



September 2015

City of Powell River – PRSC Limited Partnership

INFORMATION

Background

In 2003 the City of Powell River (in conjunction with the Powell River Regional Economic Development Society) and Sliammon Development Corp (SDC) separately approached Norske Skog Canada (now Catalyst Paper) to purchase waterfront industrial lands near the mill. After some discussion, SDC proposed that NorskeCanada and the City come together with it to form a joint venture to pursue development of the lands surplus to mill operations. The conversation between the three parties led to the signing of a Memorandum of Understanding to pursue the formation of a partnership in 2004.

After two years of hard work the three parties announced in August 2006 that they had formed PRSC Limited Partnership to take ownership of approximately 800 acres of land no longer strategic to Catalyst Paper Corporation's operations in Powell River. In return for the lands, PRSC Limited Partnership (LP) secured a mortgage of \$4.5 million due on August 1, 2011 at an interest rate of 5% annually (A 4 year extension was secured early in 2011). Each party held shares in the Limited Partnership through wholly owned corporations:

- Powell River Waterfront Development Corporation (PRWDC) - owned 100% by the City of Powell River
- Tees'kwat Land Holdings Ltd (TLH) - owned 100% by Sliammon Development Corporation
- 0606890 BC Ltd - owned 100% by Catalyst Paper Corporation

While under Creditor Protection in 2012, Catalyst Paper made an agreement with the PRWDC and TLH to sell its shares in the Limited Partnership and retire the mortgage for the sum of \$3.0 million dollars. The cost of the transaction was jointly paid by PRWDC and TLH. The share transfer and mortgage retirement was completed in September 2014 and the Limited Partnership was restructured to include the following shareholders:

- Powell River Waterfront Development Corporation (City of Powell River)
- Tees'kwat Land Holdings Ltd (Tla'Amin First Nation)

Each shareholder has three representatives that sit on the Board of Directors for the Limited Partnership's Management Company, PRSC Land Developments Ltd. The day to day management of the LP's affairs is jointly administrated by the Manager of Economic Development for the City of Powell River and Sliammon Development Corporation.

The Board of Directors of PRSC Land Developments Ltd. are:

- Clint Williams - President (Tees'kwat Land Holdings)
- Kevin Sigouin - Secretary Treasurer (PRWDC)
- Sam Alescio (PRWDC)

- Erik Blaney (Tees'kwat Land Holdings)
- Vern Piele (Tees'kwat Land Holdings)
- Shehzad Somji (PRWDC)

Purpose of the PRSC Limited Partnership

Before the formation of the Limited Partnership, there were virtually no large tracts of land within the Municipality available for new development other than residential. Of particular interest were the Paper Mill's surplus waterfront lands, where Tla'Amin had (and still has) a keen interest in developing a log boom and sort for its forestry operations.

Prior to enquiries made by Sliammon Development Corporation and the City of Powell River about Marine Industrial property, the Paper Mill's owner Norske Skog Canada was entertaining offers to sell its surplus lands to outside interests with no real plans for the development of the properties in the near future. After further discussions, Tla'Amin, the City and Norske agreed that it would be better to work together to sell the lands for redevelopment for the strict purposes of creating new jobs and streams of revenue while also lessening the community's reliance on the paper mill.

As part of the formation of the Limited Partnership, the City was able to secure an option on 88 acres of land that was slated to become Millennium Park. The option was acted upon by the City in 2010 when the purchase of the Millennium Park properties was completed.

Portfolio of Lands

Below is a map showing where the PRSC Limited Partnership properties are located in the City (marked in yellow).

