

AGENDA
REGULAR COMMITTEE OF THE WHOLE MEETING
CITY OF NANAIMO SERVICE AND RESOURCE BUILDING,
411 DUNSMUIR STREET, NANAIMO, BC
MONDAY, 2015-MAY-25, AT 4:30 P.M.

1. **CALL THE REGULAR COMMITTEE OF THE WHOLE MEETING TO ORDER:**

2. **INTRODUCTION OF LATE ITEMS:**

3. **ADOPTION OF AGENDA:**

4. **ADOPTION OF MINUTES:**

- (a) Minutes of the Regular Committee of the Whole Meeting held in the Shaw Auditorium, 80 Commercial Street, on Monday, 2015-MAY-11 at 4:30 p.m.

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5. **PRESENTATIONS:**

- (a) Mr. Bruce Halliday, General Manager, Port Theatre, to provide a presentation regarding the Port Theatre project update.

Delegation:

1. Mr. Tim McGrath

6. **ADMINISTRATION:**

NONE

7. **CORPORATE SERVICES:**

- (a) **Amendment to Option to Purchase Agreement: 100 Gordon Street Conference Centre Hotel**

Purpose: To obtain Council approval to extend the Option to Purchase agreement by one year for the property at 100 Gordon Street.

Delegation:

1. Mr. Chuck Keeling, Vice President, Stakeholder Relations and Responsible Gaming, Great Canadian Gaming Corporation.

Staff Recommendation: That Council:

Pg. 6-32

1. extend the dates associated with the Option to Purchase Agreement (“Agreement”) with SSS Manhao International Tourism Group (Canada) Co. Ltd. (“Manhao”) by one year; and,
2. authorize the Mayor and the Corporate Officer to execute the Agreement.

(b) **Shaw Auditorium Council Chamber Computers and Monitors**

Purpose: To provide options for Council’s consideration regarding computers and monitors in the Council Chamber in the Shaw Auditorium.

Staff Recommendation: That Council direct Staff to purchase and install three large screen televisions and associated connections in the centre of the Shaw Auditorium meeting space for a total cost of \$7,000 plus applicable taxes.

Pg. 33-34

8. **COMMUNITY SERVICES:**

(a) **2015 Community Service Grants**

Purpose: To outline the Committee’s recommendations on the allocation of the first round of 2015 Community Service Grants.

Committee Recommendation: That Council approve the allocation of the first round of 2015 Community Service Grants as noted below:

Pg. 35-36

Applicant	Funds to be Used For:	Amount Requested:	Amount Recommended:
Nanaimo Women’s Resources Society	Community Action Team initiatives in support of sex trade workers.	\$12,500	\$12,500
Island Crisis Care Society	Outreach and housing support to sex trade workers.	\$17,400	0
TOTAL:		\$29,900	\$12,500

(b) **Cedar Road Pump Station Upgrade Tender**

Purpose: To advise Council of a public tender call of \$250,000 and above in accordance with the City’s Purchasing Bylaw.

Staff Recommendation: That Council receive for information the report regarding the Cedar Road Pump Station Upgrade Tender.

Pg. 37.39

(c) Minutes of the Advisory Committee on Environmental Sustainability Meeting held 2014-DEC-10

Pg. 40-41

9. **CORRESPONDENCE (not related to a Report to Council):**

NONE

10. **NOTICE OF MOTION:**

11. **OTHER BUSINESS:**

- (a) At the 2015-MAY-11 Regular Committee of the Whole Meeting, Councillors Pratt and Thorpe advised they would be bringing forward the following Motion for consideration at the 2015-MAY-25 Committee of the Whole meeting:

“That Council direct Staff to prepare a report and bylaw amendment to the “Cemetery Bylaw 2009 No. 7084” for the 2015-JUN-15 Council meeting, such that old memorial markers that have been laid flat may be re-erected if any inscription upon the marker has been buried below ground level, provided the work is first approved by the City and if required, carried out by an approved installer at the family’s expense.”

12. **DELEGATIONS (not related to a Report to Council): (10 MINUTES)**

- (a) Mr. Holden Southward regarding preserving and expanding the agricultural reserve in Nanaimo. *Pg. 42*
- (b) Mr. Adrian de Jong regarding the licensing of cats. *Pg. 43*
- (c) Mr. Leo Boon, Greater Nanaimo Cycling Coalition, regarding the Nanaimo Master Transportation Plan update and new infrastructure standards. *Pg. 44*
- (d) Mr. Dave Eaton, Vice President, Nanaimo Pickleball Club, regarding the Club’s support of outdoor Pickleball courts at Beban Park. *Pg. 45-47*

13. **QUESTION PERIOD: (*Agenda Items Only*)**

14. **PROCEDURAL MOTION:**

15. **ADJOURNMENT:**

ACTING MAYOR: COUNCILLOR YOACHIM
2015-APR-27 to 2015-JUN-07

MINUTES

REGULAR MEETING OF THE ADVISORY COMMITTEE ON ENVIRONMENTAL SUSTAINABILITY SERVICE AND RESOURCE CENTRE BOARD ROOM WEDNESDAY, 2014-DEC-10, AT 4:30 P.M.

PRESENT: Councillor Diane Brennan, Chair

Members: Suzanne Andre
Emil Bock
Travis Barrington
Glenda Hunter (arrived 4:49 p.m.)
Anne Kerr
Ted Perry
Calvin Tant
Shelley Serebrin (arrived 4:35 p.m.)

Regrets: Sheri DeBoer
Wally Wells

Staff: Rob Lawrance, Environmental Planner
Kevin Brydges, Environmental Bylaw Enforcement Officer
Jackie Farrell, Recording Secretary

1. CALL THE OPEN MEETING TO ORDER:

The Regular Meeting was called to order at 4:33 p.m.

2. INTRODUCTION OF LATE ITEMS:

- (a) Add Item 6 (a) i. Draft Vancouver Bird Strategy from the City of Vancouver.
- (b) Add Item 6 (a) ii. Tree Conservation and its connection to Carbon Neutrality.

3. ADOPTION OF AGENDA:

It was moved and seconded that the Agenda, as amended, be adopted. The motion carried unanimously.

4. CHAIR'S REPORT:

The Chair, Councillor D. Brennan, introduced the new representative for School District #68, Emil Bock, acting Energy Manager for SD68.

