

Research Note

ARRESTED DEVELOPMENT:

*The Saga of a “Sustainable” Planned Village on Salt Spring Island, 1985–2016**

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STANDING ON SALT SPRING ISLAND’S Channel Ridge, one has an expansive view of the Salish Sea’s Stuart Channel, the northern entrance to Samsun Narrows, and the nearby mountains on Vancouver Island. This is where, in 1985, property developers first envisioned the birth of a “European-style” village, one that was meant primarily to attract affluent retirees. Given the rapid growth of the population on Salt Spring, described by the local tourism bureau as “a nature lover’s paradise,”¹ the idea obviously had its appeal. Today, however, the village site is a barren, rock-strewn landscape that bakes in the hot summer sun with little hint of the ponds and meandering streams envisioned by the planner. The only building that was ever erected alongside the winding roadways is an empty show home that overlooks the spectacular vista, and the only significant sign of Nature’s recovery amidst the construction debris is swaths of invasive broom (see Figures 1–4). As a newcomer to Salt Spring and a regular walker on Channel Ridge, I began to wonder how the abandoned development site could come into being on an island that has long been experiencing pressure for more population growth. Having written about the rise of anti-development protests in the Howe Sound area,² and being familiar with Salt Spring’s environmentalist reputation, I was curious about public reaction to the Channel Ridge development and about the role played by the physical environment in the village project’s failure. The first questions this research note addresses, then,

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¹ “Salt Spring Island, Discover Yourself Here,” saltspringtourism.com.

² J.I. Little, *At the Wilderness Edge: The Rise of the Antidevelopment Movement on Canada’s West Coast* (Montreal and Kingston: McGill-Queen’s University Press, 2019).

are: What happened and why? On a broader scale, it asks what this environmental scar reveals about recent attitudes towards the natural environment and about the relationship between property developers and the wants and needs of the broader community.

Lying within the unceded traditional territories of the Cowichan, Penelakut, and Lyackson First Nations, Salt Spring Island first began to attract settlers in the late 1850s.³ Its salubrious climate, sheltered inlets, scattered lakes, and small farms tucked between forested hills have meant that few places are better suited to the Arcadian myth, with its idealization of places lying “somewhere on the urban fringe, easily accessible and mildly wild.”⁴ This is a vision with roots that stretch back to antiquity, but it is also one that – in one form or another – has long been used to attract tourists and sell real estate.⁵ The challenge for the Channel Ridge developers was that the vision they attempted to sell was not appealing enough to overcome a number of practical disadvantages, including the fact that the site was not on the oceanfront or level enough for a golf course, not to mention its distance from shops and other amenities. Furthermore, its rugged topography required significant development costs, and there was a growing concern about water supply on the island during the increasingly dry summer months. In short, the story of the Channel Ridge village project reflects not only the longstanding appeal of a closer connection to Nature in its more benign and scenic form but also the limits of that appeal as far as property development was concerned.

The largest of British Columbia’s Gulf Islands at 27 kilometres in length and 14.4 kilometres at its widest point, Salt Spring Island’s population of approximately 2,100 in 1961 grew rapidly to 3,163 in 1971 and 5,443 in 1981.⁶ With the island’s Official Community Plan of 1974 recommending a maximum population of fifteen thousand, and concerns by the late 1980s

³ Charles Kahn, *Salt Spring: The Story of an Island* (Madeira Park, BC: Harbour Publishing, 1998), 28, 318. For a detailed history of the early settler history of the island, see R.W. Sandwell, *Contesting Rural Space: Land Policy and the Practices of Resettlement on Saltspring Island, 1859–1891* (Montreal and Kingston: McGill-Queen’s University Press, 2005).

⁴ Peter J. Schmitt, *Back to Nature: The Arcadian Myth in Urban America* (New York: Oxford University Press, 1969), xvii.

⁵ See, for example, Michelle Dagenais, “Fuir la ville: Villégiature et villégiateurs dans la région de Montréal, 1890–1940,” *Revue d’histoire de l’Amérique française* 58, no. 3 (2005): 315–45; and Blake Harrison, *The View from Vermont: Tourism and the Making of an American Rural Landscape* (Burlington: University of Vermont Press, 2006), chap. 2.

⁶ The growth continued to 7,871 in 1991 and had reached 10,640 by 2016. See Kahn, *Salt Spring*, 12, 299; Statistics Canada, Census Profile, 2016 Census, Saltspring Island Trust Area, www12.statcan.gc.ca; Islands Trust, Salt Spring Island Local Trust Committee, Official Community Plan Bylaw no. 434, 2008, schedule A, vol. 1, B.2.1. www.islandstrust.bc.ca/media/34.



Figure 1. Show Home. Photo by Brette Little.



Figure 2. Broom in Bloom. Photo by Brette Little.