The following is information on each of the properties and their current status:

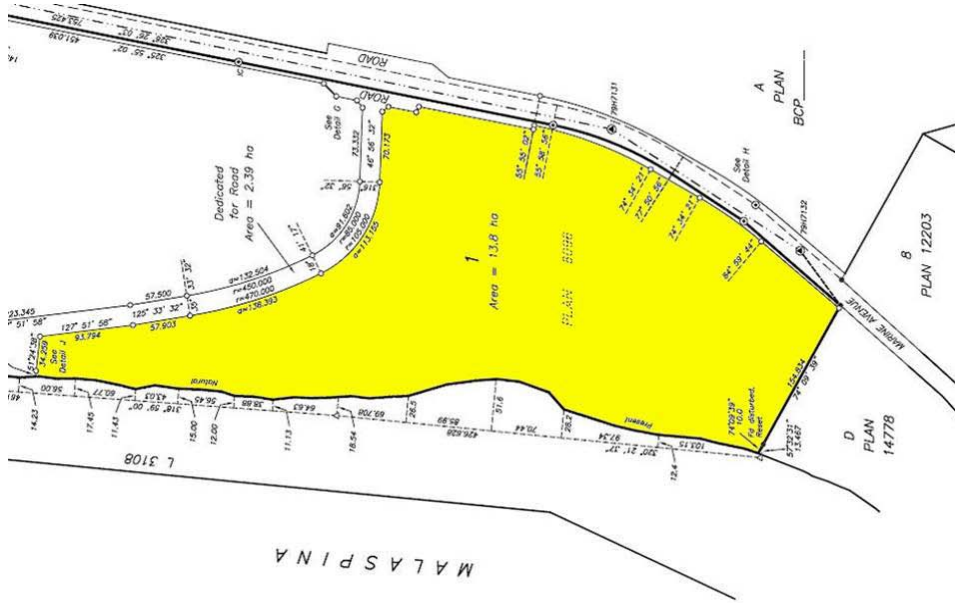
Lot A, DL450, Group 1, Plan BCP23887 (Lot D - Upper Millennium Park marked in green)

- 132 Acres/ Zoned A2: Large Lot Rural/ 100% in Agricultural Land Reserve
- **Property has an accepted offer in place from Sino Bright Investments Ltd which closes in December 2016.**
- Island Timberlands owns the rights to the trees on property
- Future proposed home of Sino Bright International School



Lot 1, DL450, Plan BCP23888

- 34.1 acres
- **SOLD to City of Powell River**
- Site of Lower Millennium Park



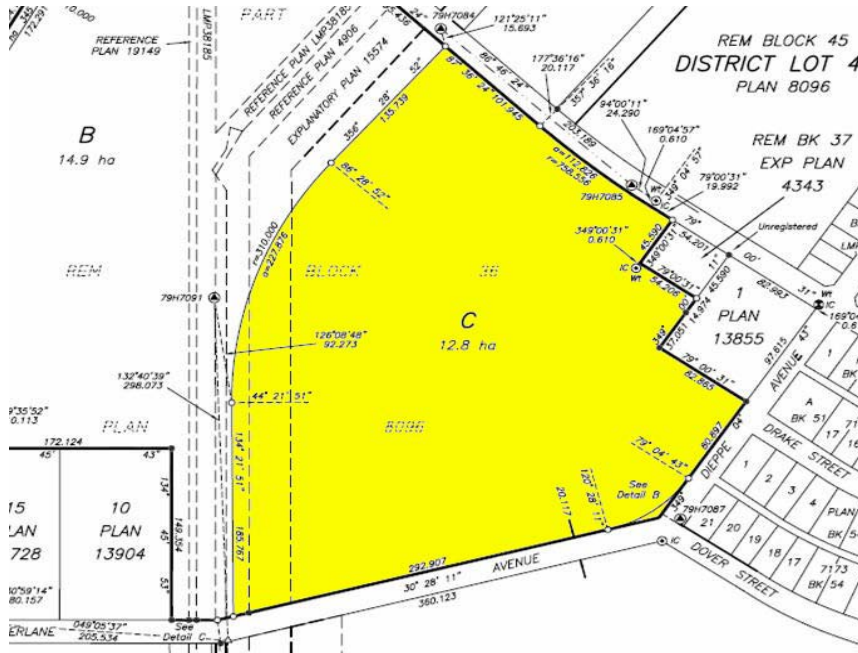
Lot B, DL450, Plan LMP 25234

- 7.9 Acres (Above Brooks Secondary)
- **SOLD**
- New Residential Subdivision



Lot C, DL450, Plan BCP23887 (Between Townsite and Cranberry Neighbourhoods)