5. ADOPTION OF MINUTES:

It was moved and seconded that the Minutes of the Regular Advisory Committee on Environmental Sustainability Meeting held Wednesday, 2014-NOV-12 at 4:39 p.m. in the Service and Resource Centre Board Room be adopted as circulated. The motion carried unanimously.

6. STAFF REPORTS:

- (a) Review of the 2014 Work Plan
R. Lawrance, Environmental Planner
-

- i. Draft Vancouver Bird Strategy
- ii. Tree Conservation and Carbon Neutrality

It was moved and seconded that the review of the 2014 Work Plan be deferred to the next meeting of Advisory Committee on Environmental Sustainability. The motion carried unanimously.

- (b) Update on the Revision of the City Habitat Atlas
R. Lawrance, Environmental Planner
-

A short meeting was held with local Biologists, ACES members and staff reps from Environmental Services, GIS and IT regarding beginning the review of the Atlas content.

It was moved and seconded that Advisory Committee on Environmental Sustainability receive for information. The motion carried unanimously.

- (c) Environmental Services Monthly Report

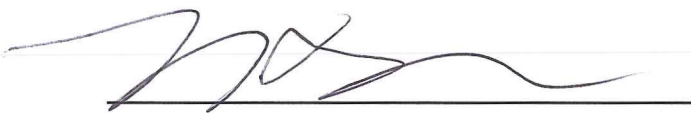
7. CORRESPONDENCE:

- (a) Email regarding registration for the 12th Annual Air Quality and Health Workshop hosted by the BC Lung Association at the Harbourside Hotel in Vancouver, BC, on for 2015-MAR-25

8. ADJOURNMENT:

It was moved and seconded at 5:52 p.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:



D. Brennan, Chair
Advisory Committee on Environmental Sustainability



R. Harding, Director
Parks, Recreation and Environment

City of Nanaimo

REPORT TO COUNCIL

DATE OF MEETING: 2015-MAY-25

AUTHORED BY: BILL CORSAN, MANAGER, REAL ESTATE

RE: AMENDMENT TO OPTION TO PURCHASE AGREEMENT: 100 GORDON STREET
CONFERENCE CENTRE HOTEL

STAFF RECOMMENDATION:

That Council:

1. Extend the dates associated with the Option to Purchase Agreement ("Agreement") with SSS Manhao International Tourism Group (Canada) Co. Ltd. ("Manhao") by one year; and
2. Authorize the Mayor and the Corporate Officer to execute the Agreement.

PURPOSE:

The purpose of this staff report is to obtain Council approval to extend the Option to Purchase agreement by one year for the property at 100 Gordon Street.

BACKGROUND:

In the spring of 2013, the City was approached by Manhao 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") and an important component in enabling higher capacity conferences to be scheduled at 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. This included a number of supporting agreements that needed to be prepared prior to closing (described in more detail below).

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.

As mentioned above, the sale of the property to Manhao included a number of restrictions to ensure that the hotel was built to a standard acceptable to the City and in a timely manner. The agreements are summarized below.

Option to Purchase – the City has 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.

☐ Council
☒ Committee of the Whole
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: 2015-MAY-25

Conference Centre Operations - Right of First Negotiation – the City has granted to Manhao the first right to negotiate an agreement to operate the VICC, prior to expiration of the current agreement with the present operator. The agreement with the current operator is set to expire on 2017-MAR-18.

Parking Agreement – Manhao may use up to 255 non-designated parking spaces in the underground garage at the VICC. Rates will be based on the Parking Bylaw rate which is amended from time to time. The current rate is \$110 per month.

Development Covenant – the City has registered a Section 219 Covenant against title that will include restrictions on how the property may be utilized. The key components are:

- the hotel is to be constructed within three years once a foundation permit has been issued;
- the property can only be used as a hotel with a minimum of 200 guest rooms;
- the hotel must be rated as at least a four diamond hotel under the CAA/AAA rating system;
- if stratified, the owners are entitled to reside in their unit for no longer than two weeks per year without paying hotel rates;
- strata units are to be booked through a central reservation system;
- a block of rooms must be set aside for conferences; and
- an overhead walkway between the hotel, VICC and Piper Park is to be built at Manhao's cost.

Walkway Easement to VICC – the City has granted an easement to Manhao to construct and maintain an overhead walkway between the hotel and the conference centre.

Easement to Piper Park – the City has granted an easement to Manhao to construct and maintain an overhead walkway from the hotel to Piper Park.

Revitalization Tax Exemption – the City has granted a ten year revitalization tax exemption to Manhao with respect to the property taxes due, in relation to the improvements (building) on the property. Under the current agreement, the hotel must be completed by 2018-JUN-20.

On 2013-DEC-17, Manhao submitted a building permit application for the project to the City. Staff provided comments on outstanding issues associated with the building permit. Revised drawings were not received and the permit expired on 2014-DEC-18.

DISCUSSION:

On 2015-MAY-08, the City received a letter from Manhao's solicitor (Attachment A), requesting that the time period set forth in the Option to Purchase agreement be extended to 2016-MAY-30 and 2016-NOV-30 respectively.

The originally registered Option to Purchase agreement is presented in Attachment B for Council's reference.

Staff has prepared an amendment to the agreement (Attachment C) for Council's consideration.

By extending the Agreement by one year, the City would be displaying good faith in the project. In order to meet the 2016-MAY-30 deadline, Manhao would need to commence construction by the fall of 2015.

All of the other agreements associated with the hotel project remain the same and do not need to be amended. With the one year extension of the Option to Purchase agreement, the Revitalization Tax Exemption may need to be extended if the hotel is not completed prior to 2018-JUN-20. At this point in time, staff understand the hotel could be operational by that date if work were to start by the end of this year.

If Council does not grant the extension, as requested, the City as of 2015-MAY-31, will have the option to buy back the property for the original purchase price of \$565,000. This Option to Purchase expires on 2015-NOV-30. If Council does not elect to buy back the property during this timeframe, the property will remain with Manhao and the remaining agreements, including the development covenant, will run with the land. By approving the extension, the option to buy back the property at the original sale price will be extended until 2016-NOV-30.

If Council grants the extension as requested, the following key dates will now apply:

2015-OCT-07 – Development Permit Expires. If the associated building permit is not issued by this date, a renewal of the development permit will be required.

2016-MAR-18 – Conference Centre Operations: Right of First Negotiation. Under the agreement the City may provide notice to Manhao as of this date requesting their interest in negotiating an agreement for the management of the conference centre.

2016-MAY-30 – Foundation Complete - The foundation for the hotel is to be constructed and inspected by this date.