Figure 3. Unburied Utilities Box and Fire Hydrant. Photo by Brette Little



Figure 4. Concrete Culvert. Photo by Brette Little.

that it could nearly double that number,⁷ progressive planners felt that clustering development was the best alternative from an environmental perspective because it allowed for more green spaces. Furthermore, the Arcadian vision is a two-edged sword as far as property developers are concerned, attracting people to the island but also instilling in them a concern that population growth is undermining its rural character. The traditional-style village envisioned in the promotional literature therefore had the advantage of appealing to the islanders' desire to preserve as much land as possible from development as well as their notion of being a tightly knit community even if the model, rather ironically, was imported from elsewhere. Indeed, historian J.L. Weller has argued that Salt Spring's community ideal, a product of the Arcadian vision, tended to trump that of the island as a pristine and fragile ecosystem.⁸ That would help to explain why certain environmental safeguards were overlooked by Islands Trust – the development regulation agency for the Gulf Islands – when, in 1985, it granted approval to the Channel Ridge plan forwarded by Victoria lawyer and property developer Louis Lindholm.

The site as a whole covered more than fourteen hundred upland acres (567 hectares), and the statutory building scheme's restrictive covenant passed in 1986 allowed for a total of 577 residences, potentially representing a 25 percent increase in the island's population.⁹ Rather than attempting to impose a grid-like pattern on the challenging terrain, the plan was to create scattered housing clusters and an extensive public trail network as well as the compact village that would occupy a substantial ninety-acre (thirty-six-hectare) site (see Figure 5).¹⁰ To add to the development's

⁷ The report published in 1989 by the Salt Spring Island Planning Association, and endorsed by Islands Trust, recommended that the number remain at fifteen thousand for the time being. See *Gulf Islands Driftwood*, 25 October 1989, A1–2. On the role of Official Community Plans for Gulf Islands development, see J.L. Weller, "Living on 'Scenery and Fresh Air': Land-Use Planning and Environmental Regulation in the Gulf Islands," *BC Studies* 193 (Spring 2017): 113–14; and Little, *At the Wilderness Edge*, chap. 3.

⁸ Weller, "Living on 'Scenery and Fresh Air,'" 99.

⁹ A statutory building scheme is registered on property titles within a subdivision in order to impose limits on what the owner(s) can do with their property. <https://www.doakshirreff.com/legal-services/strata-property-law/>. The Channel Ridge restrictive covenant overrode the island's Land Use Bylaw, which had allowed for 710 residential units. "Questions and Answers about Channel Ridge Properties," *Gulf Islands Driftwood*, 17 March 2004, A18. The potential increase in the population number is based on an estimate of 2.5 people per residence. The population in 1986 was 6,164. Kahn, *Salt Spring*, 299.

¹⁰ "Preservation Society Presents Lindholm with Membership," *Gulf Islands Driftwood*, 18 June 1986, 11; Kahn, *Salt Spring*, 291. The Salt Spring Island Land Use Bylaw passed in June 2001 designated the village core to be 21.6 acres (8.7 hectares) with an allowance for 108 dwellings, and the outer village to be 65.7 acres (26.6 hectares) with an allowance for 327 dwellings.



Figure 5. Schematic Map of Channel Ridge Property Development. *Source:* Channel Ridge Sales Leaflet, n.d.

appeal as an organic community and to alleviate concerns that it would compound the traffic problem in the island's main village of Ganges, the village site would be zoned to include seventy-five thousand square

"Channel Ridge Update," vol. 1, no. 1, advertising feature in *Gulf Islands Driftwood*, 8 October 2003, A11.

feet (6,968 square metres) of commercial space, equivalent to more than half that of Ganges.¹¹

The Channel Ridge village was to consist of two uneven rings of buildings, with the outer ring including single-family houses, town houses, and garden apartments, and possibly also public services such as a school, meeting hall, clinic, fire hall, and theatre. Mixed-use commercial buildings would be confined to the inner ring, which would also feature a central plaza serving as “the focus of recreation, entertainment and community life.” Limiting commercial development, and in keeping with the Arcadian vision of Islands Trust, was the fact that shops would be allowed only in conjunction with a residence and would occupy no more than fifteen hundred square feet (139 square metres) each.¹² The word “sustainable” had not yet appeared in the promotional literature, but the promise was clearly that residents would enjoy the benefits of easy access to unspoiled Nature as well as being part of a sociable and economically vibrant community.¹³ What could go wrong?

To begin with, friction developed with members of the island community long before ground was broken at the village site. The 1986 covenant had set aside 272 acres (110 hectares) as a watershed protection zone for nearby St. Mary Lake, the source for much of northern Salt Spring’s drinking water, but, in 1989, Lindholm sought permission to move his subdivision boundary across the watershed boundary in order to improve views for some of his planned houses. When his request was refused, he proceeded to clear-cut seven acres within the protected area. As a result, he was sued for breach of contract by North Salt Spring Waterworks as well as the Salt Spring Water Preservation Society, which had been placed in charge of the area. The two agencies were subsequently granted an injunction restraining Lindholm from further logging, building roads, or operating heavy equipment on watershed lands.¹⁴ Lindholm’s role in the development ended soon afterward, when

¹¹ Kahn, *Salt Spring*, 291; Colliers International sales ad for Channel Ridge Properties (2014), in Channel Ridge properties.webarchive/salt spring real estate agent.com.

