



May 26, 2014 Report to City Council on work from April 28 to June 21

Continued Efforts To:

- Attract two unrelated companies, each of which would be utilizing wood biomass to create a very high value product.
- Expand one local marine industrial business.
- Develop a social media campaign to assist in the marketing of the Alberni Valley.
- Establish the District Energy System.
- Establish a business case for improvements to the Alberni Valley Airport
- Represent the Alberni Valley at planning for the next Islands Agriculture Show
- Address deliverables identified by ACRD for economic development grant

New Initiatives Consisted Of:

- Meeting with Alberni Valley Tourism and agreeing to review sport tourism opportunities with City Parks, Recreation & Heritage personnel.
- Providing some advice on a salmon ecology centre proposal.
- Hosting an Economic Development Essentials workshop.
- Preparing a Report on Approaches to Graffiti.
- Researching market opportunities for a local trucking company looking to increase business

The remainder of this monthly report provides information about the City-owned Lots A, B and C at 2120 Plywood Drive (also known as the former Alply site). A brief summary is followed by a timeline of events that have occurred with respect to this property.

These lots are zoned M3 Heavy Industry; this designation of the site in the City's Official Community Plan highlights Council's objective to "foster the revitalization of the City's industrial waterfront by promoting reinvestment in existing industrial operations and promoting development of new industry on currently vacant lands".

Deterrents to the site's development have included contamination and the associated cost of remediation, federal ownership of the nearshore and a 'no overnight enjoyment' covenant on the property.

A summary of the environmental aspects of the entire former Alply site was completed in 2012. The majority of the contamination is on Lot A and the nearshore in front of it. No unacceptable human health and ecological risks have been identified for Lot C. Remediation options have been estimated at between \$1.63 million and \$5.5 million.

The covenant on the site was agreed to by the City in 1993 at the time of purchase to ensure the continuing operations of the adjacent sawmill would not be hampered by complaints of residents or tourists. Requests to have the covenant removed have been declined for the same reason it was originally adopted.

Lot A (1.7 ha or 4.2 acres) is currently leased to three parties, each under a non-exclusive, short term arrangement. The parties are Evan McLellan, Tony Winters and Rob Hill. The site is used for storage purposes (gravel and materials for the construction of floats) and for the dewatering of logs. The logs provide fibre to several local mills and their processing provides employment.

Lot B (0.58 ha or 1.43 acre) is currently leased to Hakada Sunrise Trading for the storage of yellow cedar timbers.

Lot C (0.9 ha or 2.2 acres) is being developed as a beach.

The following timeline of events associated with the property has been assembled by the City Manager and myself:

1991 – MB closes mill which had been in operation since 1942

1993 – City purchases site “as is” for \$1. Some environmental investigations and remediation preceded purchase. ‘No overnight enjoyment’ covenant is attached to property.

1994 – Some “salvage” demolition contracted by City removes “guts” of mill. Some further environmental remediation took place.

1994-1997 – Marketing of site with very large “empty” building by the then Economic Development Commission and the City with no takers

1997- Demolition contracted for building and other structures except the wharf.

1998- Marketing of cleared site with a number of small leases to Nanaimo shipyards, McLellan Piledriving, Tony Winters and others, a few of which continue today

2001 – Subdivision of site by City into 3 Lots A, B & C with road dedication through to the water.

2007 – City and Port Alberni Port Authority (PAPA) complete ‘Uptown and Waterfront Redevelopment Study’ which recommends that the former plywood site be developed as a marine industrial/commercial yard

2008 – 2011 City applies for and receives federal (Green Municipal Fund) and provincial (BC Brownfield Renewal Funding Program) assistance to conduct several environmental site investigations in a staged approach on Lots A, B and C.

2009 - City enters into Agreement in Principle (AIP) with PAPA for proposed development of “Alberni Boat Yard” on Lots A, B and C.

2009 – City leases Lot B to Chalwood Forest Products for the storage of yellow cedar timbers and lumber destined for temples in Japan.

2010 – PAPA Feasibility Study concludes Boat Yard concept has low Return on Investment because of lack of a private sector investor and need to allocate a projected minimum of \$1 million for site remediation. City and PAPA terminate AIP.

2010 – Western Forest Products (WFP) asks for and receives an Agreement in Principle with respect to Lot A for a possible expansion of their proposed dry land sort log. A land swap of some of their property adjacent to Lot B is contemplated.

2010 -2012 – Leases on Lot C issued to “Wild West Watersports” to host a variety of watersports activities based on Lot C including windsurfing and kite boarding

2010 – Brad Berry asks to lease or purchase Lot A or a portion of Lot A for industrial activities related to the forest industry. Mr. Berry is advised that no offers would be considered until the AIP process with WFP was concluded.

2010 – Issues arise between people using Lot C for recreational purposes and the adjacent Tseshah Polly’s Point Reserve neighbours. Issues are mediated.

2011 – Issues arise between recreational and industrial uses on the site. After review and some mediation, Council gives City staff direction that Lot A is to be used for industrial purposes, Lot B is to be retained for commercial development and Lot C used for recreational purposes.

2010-2012 – Surface cleanup and minor improvements undertaken on Lot C by Parks and Public works assisted by leaseholders for safety and site cleanliness.

2012 - WFP reports they have been advised to terminate the AIP because of the potential issues their staff and consultants see with the contamination on Lot A and the probable costs of addressing that. Direction from Council sought with respect to disposition of property. Council reaffirms general approach to Lot A as industrial, Lot B as commercial and Lot C as recreational.

2012-2013 – Funding proposed and approved in 2013 budget for significant beach cleanup and other site improvements on Lot C

2013 – Start of Beach and land adjacent improvements on Lot C undertaken as capital project. Dredged gravel for the project donated by PAPA.

2013 – PAPA sends City a letter expressing formal interest in acquiring Lot A

2013 – City issues RFP for Lot A for industrial redevelopment on September 23rd. All current lease holders contacted directly about RFP. RFP advertised locally and beyond through several venues. RFP closes November 25th. Report submitted to Council December 9th advising that no substantive proposals received though letter expressing interest in Lot A submitted by PAPA and email submitted by Evan McLellan. Council directs staff to advise PAPA and Mr. McLellan that it will retain Lot A on its current basis but will consider a more detailed proposal for the site by either of those parties or anyone else at any time in the future

2014 – Polar Bear swim hosted at Lot C beach on Jan 1.

2014 – PAPA and Canadian Alberni Engineering approach City with proposal to lease Lot A for possible hovercraft repair project. Council directs staff to enter into lease negotiations with PAPA and identifies list of terms to be discussed. .



Pat Deakin, Economic Development Manager