2015-JUN-18 – Conference Centre Operations: Right of First Negotiation. Under the agreement the City must provide notice to Manhao as of this date requesting their interest in negotiating an agreement for the management of the conference centre.

2018-OCT-07 – Hotel Construction Complete – Provided that the building permit is issued prior to the expiration of the current development permit the hotel must be completed by this date.

Strategic Plan Considerations

Continuing to work with Manhao on this project meets a number of the key priorities identified in the 2012-2015 Strategic Plan, including:

Strategy	
Taking Responsibility	Potential Strategies and/or Initiatives <ul style="list-style-type: none"> Continuing to facilitate change and overall development consistent with vision and plans; taking action steps to be a catalyst or investment in the City's future.
Community Building Partnerships	Successful City Initiative <ul style="list-style-type: none"> Commitment to collaborate with organizations and groups to explore how the City can become one of the BC's most successful cities.
4 Sustainability Pillars – Ongoing Commitments to Policy, Goals and Action Plans	Economic Health <ul style="list-style-type: none"> Support for Nanaimo Downtown Plan Completion of Vancouver Island Conference Centre and incentives to conference hotel development Hotel Revitalization Tax Exemption

Respectfully submitted,



Bill Corsan
MANAGER
REAL ESTATE



Dale Lindsay
DIRECTOR
COMMUNITY DEVELOPMENT



Toby Seward
ACTING GENERAL MANAGER
COMMUNITY DEVELOPMENT & PROTECTIVE SERVICES

CITY MANAGER COMMENT:

I concur with the Staff recommendation.

2015-MAY-12
LD001167
WC/cb

ATTACHMENT A



Kahn Zack Ehrlich Lithwick LLP

Barristers & Solicitors

Lawrence A. Kahn*

Betty L. Gabriel*

Whitney E. Derber

Associate Counsel:

Daniel A. Zack

Jasmeet K. Wahid*

Jessica J. Cheung

Song Xue*

Perry S. Ehrlich*

Ramin I. Erfanifar

Catrina M. Chisholm

Ben Ling Chen*

Marvin Lithwick*

Michael L. Lipton

Daniel C.F. Lee

Suite 270-10711 Cambie Rd

Richmond BC V6X 3G5

Fax 604.270.8282

Telephone 604.270.9571

www.kzellaw.com

Reply to: Perry S. Ehrlich

Direct Line: (604) 232-7209

Email: ehrich@kzellaw.com

File No. 04-46320

May 8, 2015

VIA EMAIL

City of Nanaimo
455 Wallace Street
Nanaimo, BC V9R 5J6

Attention: Ian Howat

Dear Sirs/Mesdames:

Re: SSS Manhao International Tourism Group (Canada) Co. Ltd. (the "Company")

As you know, we are Solicitors for the Company.

Our client is aware of the provisions of Section 3 of the Option to Purchase dated October 21, 2013 wherein you have the right to exercise the Option if our client has not on or before May 30, 2015 obtained a foundation permit from you for the Hotel; constructed the foundations for the Hotel; and obtained a final inspection of such foundations.

At the outset, we confirm that our client is fully committed to the development and construction of the Hotel. In fact, we are now in the process of introducing a new investor to the Company who will be advancing significant funds for this purpose.

For your information, we understand that the interior layout of the Hotel will remain the same and only the exterior will change. We also understand that there will not be a casino in the Hotel as it will be too small to accommodate same.

Our client regrets that there has been little communication with you. There have been construction logistics and delays involving redevelopment of the Hotel including, without limitation, attending to the preparation of amended plans and submission of applications for permits, and in obtaining necessary visas for key members of our client's management team.

Principals of our client will be journeying back to Canada for the purposes of aggressively proceeding with development of the Hotel. In particular, Junhao Chen will be arriving shortly and would like to meet with you as soon as possible.



04-46320
City of Nanaimo
May 8, 2015
Page 2

In any event, we respectfully request an extension of the time period set forth in the Option from May 30, 2015 to May 30, 2016. This is our client's best estimate of the additional time that will be required with respect to construction of the Hotel subject, of course, to whatever comments that our client's architects and contractors may have in this regard.

We look forward to hearing from you after you have had an opportunity to review the foregoing. Immediately upon Mr. Chen's arrival, we shall contact you to arrange for a meeting so that we may address any other questions or concerns.

Thank you for your consideration.

Yours truly,

KAHN ZACK EHRLICH LITHWICK LLP

Perry S. Ehrlich

PERRY S. EHRLICH

PSE/tsc

cc Client

ATTACHMENT B

VICTORIA LAND TITLE OFFICE

LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia

Nov-29-2013 11:19:41.005

CA3483253

PAGE 1 OF 17 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Michael Louis
Lipton PR719Q

c=CA, cn=Michael Louis
Lipton PR719Q, o=Lawyer,
ou=Verify ID at
www.juricert.com/
LKUP.cfm?id=PR719Q

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

KAHN ZACK EHRlich LITHWICK LLP

Barristers and Solicitors

270 - 10711 Cambie Road

Richmond

BC V6X 3G5

Telephone: (604) 270-9571

LTO Client No. 011757

File No. 46320

Document Fees: \$73.50

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

029-126-002

LOT A SECTION 1 NANAIMO DISTRICT AND OF THE BED OF THE PUBLIC
HARBOUR OF NANAIMO PLAN EPP30518

STC? YES ☐

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Option to Purchase

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) ☐ Filed Standard Charge Terms D.F. No.(b) ☒ Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

SSS MANHAO INTERNATIONAL TOURISM GROUP (CANADA) CO. LTD. (INC. NO.
BC0953560)

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

CITY OF NANAIMO

A MUNICIPAL CORPORATION INCORPORATED UNDER THE LOCAL GOVERNMENT ACT

455 WALLACE STREET

Incorporation No

NANAIMO

BRITISH COLUMBIA

N/A

V9R 5J6

CANADA

7. ADDITIONAL OR MODIFIED TERMS:

N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

Michael L. Lipton

Barrister & Solicitor

270 - 10711 Cambie Road

Richmond, British Columbia

V6X 3G5 604-270-9571

Execution Date

Y	M	D
13	10	21

Transferor(s) Signature(s)

SSS MANHAO INTERNATIONAL
TOURISM GROUP (CANADA) CO.
LTD. by its authorized signatory
(ies):

Name: Junhao Chen

Name:

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT
FORM D**

EXECUTIONS CONTINUED

PAGE 2 of 17 pages

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

Nancy Peterson

Y	M	D
13	10	30

CITY OF NANAIMO by its authorized
signatory(ies):

Commissioner for Taking Affidavits in BC

455 Wallace Street
Nanaimo, BC V9R 5J6

Mayor: John Ruttan

(as to all signatures)

D/Corporate Officer: Kristin King

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

TERMS OF INSTRUMENT – PART 2

OPTION TO PURCHASE

THIS OPTION AGREEMENT dated for reference October 21, 2013 is

BETWEEN:

SSS MANHAO INTERNATIONAL TOURISM GROUP (CANADA) CO.
LTD., a company duly incorporated under Incorporation Number
BC0953560 pursuant to the provisions of the *Business Corporations
Act*, SBC 2002, c 57, having its registered office at Suite 270, 10711
Cambie Road, Richmond, British Columbia V6X 3G5

(the "Owner")

AND:

CITY OF NANAIMO, a British Columbia local government, having its
administrative offices at 455 Wallace Street, Nanaimo, British
Columbia V9R 5J6

(the "City")

GIVEN THAT:

- A. Pursuant to an Offer to Purchase between Manhao and the City dated for reference June 19, 2013 (the "Offer to Purchase"), Manhao agreed to purchase from the City for the purpose of developing and operating a hotel (the "Hotel") certain land situated at 100 Gordon Street, Nanaimo, British Columbia, and legally described as:

Parcel Identifier: 029-126-002
Lot A Section 1 Nanaimo District and of the Bed of the Public Harbour of
Nanaimo Plan EPP30518

(the "Land");

- B. Pursuant to the terms of the Offer to Purchase, the City's sale of the Land and Manhao's purchase of the Land is subject to the parties agreeing to and entering into this Option to Purchase.

THIS OPTION AGREEMENT is evidence that in consideration of the transfer of the Land from the City to the Owner, payment of \$1.00 paid by the City to the Owner, and other good and valuable consideration (the receipt and sufficiency of which the Owner hereby expressly acknowledges), the Owner and the City covenant and agree as follows:

Grant of Option

1. The Owner hereby grants to the City the sole and exclusive option (the "Option"), irrevocable within the time herein limited for exercise by the City, to purchase the Land free and clear of all liens, charges and encumbrances, except for the Permitted Encumbrances (as hereinafter defined).

Manner of Exercise of Option

2. The City may exercise the Option at any time until 12:00 midnight on November 30, 2015, by delivering notice of the exercise of the Option to the Owner. The date the City provides notice of its exercise of the Option to the Owner is referred to herein as the "Option Exercise Date".

Commencement of Hotel Construction

3. Notwithstanding sections 1 and 2, the City may exercise the Option only if the Owner has not, on or before May 30, 2015:
 - (a) obtained a foundation permit from the City for the Hotel;
 - (b) constructed the foundations for the Hotel; and
 - (c) obtained a final inspection of the foundations from the City.

Meaning of Force Majeure

4. For the purposes of this Option Agreement, the expression "force majeure" shall mean labour disruption, act of God, power failure, inability to obtain materials or services, riot, insurrection, war, acts of terrorism, or other similar casualty or contingency beyond the reasonable control and not the fault of the party delayed and not avoidable by the exercise of reasonable diligence or foresight, but excluding insolvency or other inability to pay.

Extension of Dates if Force Majeure

5. If, by reason of Force Majeure, the Owner is delayed in obtaining a foundation permit from the City for Hotel, constructing the foundations for the Hotel, or obtaining a final inspection of the foundation from the City, then the date of May 30, 2015 in section 3 is extended for the duration of the delay, and the date in section 2 for the City to exercise the Option, namely November 30, 2015, is also extended by the duration of the delay.

Limitation on Further Encumbrances

6. The Owner must not grant any easement, covenant, utility right of way to a utility company or other restrictive charge on or in the Land, and the Owner must not permit

to be registered on title or to remain registered any lien, judgement, caveat, certificate of pending litigation, or similar charge whatsoever, without the prior written consent of the City, such consent not to be unreasonably refused or delayed. Notwithstanding the foregoing, the Owner may grant a mortgage without the prior written consent of the City provided that the mortgagee as the case may be executes a postponement agreement to this Option Agreement, with a legal commitment to the City that the mortgagee will not dispute the rights of the City to registration free of the mortgage pursuant to section 242 of the *Land Title Act*, to be registered concurrently with the said mortgage.

Non-Exercise of Option

7. If the Option is not exercised by the City within the time and in the manner set forth in section 2 or if the Owner complies with the matters set forth in sections 3(a), (b), and (c), the Option and this Option Agreement shall be null, void and of no further force or effect and the City will, on request by the Owner, execute a release of this Option Agreement so as to discharge this Option from title to the Land, which release shall be prepared by the City and registered by and at the expense of the Owner.

Binding Agreement

8. If the City exercises the Option within the time and in the manner provided, there will be created a binding and unconditional agreement for the purchase and sale of the Land (the "Agreement"), which shall be completed upon the following terms and conditions.

Purchase Price

9. The purchase price for the Land (the "Purchase Price") shall be \$565,000.00, plus Goods and Services Tax ("GST"), if applicable.

Completion Date

10. The purchase and sale of the Land shall complete on the date that is 30 days after the Option Exercise Date (the "Completion Date"), unless that day is not a Business Day, in which case the date for completion shall be the next following business day, or the Completion Date may be another date agreed to by the City and Owner. In this Option Agreement, "Business Day" means a day other than a Saturday, Sunday or statutory holiday in British Columbia.