- 31.6 Acres/ Zoned: A2 – Large Lot Rural/ 100% Agricultural Land Reserve
- **SOLD**
- Now the site of an Operating Farm



DL4070 & Lot 2, DL450, Plan BCP23888 (Adjacent to City Lands south of Millsite)

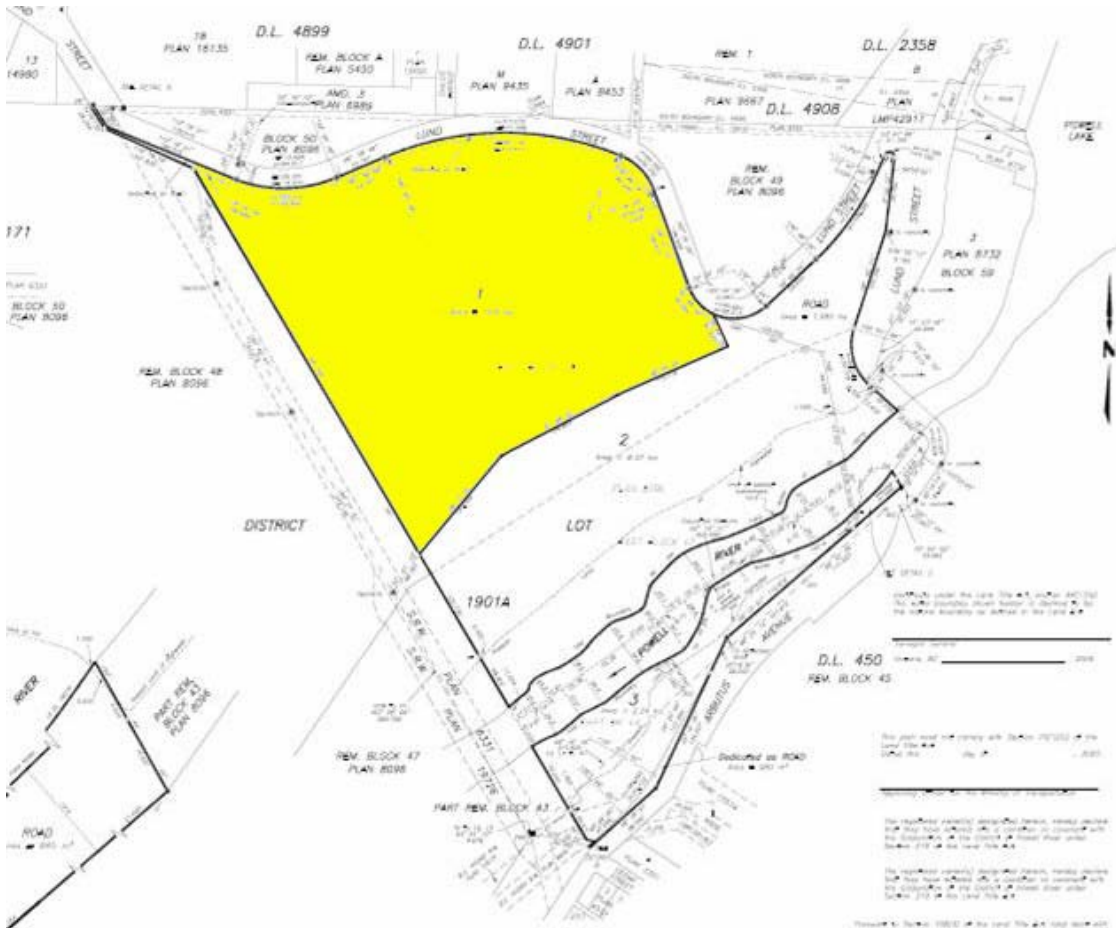
- DL4070 is approximately 18 acres (partially submerged)
- Lot 2, DL450 is roughly 95 acres
- Both properties are zoned M3 – Millsite Industrial
- Island Timberlands owns the rights to the trees on Lot 2, DL450
- Under the Limited Partnership Agreement the TLH and PRWDC will each take ownership of 5.5 acres of waterfront lands for their own development purposes.





