



BACKGROUNDER

Timeline of proposed Conference Centre Hotel

In the spring of 2013, the City was approached by SSS Manhao International to construct the Conference Centre Hotel at 100 Gordon Street. This 0.17 ha (0.42 acre) parcel of land is adjacent to the Vancouver Island Conference Centre ("VICC").

- On 2013-JUN-19, the City and Manhao entered into an Offer to Purchase Agreement that would see the City transfer the lands to Manhao, subject to a series of conditions precedent being met.
- On 2013-OCT-07, Council issued Development Permit No. DP00854 for a 21-storey (240 suite) hotel with 13 commercial units, comprising 17,353m² (186,786 ft²) of gross floor area.
- On 2013-NOV-29, the land transferred to Manhao for \$565,000.

One of the supporting agreements associated with the Manhao deal was an Option to Purchase Agreement in favour of the City of Nanaimo. The agreement provides the City with the option to buy the property back for \$565,000 should Manhao not obtain a foundation permit and construct the foundation by 2015-MAY-30. The City has until 2015-NOV-30 to exercise the option.

- On 2015-May-25, Manhao requested a one year extension to the Option to Purchase Agreement.
- On 2015-JUN-22, Council presented a proposal to Manhao that would grant a six month extension to the Option to Purchase Agreement. In exchange, Council requested \$100,000 commitment towards improvements to Piper Park and for Manhao to relinquish the Right of First Negotiation for the Vancouver Island Convention Centre.

Staff have now received a letter from Manhao indicating they are unable to accept the terms of Council's proposal from 2015-JUN-22 and wish Council to exercise the Option to Purchase.