Permitted Encumbrances

11. In this Option Agreement, "Permitted Encumbrances" means, in respect of the Land:
 - (a) the exceptions and reservations contained in the original Crown grant;

(b) Legal Notations:

- (i) Subject to Exceptions and Reservations contained in Order-In-Council filed D.D. 357063I as to those parts shown outlined in red on Plan 610 B.L.;
- (ii) Hereto is Annexed Easement EL62151 over Lot 1, Plan VIP65156 Except Parts in Air Space Plans VIP65336 and VIP65337 – Easement EL62151 modified by EM44694 (as to part formerly Lot 1, Plan VIP79756);
- (iii) Hereto is Annexed Easement EL62152 over Lot 1, Plan VIP65156 Except Parts in Air Space Plans VIP65336 and VIP65337 – Easement EL62152 modified by EM44695 (as to part formerly Lot 1, Plan VIP79756);
- (iv) Hereto is Annexed Party Wall Agreement EL62160 Lot 1, Plan VIP65156 Except Parts in Air Space Plans VIP65336 and VIP65337 (as to part formerly Lot 1, Plan VIP79756);
- (v) Notice of Development Permit issued for the Hotel;

(c) Charges, Liens and Interests:

- (i) Exceptions and Reservations M76300 in favour of Esquimalt and Nanaimo Railway Company;
- (ii) Undersurface Rights M76301 in favour of the Province of B.C.;
- (iii) Undersurface and Other Exceptions & Reservations EJ85580 in favour of the Province of B.C.;
- (iv) Exceptions and Reservations EX134762 in favour of the Province of B.C.;
- (v) Statutory Right of Way EX134776 in favour of BC Hydro;
- (vi) Covenant FB155911 in favour of the City;
- (vii) Undersurface and Other Exceptions & Reservations FB470485 in favour of the Province of B.C.;
- (viii) Statutory Right of Way CA3244234 in favour of BC Hydro;
- (ix) Statutory Right of Way CA3244235 in favour of Telus;
- (x) Statutory Right of Way CA3244237 in favour of Shaw Cable;
- (xi) Statutory Right of Way CA3244239 in favour of the City;
- (xii) Development Covenant between the Owner and the City dated October 21,

2013;

- (xiii) Walkway Easement, as defined in the Offer to Purchase; and
- (xiv) Connection Easement, as defined in the Offer to Purchase; and
- (xv) Rights of way permitted under section 6.

City GST Certificate

12. The City will give the Purchaser a certificate, in the form attached as Schedule "A" (the "City's GST Certificate"), confirming that the City is registered for GST purposes under the *Excise Tax Act* (Canada) and confirming that the City will remit directly all GST payable in respect of the transfer and conveyance of the Land to the City.

Title and Possession

13. On the Completion Date, the Owner will:
- (a) convey the estate in fee simple of the Land to the City free and clear of all liens, charges and encumbrances except for the Permitted Encumbrances; and
 - (b) give vacant possession of the Land to the City, subject only to the Permitted Encumbrances.

Adjustments

14. There will be no adjustments to the Purchase Price for items typically adjusted between vendors and purchasers such as property taxes.

Condition

15. Subject to section 20, on the Completion Date, the City will accept the Land on an "as is" condition, whether the Land has been completely or partially cleared, or graded, or excavated, or foundation forms constructed or fully or partially poured, but the Owner must leave the Land in a safe and clean condition, with hoarding constructed if necessary, and clear of any environmental contamination.

Site Profile

16. If required by the City and by the *Environmental Management Act*, the Owner must provide to the City prior to the Completion Date a completed site profile under the *Environmental Management Act* (the "Site Profile").

Environmental Terms – Delivery of Reports

17. The Owner shall promptly give the City, without charge, after the date of execution of

this Option Agreement, any survey or report or the results of any tests made to the Land, including without limitation, any environmental site assessments, made by or on behalf of the Owner, or other information in the possession or control of the Owner regarding the condition of the Land, whether or not the Option has been exercised and if it has, whether or not the sale of the Land is completed pursuant to the terms of this Option Agreement.

Reliance

18. It is understood and agreed by the Owner that any reports or information provided by the Owner to the City under section 17 shall form a basis for the City's decision whether or not to exercise the Option and purchase the Land in accordance with section 3 herein, and that the City will be relying on the reports and information provided by the Owner concerning the condition of the Land.

City Assumption of Liability

19. The City agrees that from and after the Completion Date, the City shall and hereby does assume all liabilities and obligations relating to the condition, environmental or otherwise, of the Land arising or caused before the Owner became the owner of the Land and arising or caused after the City becomes the owner of the Land. The liabilities of the City under this section include but are not limited to liability for remediation of the Land, for clean-up of any substance in, on or under the Land or in ground water or surface water in, on or under the Land, or for clean-up in, on or under any other lands of any substance migrating from or originating from the Land. The foregoing shall include, without limiting the generality of the foregoing, the assumption of all liabilities and obligations in relation to any and all of the following:
- (a) all liabilities and obligations imposed by statute, regulation, the exercise of discretion (as permitted by statute or regulation), lawful authority, regulatory order, common law or equity, in any manner whatsoever;
 - (b) all reclamation or remediation; and
 - (c) the taking of any action in any way related to the quality of soil vapour, surface water, groundwater, air or organisms.

Owner Assumption of Liability

20. The Owner agrees that from and after the Completion Date, the Owner shall and hereby does assume all liabilities and obligations relating to the condition, environmental or otherwise, of the Land caused during the time that the Owner was the owner of the Land. The liabilities of the Owner under this section include but are not limited to liability for remediation of the Land, for clean-up of any substance in, on or under the Land or in ground water or surface water in, on or under the Land, or for clean-up in, on

or under any other lands of any substance migrating from or originating from the Land. The foregoing shall include, without limiting the generality of the foregoing, the assumption of all liabilities and obligations in relation to any and all of the following:

- (a) all liabilities and obligations imposed by statute, regulation, the exercise of discretion (as permitted by statute or regulation), lawful authority, regulatory order, common law or equity, in any manner whatsoever;
- (b) all reclamation or remediation; and
- (c) the taking of any action in any way related to the quality of soil vapour, surface water, groundwater, air or organisms.

Remediation by Owner

21. In the event that the Option is exercised by the City, the Owner must before the Completion Date remove all contamination for which the Owner is responsible under section 20 and the Owner must remediate the Land to the satisfaction of the City, acting reasonably, and to standards established by law.

Releases of Liability

22. Each party agrees that from and after the Completion Date, each party hereby releases and discharges the other party and its past, present and future shareholders and affiliates, and each of their past, present and future respective directors, officers, employees, contractors and agents from and against any and all actions, claims, demands, liabilities, losses, damages and expenses whatsoever, direct or indirect incurred or suffered by the other party, including but not limited to those made or imposed or arising at any time by or from any third party or any lawful authority, in relation to all liabilities and obligations assumed by the party pursuant to section 19 or 20, respectively.

Indemnity by Each Party

23. Each party agrees that from and after the Completion Date, the party shall indemnify and save harmless the other party and its past, present and future shareholders and affiliates, and each of their past, present and future respective directors, officers, employees, contractors and agents from and against any and all actions, claims, demands, liabilities, losses, damages and expenses whatsoever, direct or indirect, incurred or suffered by the other party in relation to all liabilities and obligations assumed by the party pursuant to section 19 or 20, respectively and any default by the party in the performance or observance of any of the liabilities or obligations assumed by the party pursuant to section 19 or 20, respectively.