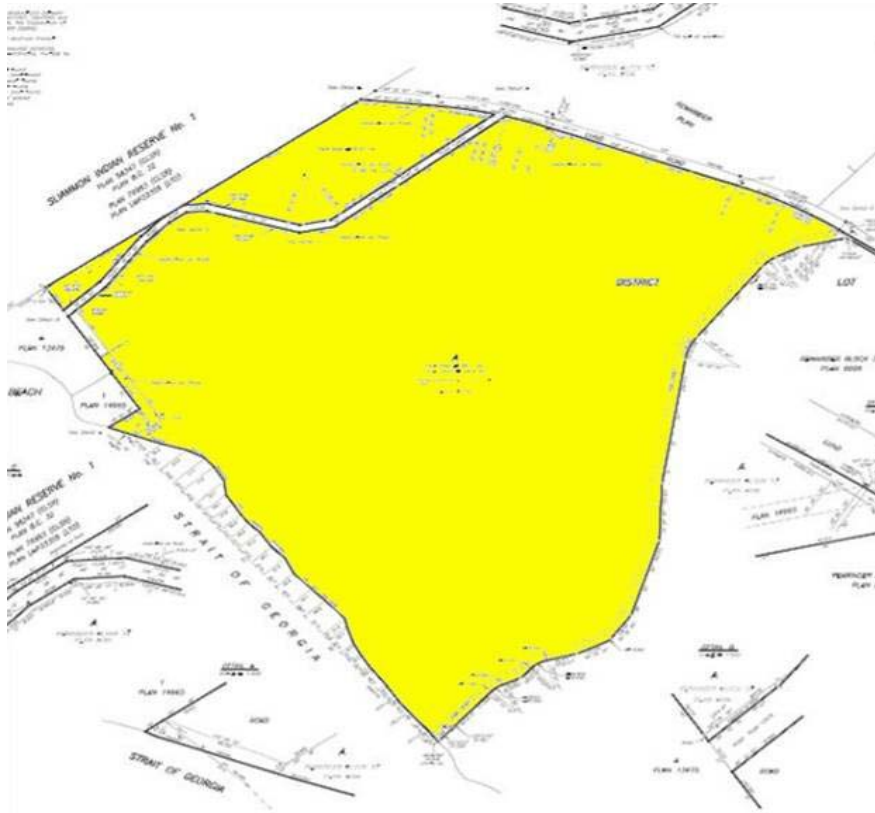
Lot 1, DL1901A, Plan BCP23889 (Wildwood Hill)

- 30.6 acres
- Currently Zoned M3 – Millsite Industrial
- Accepted offer on property (set to close in October 2015)



Lot A, DL450, Plan BCP23890 (Gibsons Beach Property)