¹² Appendix 1, Channel Ridge Comprehensive Development Area [1986], in <http://saltspringrealestateagent.com/channel-ridge-properties/>; “A Personal Message to the Community about Channel Ridge,” *Gulf Islands Driftwood*, 27 June 1990; “Preservation Society Presents.”

¹³ Weller quotes an Islands Trust document from 1975 to the effect that trustees saw the local economy as being developed by craftspeople pursuing “artistic occupations, small businesses, and workshops which serve local needs and provide employment” while representing “important elements of a rural environment.” See Weller, “Living on ‘Scenery and Fresh Air,’” III.

¹⁴ David Fraser, “District, Society File Suit Over Logging,” *Gulf Islands Driftwood*, 23 August 1989, AI.

he collapsed and died while en route to court in Victoria to contest the court decision.¹⁵

The following year, in 1990, Henry Schubart, the prominent Salt Spring architect who had designed the first stage of the Channel Ridge plan, publicly dissociated himself from the development on the grounds that not only had trees been cut in the St. Mary Lake watershed but the original road-access plan had been altered. Furthermore, he claimed, areas that were to be left untouched outside the village site were now being built upon, and land reserved for sewage disposal was being preempted for construction. Schubart called for a complete review by Islands Trust, to be followed by public hearings on the island, but the response of the Salt Spring Trust Committee was simply to tighten the bylaw preventing house construction and sewage drainage in the protected watershed area.¹⁶

During the decade following Lindholm's death, the focus of his sons and heirs continued to be on developing and selling the forty-five single-family lots south of the village site. Finally, in August 1999, one of his sons announced that development of the village centre would begin as early as the fall of that year. This, he added, was where the "real money" would be made. A ten-acre septic field was already operating at a secondary treatment level, and Lindholm claimed that once village construction was under way a million dollars would be invested to upgrade the system to a tertiary-treatment level, producing water that could be used in toilets and landscaping.¹⁷

The Lindholms clearly realized, however, that such an investment would be risky, for they sold the Channel Ridge property in 2000 to Property Team Inc. of Red Deer, Alberta, for the rumoured sum of \$8 million. The founder, Bryce Chapman, explained to a reporter that his eighteen-year-old company had been formed to purchase distressed rental properties, and that the 650 investors were "normal, middle-class people of all ages who [were] looking for something a little better than what the banks return." Channel Ridge was obviously a departure for the company because it had no experience in property development,¹⁸

¹⁵ *Gulf Islands Driftwood*, 20 September 1989, A1.

¹⁶ "Bylaw Assigns a Channel Ridge Watershed Development Permit," *Gulf Islands Driftwood*, 19 September 1990, A2.

¹⁷ Mike Levin, "Channel Ridge Village on Track in Island's Largest Development," *Gulf Islands Driftwood*, 18 August 1999, 6.

¹⁸ The board members, apart from Chapman, were road builder James Blaney, who served as infrastructure manager; accountant Joseph Schuldhaus, who was vice-president information and technology for West Edmonton Mall; Kevin Thompson, who was president of the industrial service, design, and manufacturing company known as Altech Process and Control

but Chapman boasted that it was “a gift we’re giving ourselves.” In fact, he added, a straw poll had indicated that up to 60 percent of his investors would like to live on Salt Spring “as part of the return on their investment.” And that investment was sound, Chapman insisted, because within the next two years the healthy economies of Saskatchewan and Alberta would spread to British Columbia, and within five to seven years “there will be a wave of Baby-Boomer retirees here like you’ve never seen.” Chapman also stated that he would retain Lindholm’s concept of a European-style village because “I like the idea of concentrating residences, with pedestrian corridors, and leaving the rest of the island in a natural state. It’s a style that seems to sit well with local residents.”¹⁹

Support for housing clusters rather than a “modest overall density” on the island had been enshrined in Salt Spring’s revised Official Community Plan of 1998, which also stated: “The Trust Committee should consider rezoning applications that would allow the addition of some affordable and special needs housing in the Channel Ridge Village Designation.”²⁰ When Chapman launched Channel Ridge Properties as a subsidiary of Property Team Inc. in 2001, however, it was simply with the aim, in his words, of targeting an “upper-middle-class to wealthy” market.²¹ The development permit process for the village was finally launched two years later, in 2003, but Chapman had stepped aside by that spring when, according to new project manager Thomas Ivanore, there were now only 304 investors and most were from British Columbia.²²

Ivanore also claimed that some sixty consultants had been involved in order to ensure that the village design and construction were done properly, with due attention to community concerns and to the environmental impact.²³ In order to impress the island’s residents as well as pro-

Ltd.; and Mark Lindholm, son of Louis Lindholm and president of Lindholm Land and Investment Corporation. See *Channel Ridge Development: About Us*, undated promotional brochure, <http://www.channelridge.com/development/about.html>.

¹⁹ Mike Levin, “Ridge Sells to Alberta Investor,” *Gulf Islands Driftwood*, 23 February 2000, A1-2. See also Norman Gidney, “Saltspring Development Sold,” *Victoria Times Colonist*, n.d. Copy kindly provided by Charles Kahn.