Survival

24. All of sections 17 to 23 inclusive shall survive the exercise of the Option and the transfer of the Lands from the Owner to the City.

Access

25. The City, by its contractors, agents and employees, has the licence, exercisable on 24 hours prior written notice to the Owner, to enter upon the Land from time to time until expiry of this Option or the Completion Date, whichever is later, at the City's sole risk and expense, for the purpose of making inspections, surveys, tests and studies of the Land, provided that there shall be no disruption to the Owner's use of or construction on the Land.

Owner Representations, Warranties and Covenants

26. The Owner hereby represents and warrants to the City that the following are true, and covenants with the City that the following will be true on the Completion Date:
- (a) if the Owner is a corporation, it is validly formed and existing under the laws of Canada or a Province of Canada and duly qualified to own and sell the Land;
 - (b) the Owner has full power, authority and capacity to enter into this Option Agreement and carry out the transactions contemplated herein;
 - (c) the Owner has taken all necessary or desirable actions, steps and other proceedings to approve and authorize, validly and effectively, the entering into, execution, delivery and performance of this Option Agreement;
 - (d) there is no action or proceeding pending, or to the Owner's knowledge threatened, against the Owner before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to the Owner, might materially affect the Owner's ability to perform its obligations hereunder;
 - (e) neither the Owner entering into this Option Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Owner is bound or subject; and
 - (f) the Owner is not a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada) and the Owner will give the City a statutory declaration in the form attached as Schedule "B" (the "Owner's Statutory Declaration") at least five (5) days prior to the Completion Date.

City Delivery of Closing Documents

27. No later than 5 days before the Completion Date, the City will deliver to the Owner the City's GST Certificate, in a form executed by the City, as well as:
- (a) a freehold transfer in registrable form transferring the estate in fee simple of the Land to the City (the "Transfer"), to be executed by the Owner;
 - (b) the Owner's Statutory Declaration, the form of which is attached hereto as Schedule "B", to be executed by the Owners; and
 - (c) such further deeds, acts, things, certificates and assurances as may be required in the reasonable opinion of the City's solicitors, for more perfectly and absolutely assigning, transferring, conveying and assuring to the City fee simple title to the Land free and clear of all liens, charges, and encumbrances, other than the Permitted Encumbrances.

Owner Return of Documents

28. Before the Completion Date, the Owner will deliver to the City or, if directed by the City, to the City's solicitors, the documents listed in section 27(a), (b) and (c) and the Site Profile, all duly executed by the Owner, on appropriate undertakings.

Completion

29. On the Completion Date, the City will apply or cause its solicitors to apply to the Land Title Office to register the Transfer and upon the City's solicitors being satisfied after such application that in the normal course of Land Title Office routine, the City will be registered owner of the Land, subject only to the Permitted Encumbrances and any other charge accepted by the City or to be discharged by solicitors' undertakings, the City will deliver a cheque, or cause its solicitors to deliver a solicitor's trust cheque, to the Owner or the Owner's solicitors, in either case in the amount of the Purchase Price, payable to the Owner or to the Owner's solicitors, in trust.

Risk

30. The Land is at the Owner's risk until application is made to register the Transfer in the Land Title Office, and is thereafter at the City's risk.

Fees and Taxes

31. The City must pay, as and when due and payable:
- (a) any property transfer tax payable under the *Property Transfer Tax Act* (British Columbia) in respect of the transfer of the Land to the City under this Option Agreement;
 - (b) Land Title Office registration fees in connection with the registration of the Transfer;

and

- (c) its own legal fees and disbursements;

and the Owner must pay its own legal fees and disbursements.

Currency and Payment Obligations

32. All dollar amounts referred to in this Agreement are Canadian dollars.

Preparation of Documents and Clearing Title

33. The City, at its sole expense, must prepare all necessary conveyancing documentation. The Owner, at its sole expense, must clear title to the Land, subject only to the Permitted Encumbrances.

Further Assurances

34. Each of the parties must at all times execute and deliver at the request of the other all such further documents, deeds and instruments, and do and perform such other acts as may be reasonably necessary to give full effect to the intent and meaning of this Option Agreement.

Notice

35. Any notice which may be given pursuant to this Option Agreement must be in writing and delivered by hand and addressed to the applicable party at its address set out above, or to such other address as the party may specify by notice in writing to the other in accordance with this section, or, if the Land is subdivided by the registration of a subdivision plan at the Land Title Office to create strata lots and such strata lots are subsequently conveyed to purchasers, the addresses for such purchasers from time to time shown on title to the Land or strata lots created by subdivision thereof in the Land Title Office.

A notice will be deemed to be given on the day of delivery.

All notices to the City must be addressed to the attention of the City's Corporate Officer.

Time of Essence

36. Time is of essence of this Option Agreement and the conveyance and transfer for which it provides.

Tender

37. Any tender of documents or money may be made upon the parties at their respective addresses set out in this Option Agreement or upon their respective solicitors.

No Other Agreements

38. This Option Agreement is the entire agreement between the parties regarding its particular subject matter.

No Representations

39. The City has made no representations, warranties, guarantees, promises, covenants or agreements to or with Manhao in respect of the particular subject-matter of this Agreement other than those expressed in writing in this Agreement, in the Offer to Purchase and in the Development Covenant.

Benefit

40. This Option Agreement enures to the benefit of and is binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

Modification

41. This Option Agreement may not be modified except by an instrument in writing signed by the parties or by their successors or assigns.

Joint and Several

42. If at any time more than one person (as defined in the *Interpretation Act* (British Columbia)) owns the Land, each of those persons will be jointly and severally liable for all of the obligations of the Owner under this Option Agreement.

Interpretation

43. Wherever the singular is used or neuter is used in this Agreement, it includes the plural, the feminine, the masculine or body corporate where the context or the parties so required.

Governing Law

44. This Option Agreement will be governed by and construed in accordance with the laws of British Columbia.

Waiver

45. Waiver of any default by a party shall not be interpreted or deemed to be a waiver of any subsequent default. All waivers must be in writing.

As evidence of their agreement to be bound by the terms of this Option Agreement, the parties have executed the *Land Title Act* Form C attached to and forming part of this Option Agreement.