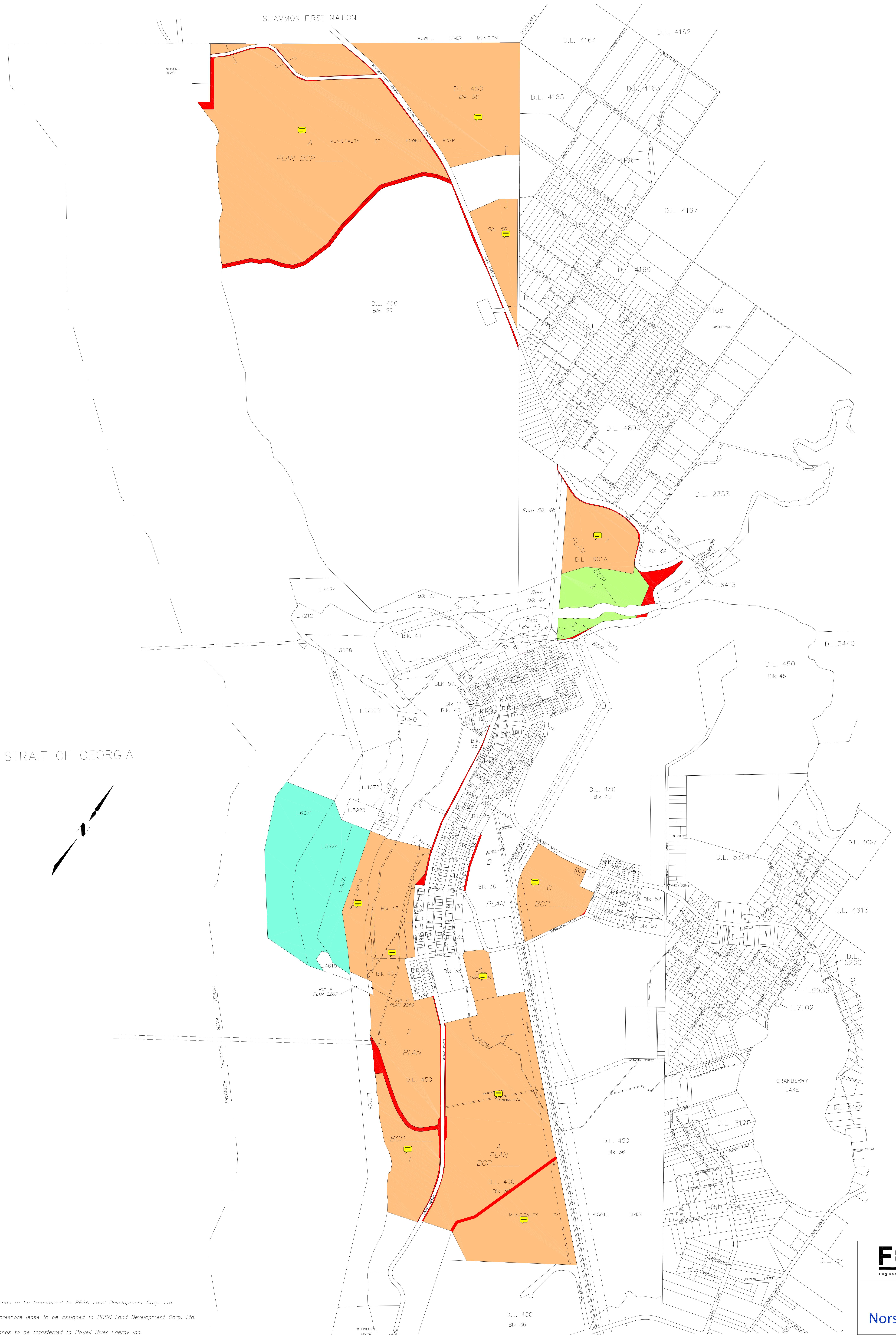
- 245.6 acres
- Zoned: A2 – Large Lot Rural/ 100% in Agricultural Land Reserve
- **Accepted Offer in place on property due to close in April 2016**



Block 56, DL450, Plan 8096 (Across the Highway from Gibsons Beach)

- 100 acres
- Zoned: A2 – Large Lot Rural/ 100% in Agricultural Land Reserve
- **Accepted Offer in place on property due to close in April 2016**





- LEGEND:**
- denotes lands to be transferred to PRSN Land Development Corp. Ltd.
 - denotes foreshore lease to be assigned to PRSN Land Development Corp. Ltd.
 - denotes lands to be transferred to Powell River Energy Inc.
 - denotes road dedication.

Legal Cadastral provided by Emery and Roe Land Surveying Ltd.

FOCUS
Engineering • Planning • Geomatics

NorskeCanada

LANDS TO BE TRANSFERRED

DRAWN	VS	DATE	2005-09-23	SHEET NO.	
DESIGN		SCALE	1:7500		011236SK3