²⁰ Salt Spring Island, Official Community Plan, vol. 1, adopted 16 June 1998, Channel Ridge Village Policies, B.1.4.1 and B.5.4.2.3. https://www.bcuc.com/Documents/Proceedings/2006/DOC_10564_B1-81_Salt%20Spring%20Island%20Community%20Plan.pdf.

²¹ Gidney, “Saltspring Development”; Ashley Ford, “Million-Dollar Views Coming to Salt Spring,” *Province*, 5 September 2004, in <http://www.6717000.com/blog/2004/09/million-dollar-views-coming-to-salt-spring/>.

²² “Channel Ridge Update,” vol. 1, no. 1, A12.

²³ Sharon Adams, “Salt Spring Casting Long Shadow,” *Business Edge* 4, no. 38 (28 October 2004), in Channel Ridge properties webarchive: <http://saltspringrealestateagent.com/wp-content/uploads/2014/09/Salt-Spring-project-casting-long-shadow-Business-Edge-News-Magazine-Archives-2.pdf>.



Figure 6. Crofton Pulp Mill. Photo by Brette Little.

spective clients, professional and personal profiles of a number of those consultants were published in the local newspaper.²⁴ The village, which was to be named Highbridge, would feature an elaborately designed stone entry bridge offering a view of the village centre complex situated beyond the central lake.²⁵ Narrow, winding cobblestone streets would front the core buildings, and in those buildings would be residences located above fifty shops, galleries, and “ateliers.”²⁶ In addition, the village square would offer a market for local farm products, and the adjacent “meadows” would be the site for “fairs, festivals or performances.”²⁷ Passed over in the promotional literature was the fact that directly across the channel was the massive Crofton pulp mill, with its high stacks belching steam and smoke, though Ivanore did claim to a somewhat skeptical reporter that the brightly lit mill “presents a very spectacular view at night” (see Figure 6).²⁸

Ivanore also boasted that the village would be “the largest and most environmentally sustainable community with the most sought-after lifestyle in the Gulf Islands.”²⁹ As with the original Lindholm plan, it would have a water recovery system, the aim being to imitate the natural hydrology of the land in order to keep water circulating within the community. In addition, rain from the rooftops would be directed to reservoirs after treatment, and grey water from the village’s sewage treatment plant would be stored in lakes and used for subsurface landscape irrigation. The system would supposedly collect 140 percent of the water required by a community of 1200,³⁰ but the fact remained that it was meant only as a supplement to St. Mary Lake. Furthermore, even though the project boasted a “sustainable development” adviser, other aspects of that increasingly popular concept were largely limited to artisanal shops and a design meant to encourage social interaction.³¹ That

²⁴ See the three issues of “Channel Ridge Update” in *Gulf Islands Driftwood*, 8 October 2003, 12 November 2003, and 28 January 2004.

²⁵ Capital Regional District Building Inspection Office, Salt Spring Island, Channel Ridge Master Development Permit, 2006, SS-DP-2003.9(a), section A, 17.

²⁶ Adams, “Salt Spring Casting”; “Channel Ridge Update,” vol. 1, no. 2, A13, in *Gulf Islands Driftwood*, 12 November 2003.

²⁷ “Questions and Answers,” A18.

²⁸ Ford, “Million-Dollar Views.”

²⁹ Ibid.

³⁰ Adams, “Salt Spring Casting Long Shadow”; “Channel Ridge Update,” vol. 1, no. 1, A14; Ford, “Million-Dollar Views.”

³¹ “Questions and Answers,” A18. The sustainable development adviser, Mark Holland, stated that the design team’s role was “marrying the natural with the built environment, yet always keeping the focus on the ultimate creation of an exemplary responsible community with a vibrant business centre and great artistic energy.” “Channel Ridge Update,” vol. 1, no. 1, A13. On the sustainable development concept, see Sue Roppel, “Bamberton: If They Build It, Will

said, Islands Trust did respond to local concerns that the village would become a Whistler-like resort by declaring that time-share ownership of units would not be permitted.³² Suggesting to a newspaper reporter that this had been the company's own decision, the sustainable development adviser declared: "If you don't respond to what's important in Salt Spring, you risk creating something that doesn't feel like Salt Spring."³³

The report submitted by the Local Trust Committee's planning consultant nevertheless complained in 2004 that, because the original permit had not specified that the natural environment and its ecosystems must be protected, the environmental protection conditions that could be imposed upon the company were severely restricted by the Local Government Act. Thus, even though the Island Trust's environmental specialist had confirmed the presence of Garry oak habitat and natural wetlands that warranted protection from development, Channel Ridge Properties had refused the request to advance in stages and had cleared most of the village site before the planning report was completed.³⁴ As a result, the site was exposed to erosion and desiccation despite subsequent reseeded with native and coastal grass mixes.³⁵ And even though the company had hired two experienced public relations experts, they could not prevent the expression of local anger following the damage done to what was claimed to be a large inland shell midden.³⁶ The Trust's planning consultant nevertheless praised the "adjustments to the plan in response to the topography and selected environmental features." He felt

They Come? A Case Study of the Bamberton Development Project," *New City Magazine* 17, no. 3 (1997): 25–30.

³² "Trust Looks at New 'Resident' Definition," *Gulf Islands Driftwood*, 6 October 2004, A1, A3.