Schedules

Schedule "A" – City's GST Certificate

Schedule "B" – Owner's Statutory Declaration

Schedule "A"

CITY'S GST CERTIFICATE

To: SSS MANHAO INTERNATIONAL TOURISM GROUP (CANADA) CO. LTD ("Vendor")

Re: An agreement between the Vendor and CITY OF NANAIMO ("Purchaser") being an Option to Purchase (Hotel Site) dated for reference October 21, 2013 ("Agreement") in respect of the sale and purchase of the parcel in the City of Nanaimo legally described as Parcel Identifier: 029-126-002, Lot A Section 1 Nanaimo District and of the Bed of the Public Harbour of Nanaimo Plan EPP30518 ("Property")

The Purchaser hereby agrees with the Vendor that:

1. The Purchaser must indemnify and save harmless the Vendor from any GST, penalty, interest or other amounts which may be payable by or assessed against the Vendor under the *Excise Tax Act* ("ETA") as a result of, or in connection with, the Vendor's failure to collect and remit any GST applicable on the sale, and conveyance of the Property to the Purchaser.
2. The Purchaser is registered under Subdivision d of Division V of Part IX of the ETA for the collection and remittance of goods and services tax ("GST") and its registration number is 106930332 RT001.
3. The Purchaser will remit directly to the Receiver General of Canada the GST payable, and file the prescribed Form GST 60 pursuant to subsection 228(4) of the ETA in connection with the sale and conveyance of the Property.
4. The Property transferred pursuant to the Agreement:
 - (a) is being purchased by the Purchaser as principal for its own account and is not being purchased by the Purchaser as an agent, trustee, or otherwise on behalf of or for another person; and
 - (b) does not constitute a supply of a residential complex made to an individual for the purposes of paragraph 221(2) of the ETA.

Dated this _____ day of _____, 20_____.

CITY OF NANAIMO by its authorized signatory:

Authorized Signatory

Schedule "B"

OWNER'S STATUTORY DECLARATION AS TO RESIDENCY

CANADA)	IN THE MATTER OF THE <i>INCOME TAX ACT</i> , S.C.
)	1970-71-72, AS AMENDED AND IN THE MATTER
PROVINCE OF)	OF SECTION 116 OF <i>INCOME TAX ACT</i> , AND IN
)	THE MATTER OF THE SALE OF PROPERTY
BRITISH COLUMBIA)	LOCATED AT AND LEGALLY DESCRIBED AS:
)	PARCEL IDENTIFIER: 029-126-002, LOT A
)	SECTION 1 NANAIMO DISTRICT AND OF THE
)	BED OF THE PUBLIC HARBOUR OF NANAIMO
)	PLAN EPP30518 (THE "PROPERTY")

I, _____, of _____
in the Province of British Columbia, SOLEMNLY DECLARE THAT:

1. I am a _____ of SSS MANHAO INTERNATIONAL TOURISM GROUP (CANADA) CO. LTD. (the "Company") and as such have personal knowledge of the matters declared to below.

2. The Company is the vendor with respect to the sale of the Property to CITY OF NANAIMO (the "Purchaser") for a gross selling price of \$565,000.00.

3. The Company was incorporated in Canada and has, continuously since its incorporation, had and now has its head office and chief place of business in Canada. The Company has, since its incorporation, continuously carried on and is now carrying on business in Canada. The ownership and control of the Company has, continuously since incorporation, remained and still remains in Canada.

4. The Company has no present intention of removing its head office or chief place of business from Canada, or of ceasing to continue to carry on business in Canada.

5. I verily believe that the Company is not a non-resident of Canada within the meaning of the *Income Tax Act* of Canada.

6. I make this statutory declaration for the express purpose of informing the Purchaser, pursuant to section 116 of the *Income Tax Act* of Canada, as to whether the Company is a resident or non-resident of Canada.

AND I MAKE this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath by virtue of the *Canada Evidence Act*.

SWORN BEFORE ME at the City of)
_____, in the Province of)
British Columbia, this ____ day of)
_____, 2013.)

A Commissioner for Taking Affidavits
in the Province of British Columbia)

Print Name:

END OF DOCUMENT

ATTACHMENT:C

LAND TITLE ACT

FORM C (Section 233) CHARGE

GENERAL INSTRUMENT - PART 1 Province of British Columbia

PAGE 1 OF 4 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

--

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

BC

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

029-126-002

**LOT A SECTION 1 NANAIMO DISTRICT AND OF THE BED OF THE PUBLIC
HARBOUR OF NANAIMO PLAN EPP30518**

STC? YES ☐

3. NATURE OF INTEREST

Modification

CHARGE NO.

CA3483253

ADDITIONAL INFORMATION

Modification of Option to Purchase

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) ☐ Filed Standard Charge Terms D.F. No.(b) ☒ Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

**SSS MANHAO INTERNATIONAL TOURISM GROUP (CANADA) CO. LTD. (INC. NO.
BC0953560)**

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

CITY OF NANAIMO**A MUNICIPAL CORPORATION UNDER THE LOCAL GOVERNMENT ACT**

455 WALLACE STREET

NANAIMO

V9R 5J6

BRITISH COLUMBIA

CANADA

Incorporation No

N/A

7. ADDITIONAL OR MODIFIED TERMS:

N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

(as to all signatures)

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Execution Date

Y	M	D

Transferor(s) Signature(s)

**SSS MANHAO INTERNATIONAL
TOURISM GROUP (CANADA) CO.
LTD. by its authorized signatory
(ies):**

Name: _____

Name: _____

TERMS OF INSTRUMENT – PART 2

MODIFICATION OF OPTION TO PURCHASE

THIS AGREEMENT dated for reference May 15, 2015 is

BETWEEN:

SSS MANHAO INTERNATIONAL TOURISM GROUP (CANADA) CO. LTD., a company duly incorporated under Incorporation Number BC0953560 pursuant to the provisions of the *Business Corporations Act*, SBC 2002, c 57, having its registered office at Suite 270, 10711 Cambie Road, Richmond, British Columbia V6X 3G5

(the "Owner")

AND:

CITY OF NANAIMO, a British Columbia local government, having its administrative offices at 455 Wallace Street, Nanaimo, British Columbia V9R 5J6

(the "City")

WHEREAS:

- A. The Owner is the owner of certain lands and premises situated at 100 Gordon Street, Nanaimo, British Columbia, and legally described as Parcel Identifier: 029-126-002, Lot A Section 1 Nanaimo District and of the Bed of the Public Harbour of Nanaimo Plan EPP30518 (the "Land");
- B. The Owner granted to the City an option to purchase the Land, which option to purchase is registered in the Victoria Land Title Office against title to the Land under number CA3483253 (the "Option to Purchase");
- C. The Owner and the City now wish to modify the Option to Purchase in the manner set out herein;

THIS AGREEMENT is evidence that in consideration of \$2.00 paid by the Owner to the City (the receipt of which is acknowledged by the City), and in consideration of the promises exchanged below, the City and the Owner covenant and agree as follows:

- 1. IT IS MUTUALLY UNDERSTOOD, AGREED, AND DECLARED by and between the parties hereto that section 3 of the Option to Purchase shall be modified as follows:
 - (a) by deleting the phrase "May 30, 2015" and replacing it with the phrase "May 30, 2016".

