

**Subject: FW: Due Diligence Canlan PPP**

**Date:** Mon, 21 Apr 2003 18:05:28 -0700

**From:** "john hunter" <hunterjohn@telus.net>

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Fyi

And I ignored statements in the Outlook attributed to Mr. Bell that "we" knew the deal was offside with the Municipal Act when the deal was done

John

-----Original Message-----

From: john hunter [<mailto:hunterjohn@telus.net>]

Sent: April 21, 2003 6:02 PM

To: 'North Shore News Letters to the Editor'

Subject: Due Diligence Canlan PPP

Congratulations on your editorial "Due Diligence" regarding DNV's illegal Canlan Private Public Partnership.

You are correct - it is ridiculous for DNV senior staff and elected officials to claim ignorance of Canlan's illegality. District records show that as far back as 1999, DNV residents advised DNV IN WRITING that the deal was illegal on several counts. How could laymen figure it out, but the experts with their lawyers could not when they crafted it? It's not credible.

Contrary to DNV's legal and Mayoral spin doctors, the Canlan illegality is not a minor technical breach. The 50 year deal totally violates the spirit of the Local Government Act and its predecessor, the Municipal Act, which required elector assent for DNV to incur certain significant long term financial or contractual obligations or grant long term tax relief.

Mayor Bell and his council authorized a contract almost guaranteed to run far in excess of five years due to an interlocking agreement (signed by DNV) with a bank. Various pre-agreements and DNV advertising made clear the intention of a 50 year deal. The contract has an escalating \$500,000 per year liability exceeding 5 years, and tax relief for 50 years. Hence this deal violates not only the spirit, but also the letter of the various acts on three counts. Those who call it a minor technical violation ignore two of the three violations and the interlocking agreement which forces renewal well beyond five years.

Put another way, Mayor Bell and the council committed the district illegally to a liability of approximately \$100 MM over the 50 year life of the contract. It may well be a nice ice rink, but they denied voters their legal right to review the \$100 MM arrangement and vote on it.

It gets worse. Those who claim "I didn't know it could be illegal" might want to read the two "smoking gun" clauses of the Canlan agreement that specifically contemplate the actions to be taken if the courts find the deal is beyond DNV's authority (i.e. illegal).

For Mayor Bell and the 1997 Council, it gets still worse (excepting Messrs. Crist and Munroe who voted against the deal). The other councillors can, subject to certain defences, be barred from office for 5 years and held personally liable for monies illegally spent if they voted for it. Hence the recent DNV lawyer's letter to the BC government asking for legislation to relieve Mayor Bell, and any council members and staff (not just the 1997 crew) from their accountability obligations under the law respecting Canlan, which thankfully the BC government refused.

I have been advising councils for over five years that the DNV business practices are out of control. Canlan, Northlands alleged theft, Northlands \$5 million spent with no contracts, the Gravel Lease, the Burrard Band Agreement fiasco, etc.. And more to come.

Council, please wake up to your responsibilities re staff performance - or lack thereof. And Mayor Bell, please resign your GVRD post - there is ample scope for your activities in DNV.

But for now, fellow residents, expect more of the same.

John Hunter, P. Eng.

President & CEO


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