³³ Adams, "Salt Spring Casting Long Shadow."

³⁴ Salt Spring Island Local Trust Committee, Channel Ridge Village Development Proposal, Staff Report, 24 June 2004 (hereafter Planning Consultant Report), 20. Copy kindly provided by Charles Kahn. Ivanore claimed that the clearing had to be done in one stage because "the communications infrastructure, which includes many environmentally innovative and progressive components in terms of water and waste management and the wireless technology, must all be put in place at once." "Channel Ridge Update," advertising feature in *Gulf Islands Driftwood*, 28 January 2004, 20.

³⁵ Master Development Permit, section A, 6. The Development Permit for Phase One stipulated that, prior to the issuance of any building permit: "the Owner's qualified landscape architect, horticulturist, or arborist shall submit to and have accepted by Islands Trust a Natural Areas Reclamation Plan which clearly shows the natural areas in Phase 1 which are to be reclaimed and rehabilitated and includes detailed recommendations for the completion of the reclamation and rehabilitation works." Salt Spring Island Local Trust Committee, Phase One Development Permit, SS-DP-2003.9(b), 4.

³⁶ *Gulf Islands Driftwood*, 28 January 2004, 22; letter from Phil Vernon and nineteen others to editor, *Gulf Islands Driftwood*, 15 September 2004, A10. The Salt Spring Advisory Design Panel recommended as a condition of approval that a report from a qualified archaeological consultant concerning the archaeological site adjacent to the village be accepted by the Ministry of Sustainable Resources. Planning Consultant Report, 39.

that more could be done “to enliven the public realm of the Village,”³⁷ but, in his view, the development “as proposed, reflect[ed] a high quality of planning, architecture, and community design.” The challenge for the community and its agencies, he added, would be “to ensure the delivery of a high quality Village as exhibited in the submissions in the absence of conventional regulatory controls.”³⁸

By this time, \$13 million had reportedly been spent on the village project, with another \$7 million required for the water and sewage systems, but no building construction had yet begun. Within the development as a whole, 172 single-family lots had now been sold, leaving a total of 405 units available for the village, but the company was now requesting that 130 more units be added to the 577 that were permitted by covenant.³⁹ Despite the additional planned size, company design consultant Calum Srigley claimed that the “English-village concept” was “a perfect match for Saltspring” because, in contrast to Middle American towns developed along a grid pattern, “English villages are rural. They are organic in their growth.” In an attempt to explain how an instant village could be organic, Srigley stated: “What you have to do is search for the things that created that village in the English countryside, that made that village evolve over time.” Included among those things were surrounding open meadows, a town commons, winding footpaths, a pub (despite the fact that it had not been included in the zoning), and a general store.⁴⁰

Srigley did not mention the design of the buildings, but there was little local enthusiasm for what one island resident referred to as the importation of “foreign concepts in an attempt to emulate a ‘cutesy’ European village.”⁴¹ The local Trust Advisory Design Panel also recommended that the classic English-village concept be replaced by a more eclectic one better suited to the West Coast. The desired goal as reflected in the Master Development Permit Guidelines was now to produce a “creative and attractive design that reflects the diversity, richness and spirit of the rural, natural character of Salt Spring Island.”⁴² The Master Development Plan itself stated that, because almost all the buildings would be situated

³⁷ Planning Consultant Report, 19.

³⁸ *Ibid.*, 3.

³⁹ Adding 130 units would have effectively meant returning to the original Land Use Bylaw that had been overridden by covenant (see footnote 9). Planning Consultant Report, 4; Ford, “Million-Dollar Views”; “Questions and Answers,” A17.

⁴⁰ Mark Hume, “No Island Is an Island,” *Globe and Mail*, 4 September 2004, F7; “Channel Ridge Update,” vol. 1, no. 2, A14.

⁴¹ “Channel Ridge Update,” vol. 2, no. 1, 21.

⁴² Planning Consultant Report, 5. See also, pp. 10, 11, 40.

on sloped or steep sites, the building massing should be “comfortably engaged with the ground by means of strong materialistic, elemental and spatial connection to the pedestrian spaces, and to the natural and man-made landscape around them.” Reference should be “made to the simple and calm design cues of the best residential and farm/agricultural properties on Salt Spring Island,” therefore rejecting “imported styles or decorations.” Furthermore, the principal building elements “should be attuned to the natural palette of colours that are indigenous to Salt Spring Island.” More specifically, “reference may be made to the darker earth tones of the local soils and rock, the greens of indigenous surrounding forest, and the misty blue-greys of the distant views and ocean.”⁴³

Such attention to detail would be expensive. The company manager estimated in 2004 that the project would cost \$156 million and promised that units would go on the market that fall, though the development permit was not issued until two years later. Prices were to range from \$500,000 to \$1.6 million.⁴⁴ The company’s claim in 2004 was that eight hundred people had paid a \$2,000 refundable deposit for a home in the development,⁴⁵ but this may have been exaggerated. In any case, potential purchasers were invited a few months later to submit a non-refundable \$1,000 deposit.⁴⁶ The response was obviously underwhelming because the following year the number of planned housing units was reportedly reduced to 310, and commercial space was even further reduced – from 75,000 to only 3,087 square metres. With a nod to environmentalist concerns, but with the more obvious goal of reducing expenses, the development coordinator now claimed that the plan was to “move away from man-made features, blasting and rearranging the natural landscape,” and to incorporate a new five-acre green space within the village core.⁴⁷

When the Master Development Permit was finally issued in 2006, the maximum number of residential units was fixed at 321 and commercial space at roughly 2,940 square metres.⁴⁸ What was still referred to as the

⁴³ Master Development Permit, section A, 7, 9.

