate:

(a) Fee Simple (full ownership in land)

For the acquisition of land in fee simple, compensation will be based on the market value of the land. Land in fee simple will be required for the following project components:

- Reservoir inundation
- Highway 29 realignments
- Old Fort realignments

(b) Statutory Right of Way (rights on land)

A Statutory Right of Way grants rights over land for specific purposes, while ownership of the land is retained by the owner. Examples of the rights that may be granted include the right for BC Hydro to flood lands, or the right to construct and maintain a berm. The Statutory Right of Way document will also contain related restrictions on the use of the land e.g. a restriction on the construction of buildings.

For the acquisition of land by way of permanent Statutory Right of Way, compensation will be based on a percentage of the market value of the fee simple interest in the land.

Permanent Statutory Rights of Way will be required for the following project components:

- Impact lines
- Hudson's Hope shoreline protection (berm)
- Project Access Road

(c) Temporary rights

The compensation for the acquisition of temporary rights required will be a one-time payment based on market rates similar to a rental payment for the duration of the required use by BC Hydro. Such temporary rights include leases, licences and temporary Statutory Rights of Way for the following project components:

- Construction access and clearing roads
- Highway 29 construction purposes
- Conveyor corridor

(d) Injurious Affection

Where the independent appraisal on directly impacted land determines it is appropriate, our payment will also include payment for any injurious affection, which means we will compensate the owner for any reduction to the market value of the owner's remaining interests in the land resulting from our acquisition of the land and/or rights.

(e) Buildings and other improvements

If improvements on the land are also directly impacted by the project, compensation will be paid for the depreciated value of the building or other improvement, or for moving the structure to another unaffected portion of the property.

(f) Access

If as a result of the project an owner's driveway or other access to their property is impacted, we will compensate the owner for the reinstatement of such driveway or access.

(g) Wells and other water sources

If a measurable decline in yield or quality of water from a lawful surface or groundwater source is caused as a direct result of the project, we will work with the owner to reinstate the groundwater or licenced/authorized surface water source. Following independent expert analysis of the options available and associated costs, where appropriate, and our assessment of the feasibility of reinstating the water source, we will, as applicable, reimburse the owner for items such as: alterations to an existing or alternative water source e.g. filtration/pressure tank, drilling a new well, or piping water from another source.

(h) Septic Systems

If a septic field or tank is directly impacted by the project, we will pay compensation for the replacement of the septic system.

4. Other Elements of Compensation

In addition to the market value for the land and/or rights being acquired, we will compensate owners for the following, if applicable:

- (i) Disturbance damages as provided for in applicable legislation, such as:
 - An owner-occupier allowance, if a residence is purchased outright and the owner resides in the residence;
 - Financial losses caused by the purchase of the land or rights. For example, the reasonable costs of relocating on other land, including an amount equal to the property transfer tax payable on a new property of the same value, and reasonable moving, legal and survey costs that are necessarily incurred in acquiring a similar interest or estate in other land;
 - Business loss, where a business is operating on the property;
 - Restoration costs for items such as fencing, irrigation, or landscaping that are directly impacted by the project; and
 - For farms and ranches:
 - costs of mitigating the effects of the project on farming operations; and
 - costs for items such as crop loss.

- (ii) Legal and Appraisal Costs - the actual reasonable costs related to the acquisition of land or rights as provided for in applicable legislation.

5. Survey

Following agreement with each property owner, and where applicable, we will arrange for a BC Land Surveyor to survey the land required for the acquisition of land in fee simple and the Statutory Rights of Way (both permanent and temporary).

6. Post Construction

If construction activities related to the project result in physical damage to privately owned land or assets, then at BC Hydro's sole discretion, we will either compensate the owner for the damage or the damage will be repaired. The types of construction damage could include rutting of lands, fence or gate damage, and crop loss.

For further information about the land and rights acquisition process for the Site C project please contact James Thomas (james.thomas@bchydro.com).