

NEWS RELEASE

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City and Island Ferries Conclude Lease Negotiations

Summary

The City of Nanaimo and Island Ferry Services Ltd (Island Ferries) are pleased to announce that they have reached an agreement on a long term lease that will support the construction of a terminal facility for a foot passenger ferry service between downtown Nanaimo and downtown Vancouver.

The City has worked with Island Ferries to create a framework of agreements that meet both Island Ferries needs and the City's objectives of supporting a fast foot passenger ferry service to Vancouver, while ensuring the long term redevelopment potential of the City's recently acquired lands at 1 Port Drive are not compromised.

On June 23, 2014, a staff report will be brought forward to Council requesting direction to publish a Notice of Disposition in the local newspaper. After the Notice has run, Council will be in a position at the July 14, 2014 Council meeting to provide final approval of the agreements. With the lease agreements in place, Island Ferries will be in a stronger position to close on their financing and to prepare for commencement of operations, anticipated to be in the spring of 2015.

Strategic Link: Transportation and Mobility: enhanced transportation connections to Vancouver. Taking Responsibility: continuing to facilitate change and overall development consistent with vision and plans; taking action steps to be a catalyst for investment in the City's future.

Key Points

- The lease will commence on October 1, 2014. Island Ferries is required to start operations by March 31, 2015.
- The lease is for a term of 20 years, renewable twice at Council's discretion (not to be unreasonably withheld). Rent from the lease area is \$52,000 per annum.
- A separate licence agreement has been prepared to preserve the road right of way for the Front St. connection. The agreement has a term of one year and automatically renews. Rent is \$15,100 per annum
- Island Ferries has negotiated a lease for parking on land owned by CP Rail. To provide additional parking, the City will lease to IFSL a portion of the existing road abutting that CP Land.

Quotes

"I am very pleased to announce that the City of Nanaimo has come to agreement with Island Ferries to site their terminal facility on the City's waterfront lands. Once these agreements are finalized, our goal of establishing a foot ferry service between Nanaimo and Vancouver will be one step closer. "

John Ruttan
Mayor
City of Nanaimo

"This agreement is a key milestone in establishing a dependable, customer-focused, passenger-only fast ferry service between downtown Nanaimo and downtown Vancouver. It will provide Island Ferries with a site from which to base our operations. It also allows us to focus our efforts solely on the last critical element - securing sufficient funding to ensure long-term success. We look forward to starting service early in 2015."

Dr Stewart Vinnels
President
Island Ferry Services Ltd

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