⁴⁴ Ford, “Million-Dollar Views”; “Channel Ridge Update,” vol. 2, no. 1, 3. The actual estimated range for the three categories as listed in the expression of interest form was \$352,000 for an eleven-hundred-square-foot terrace unit to \$1 million for the most expensive twenty-six-hundred-square-foot house. Expression of Interest and Reservation Request, Highbridge – A Saltspring Island Village, June 2004.

⁴⁵ Ford, “Million-Dollar Views.”

⁴⁶ Expression of Interest and Reservation Request.

⁴⁷ Sean McIntyre, “Channel Ridge Presentation: Mixed Reviews,” *Gulf Islands Driftwood*, 29 June 2005, A1–2.

⁴⁸ Master Development Permit, 1. The area covered by Phase One was at the heart of the village, and it included 118 dwelling units, over half of which were to be duplexes with the

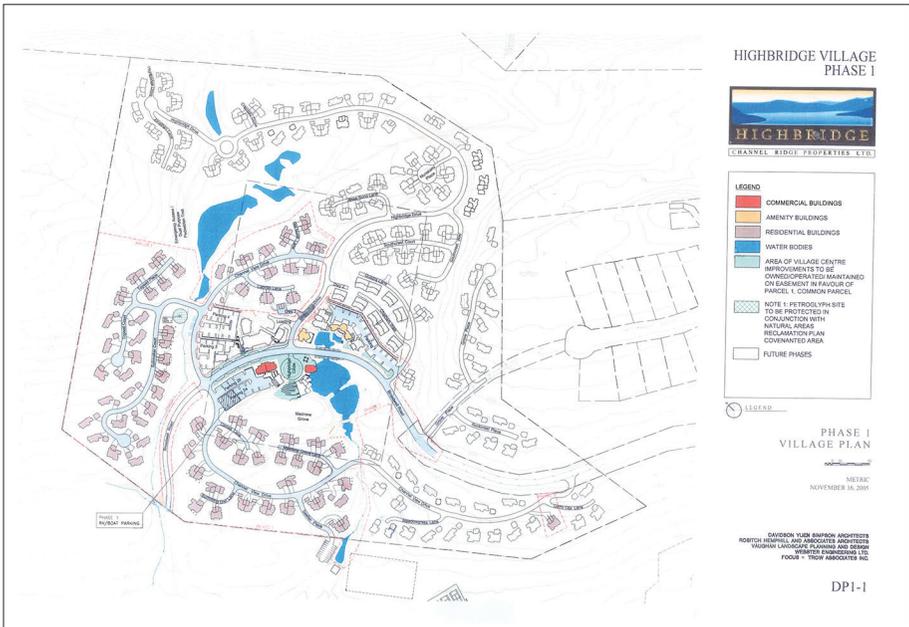


Figure 7. Highbridge Village Plan. *Source:* Channel Ridge Village Phase I Development Permit, section E, List of Exhibits_DP1-1 Phase I Village Plan.

village green consisted of an outdoor space labelled Highland Circle, which was to feature “lakefront retail and food service buildings, a paved and landscaped plaza with amphitheatre seating that [would] accommodate festivals, concerts, and informal programs as well as day-to-day use by visitors and customers served by the Village Centre, and additional specialty shops.” Market stalls would be “encouraged by incorporation of a series of accessible and visible sunny plazas and open spaces.” Across the street, the Amenity Complex would include a library, meeting rooms, pool, sauna, and recreational facilities, as well as arts and crafts studios. Commercial shops would provide for “the day-to-day needs of the residents of the Village and the north end of the island alike.”⁴⁹

At the edge of the village site there would now be tennis courts and a multi-use recreation field. Channel Ridge Properties also promised to “solicit the help of local Gulf Island artists and artisans by issuing a request for proposals that [would] identify opportunities to introduce

others ranging from single-family homes to four-family units. Commercial space was only 671 square metres. Phase One Development Permit, 1.

