NEWS RELEASE

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Agreement reached to remove Seaspan Right of Way from 1 Port Drive

Summary

The City of Nanaimo, Seaspan Ferries Corporation (Seaspan) and Southern Railway of Vancouver Island Limited (SVI) have reached an agreement that will allow the City to move forward with the redevelopment of 1 Port Drive.

Under the agreement, Seaspan will remove the perpetual right of way that currently occupies 6.27 ha (15.5 acres) of land and water on the City owned 1 Port Drive property. In exchange, the City will compensate Seaspan with a payment of $991,465 and the transfer of 1.45 ha (3.6 acres) of waterlot and 2.3 ha (5.7 acres) of land to a Seaspan/SVI affiliate. The remainder of the land will continued to be owned by the City.

The removal of the right of way will allow the City to move forward with the construction of an interim waterfront walkway and an extension of Front Street to the Nanaimo Port Authority Assembly Wharf. The transfer of the lands will provide Seaspan and SVI with the confidence needed to continue their business on Vancouver Island at this location.

The agreement will be presented to Council for final approval at the October 1, 2018 Council meeting.

Strategic Link: The phased redevelopment of 1 Port Drive is one of Council's key projects in the 2016-2019 Strategic Plan.

Key Points

- At the September 17, 2018 Special "In Camera" Council meeting, Council provided approval to enter into a Letter of Intent (LOI) with Seaspan and SVI to remove the Seaspan Right of Way.
- At the October 1, 2018 Council meeting, Council will be asked to provide formal approval. Council will also be asked to approve a Development Variance Permit to facilitate the subdivision and eventual transfer of the lands to a Seaspan/SVI affiliate.

Quotes

"The redevelopment of 1 Port Drive has been one of Council's key priorities during our term. I am excited that the City has been able to come to this arrangement with Seaspan and SVI and that redevelopment of the lands can begin in earnest in 2019."

Bill McKay
Mayor
City of Nanaimo

"The Wellcox terminal has provided commercial drop trailer and rail access for goods moving between the Lower Mainland and Nanaimo for over 50 years. In the past 4 years, Seaspan Ferries has invested over $150 million in new vessels and terminals. The development of the Duke Point terminal has allowed Seaspan Ferries to revisit our use of the Wellcox lands. We are pleased that this agreement will enable the City of Nanaimo to move ahead with the development of the Port Drive Waterfront property while at the same time preserving valuable industrial lands for the continued growth of the Vancouver Island economy."

Steve Roth
President
Seaspan Ferries Corporation

Quick Facts

- The City of Nanaimo acquired 10.8 ha (26.7 acres) of land and water from CP Rail in March of 2013. The lands were acquired for $3.4m.
- The Seaspan Right of Way covers 6.27 ha (15.5 acres) of land and water and prevents redevelopment of 1 Port Drive.
- The City, Seaspan and SVI have entered into an agreement to discharge the right of way. The transfer agreement is scheduled to close by 2019-Apr-15 following approval of a rail crossing agreement and receipt of a Certificate of Compliance from the Ministry of Environment for subdivision of the lands.
- Construction of the interim walkway and Front Street Extension is scheduled to commence in the spring of 2019.

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Contact:

Bill Corsan
Deputy Director Community Development
City of Nanaimo
bill.corsan@nanaimo.ca
250.755.4426

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