⁴⁹ Master Development Permit, section A, 17–19.

into the Village articles and art pieces that [would] infuse the Village's public and semi-public places with a distinctive Salt Spring Island flavour." Needless to say, "all electrical, telephone, cable and other electronic communications services [would] be placed and maintained underground."⁵⁰ Finally, residents would be encouraged "by the extensive network of pathways and pedestrian walkways" to access the village centre "on foot or by bicycle, golf cart or other non-automotive means," but the planning maps for Phase One nevertheless reveal that a sizable area was to be dedicated to the 269 parking spaces (see Figure 7).⁵¹

Unfortunately for the company's investors, there were unanticipated cost overruns resulting from work on the steep slopes as well as operation and maintenance of the development's septic system, not to mention a crash in recreational property sales following the 2008 financial crisis.⁵² The following year, when the value of the Channel Ridge property was estimated at \$32.8 million, the Hong Kong Savings Bank sued for non-payment of the \$14.3 million mortgage on loans it had provided since 2005.⁵³ In an attempt to protect their investment, the debt to the Hong Kong Bank was acquired by the four hundred investors in the recently incorporated Equishare Mortgage Investment Company, which had been established by Channel Ridge Properties shareholders themselves.⁵⁴

By 2012, however, the company's debt had reportedly reached \$45 million, with interest charges at \$2,000 a day. As a result, court-appointed assessor Ernst and Young declared that it would have to update its master plan and request an amendment to the island's Official Community Plan if it wished to move forward with a project that reflected current market realities. Channel Ridge Properties then settled for a still further down-scaled development plan, with the size of the individual village housing units reduced from nineteen hundred to only eleven hundred square feet, though with "a world-class amenity that [would] foster programs on the arts and environment."⁵⁵ This face-saving gesture did not prevent the company from going into receivership the following year, in 2013, when

⁵⁰ *Ibid.*, 10–11, MP-6.

⁵¹ *Ibid.*, 18. The total number of parking spaces for the village was to be approximately 641. Master Development Permit, 1.

⁵² Sean McIntyre, "Report Outlines Company's Downfall," *Gulf Islands Driftwood*, 29 May 2013, 1; "Ridge Sale Gets Court Blessing," *Gulf Islands Driftwood*, 29 October 2016, 5.

⁵³ *HSBC Bank Canada v. Channel Ridge Properties Limited*, 2009 BCSC 118 (CanLII), 28 January 2009, <http://canlii.ca/t/22c7t>.

⁵⁴ McIntyre, "Report Outlines," 1; Sean McIntyre, "Channel Ridge Member Outlines New Vision," *Gulf Islands Driftwood*, 31 October 2012, 5.

⁵⁵ The company owed Equishares \$30 million, Kelowna-based Mission Creek Mortgage \$7.6 million, and more than \$7 million to Calgary-based Olympia Trust Company. McIntyre, "Channel Ridge Member," 5.

it was encouraged to scale back once again the plans for the village that would now simply consist of 243 single-family dwellings.⁵⁶

The discounted Channel Ridge property was first placed on the market for \$17.5 million, but the price was lowered to \$11 million in 2014,⁵⁷ then the province's Supreme Court approved the offer of only \$6.6 million by Kelowna-based Viewpoint Enterprises. This was quite a bargain for 830 acres,⁵⁸ considering that the basic infrastructure alone had cost over \$5 million. The new plan was to scale the village down still further to 209 housing units, but Viewpoint subsequently withdrew its offer because the water-supply concerns that had resulted from several exceptionally dry summers had led the Water District to impose a moratorium on new connections. And there was also the problem of an already aging and inadequate sewage system that the provincial Ministry of the Environment claimed was operating beyond its capacity for the houses that had been built outside the village site.⁵⁹ Channel Ridge Properties and its first secured creditor, Paradigm Mortgage Investment, which had agreed to finance the acquisition by Viewpoint,⁶⁰ subsequently sued the North Salt Spring Waterworks District and the Salt Spring Island Water Preservation Society, demanding compensation or the return of the 272 acres of St. Mary Lake watershed land. Included in the lawsuit was Salt Spring's Islands Trust Committee, on the grounds that it had approved post-1986 property developments that required potable water from St. Mary Lake, thereby reducing the amount available for Channel Ridge.⁶¹ Although the number of proposed housing units had been greatly reduced by the development company, as we have seen, the plaintiffs rather disingenuously claimed that 453 potential units were affected by the moratorium.⁶²

⁵⁶ Sean McIntyre, "Receiver Trims Channel Ridge Project," *Gulf Islands Driftwood*, 11 December 2013, 5. A court order appointed Ernst and Young as receiver and manager of the company. Notice of Civil Claim, *Paradigm Mortgage Investment Corporation et al. v. North Salt Spring Waterworks District et al.*, S.C.B.C. Action No: KEL-S-S-108 104 (Kelowna Registry, p. 7). My thanks to Ashley Hilliard for a copy of this document.

⁵⁷ Colliers International sales ad.

⁵⁸ Ibid.

⁵⁹ Sean McIntyre, "Channel Ridge Offer Withdrawn," *Gulf Islands Driftwood*, 29 April 2015, 1–2; McIntyre, "Ridge Sale," 5.

⁶⁰ Sean McIntyre, "Channel Ridge Buyer Gets Extension," *Gulf Islands Driftwood*, 25 February 2015, 5. Paradigm Mortgage loaned \$7.7 million to Channel Ridge Properties in 2011. Sean McIntyre, "Channel Ridge Lawsuit Filed," *Gulf Islands Driftwood*, 2 September 2015, 2.

⁶¹ "The Society Has Been Sued," Salt Spring Island Water Preservation Society newsletter, in <http://www.ssiwaterpreservationsociety.ca/the-society-has-been-sued.html>; *Paradigm Mortgage Investment Corporation v. North Salt Spring Waterworks District*, 2016 BCSC 362 (CanLII), <http://canlii.ca/t/gnm35>.

⁶² McIntyre, "Channel Ridge Lawsuit Filed," 1.

The debt the company owed had grown to \$56 million a year later, in 2016, when it was acquired by Vancouver-based Onni Group, which is the current owner. Said to be one of North America's largest real estate developers, Onni Group had to assume responsibility for only \$5.65 million of the \$12 million owed to Paradigm Mortgage. The other sixteen creditors, including local contractors, received nothing more than a divided portion of the nominal \$100,000 that Onni Group had paid for the property.⁶³ Furthermore, the new owners refused to lift the lawsuit over the watershed land, with the result that costs to the volunteer-managed Water Preservation Society have prevented it from attempting to restore the disturbed areas to their natural condition, not to mention threatening the society's very survival.⁶⁴ With relatively little invested in the Channel Ridge property, and with much deeper pockets than its predecessors, Onni Group can afford to wait until it is in a position either to make a sale at a substantial profit or to proceed with a scaled-down development plan.

CONCLUSION

The Highbridge village site is now like a ghost town in reverse for it challenges those who come across it to think of what might have been rather than what once was. Its story also reminds us that the history of failure can be as instructive as the history of success,⁶⁵ especially given the fact that the Highbridge fiasco was far from unique as far as late twentieth-century British Columbia is concerned. The list of large-scale and bankrupt rural/wilderness property developers includes Stan James, who attempted to impose a suburban-type development on Bowen Island's Snug Cove; David Butterfield, with his sustainable community project at Bamberton on the Saanich Peninsula; and Elke Loof-Koehler, who launched the \$650 million Wyndandsea golf course, resort, and residential project at Ucluelet. All were eventually stymied by environmental hurdles and/or lack of advance sales.⁶⁶

⁶³ Sean McIntyre, "Channel Ridge Deal in Sight," *Gulf Islands Driftwood*, 7 September 2016, 1, 4.

⁶⁴ "Society Has Been Sued."

⁶⁵ See "A Brief History of Failure," *New York Times Magazine*, 12 November 2014, www.nytimes.com; and Jonathan Peyton, *Unbuilt Environments: Tracing Postwar Development in Northwest British Columbia* (Vancouver: UBC Press, 2017). Concordia University Press has recently launched a series titled *Studies in Failure*.

⁶⁶ See Little, *At the Wilderness Edge*, chap. 3; Roppel, "Bamberton"; "The Trust for Sustainable Development, Projects—Bamberton," <http://www.tsd.ca/projects/bamberton/>; and Andrew Bailey, "Massive Resort/Residential Development Plans Unveiled for Ucluelet," *Vancouver*

Unable to offer major resort amenities or ready access to town services,⁶⁷ the Channel Ridge developers – with their slogans of “Where Dreams Are Built” and “Your Dreams Come True”⁶⁸ – attempted to capitalize on their village site’s spectacular views and extensive trail network as well as the persistent influence of the Arcadian myth as a reaction to the accelerated pace of urbanization, alienation, and commodification. But the fact was that those retirees to Salt Spring who could not afford the privacy of an individual lot clearly preferred to move to one of the outer Ganges subdivisions that were within walking distance of the island’s golf course as well as most of its shops and services. With hindsight, and from the perspective of what is now a severely scarred landscape, it is difficult to understand how the developers as well as the highly experienced experts they hired could not have realized the limitations of this site for such an ambitious project. As for Islands Trust and the Capital Regional District, one can only assume that their representatives and staff felt compelled to approve of a project that conformed to the environmental advantages of a compact development as well as promising sustainability and exceptionally high aesthetic and material standards. This failure notwithstanding, the Arcadian vision continues to be a powerful driver for property sales on all the Gulf Islands, and the fear that more housing development will undermine the traditional sense of community and damage the natural environment is now being overshadowed by concern that a lack of housing supply is making it increasingly difficult for working families to live there.⁶⁹

Island Free Daily, 29 June 2018, vancouverislandfreedaily.com. The Onni Group purchased the 360-acre Wyndandsea property in 2015. Three years later it was planning a development of 450 single-family residences, 600 multi-family units, and 400 units of tourism and commercial accommodations.

⁶⁷ Contrast the successful Arbutus Ridge development across the Stuart Channel from Salt Spring. A gated community for seniors, the management of its “four-star” golf course promises “a 25-minute drive from the outskirts of Victoria and 15 minutes for the cultural city of Duncan.” As of 2016, there were 1,063 residents in the development. See www.arbutusridge.ca.

⁶⁸ The first slogan was coined by Lindholm and the second by Chapman. *Where Dreams Are Built*, undated promotional brochure; *Channel Ridge Development: About Us*.

⁶⁹ See Frants Attorp, “Comment: Development Has Put Gulf Islands in Death Spiral,” *Times Colonist*, 1 August 2020; and Jason Mogus, “Comment: On Salt Spring, Solutions for Environment Must Include People,” *Times Colonist*, 6 August 2020, www.timescolonist.com.