2. IT IS MUTUALLY UNDERSTOOD, AGREED, AND DECLARED by and between the parties hereto that:
- (a) nothing contained or implied herein shall:
 - (i) prejudice or affect the rights and powers of the City in the exercise of its functions under any public and private statutes, bylaws, orders, and regulations, all of which may be fully and effectively exercised in relation to the Land as if this Agreement had not been executed and delivered by the Owner; or
 - (ii) exempt the Owner from any duty to comply with any enactment of the federal, provincial, or regional government or to obtain any approval or consent required by any of them or their respective agencies;
 - (b) wherever the singular or masculine is used herein, the same shall be construed as meaning the plural, feminine, or the body corporate or politic where the context or the parties so require and, where the Owner consists of more than one person, the term "Owner" shall mean all such persons jointly and severally;
 - (c) this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, and assigns;
 - (d) the Owner shall do or cause to be done, at the expense of the Owner, all acts reasonably necessary to grant priority to this Agreement over all charges and encumbrances which may have been registered against the title to the Land in the Victoria Land Title Office save and except those specifically approved in writing by the City or in favor of the City;
 - (e) the parties hereto shall do and cause to be done all things and execute and cause to be executed all documents which may be necessary to give proper effect to the intention of this Agreement; and
 - (f) all terms, conditions, covenants, and agreements of the Option to Purchase not specifically modified by this Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF the parties have executed this Agreement on Forms C and D, which are attached to and form part of this Agreement.

City of Nanaimo
REPORT TO COUNCIL

DATE OF MEETING: 2015-MAY-25

AUTHORED BY: GUILLERMO FERRERO, DIRECTOR OF IT AND LEGISLATIVE SERV

RE: SHAW AUDITORIUM COUNCIL CHAMBER COMPUTERS AND
MONITORS

STAFF RECOMMENDATION:

That Council direct Staff to purchase and install three large screen televisions and associated connections in the centre of the Shaw Auditorium meeting space for a total cost of \$7,000 plus applicable taxes.

PURPOSE:

To provide options for Council's consideration regarding computers and monitors in the Council Chamber at the Shaw Auditorium.

BACKGROUND:

At the 2015-MAR-30 Special Open Committee of the Whole Meeting, Council directed Staff to report back to Council regarding the replacement of computers and monitors in the Council Chambers in the Shaw Auditorium.

During the month of December 2014, the Council Chamber at the VICC Shaw Auditorium were reconfigured as directed by the Governance Committee. The reconfiguration was done using a combination of in-house and contracted services at a total cost of \$11,376.85. Before the reconfiguration, each Councillor and the Mayor's seat had a computer and monitor connected to the audiovisual system. These computers were at end of life, no longer supported under warranty, and were requiring regular maintenance to address failing components.

Council members have tablets/laptops that are used to provide access to agendas during meetings, as well as internet access for other consultation/research methods. The City has made efforts to move into a paperless environment.

During the Shaw Auditorium realignment, several existing service ports became inaccessible, preventing reinstallation of Council computers and monitors with the budget provided. As a result, Staff removed the computers from the Council Chamber providing savings as their use was low, maintenance was high and Council members had other ways to access information by using tablets/laptops.

Council has indicated that in the current environment it is difficult to view presentations on the TV screen placed in front of the podium.

DISCUSSION:

It is staffs' understanding that the sole purpose of the request to install new computers is to be able to view presentations clearly rather than use of the computer for other tasks. Council has been provided with iPads which will provide all other functionality needed other than viewing presentations.

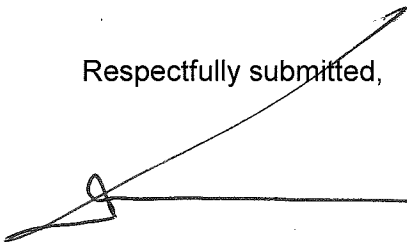
The following options are available for Council direction:

- **Option 1 (\$7,000 + tax): Purchase and installation of three large-screen (60 to 70 inch) televisions and associated connection equipment in the centre of Shaw Auditorium meeting space. → Staff recommendation**
- Option 2: (\$7,000 + tax): Install new wiring in the Shaw Auditorium to allow for the reinstallation of the existing PC's and monitors at the Council desks. Note: the existing PCs and monitors are "end-of-life" and if re-installed will need to be replaced within the next 12-18 months at a cost of approximately \$9,500 (in addition to the \$7,000).
- Option 3 (\$9,000 + tax): Install new wiring in the Shaw Auditorium along with new monitors (no PCs) at Council desks, configured to allow viewing of presentations.
- Option 4 (\$17,000 + tax): Install new wiring in the Shaw Auditorium along with new PCs and monitors at Council desks configured to switch between internet access and presentation viewing.

FUNDING:

There is \$20,000 available in the 2015/2019 budget allocated for Shaw Auditorium equipment replacement. These funds were originally allocated to replace all Council and Staff computers at the Shaw Auditorium. We will require about \$5,000 to replace all staff computers, leaving about \$15,000 available for options considered in this report.

Respectfully submitted,



G. Ferrero, Director
Information Technology & Legislative Services



I. Howat, General Manager,
Corporate Services

CITY MANAGER COMMENT:

I concur with the Staff recommendation.

City of Nanaimo

REPORT TO COUNCIL

DATE OF MEETING: 2015-MAY-25

AUTHORED BY: CHAIR, SOCIAL PLANNING ADVISORY COMMITTEE

RE: 2015 COMMUNITY SERVICE GRANTS

COMMITTEE'S RECOMMENDATION:

That Council approve the allocation of the first round of 2015 Community Service Grants as noted below:

Applicant	Funds to be Used For	Amount Requested \$	Amount Recommended \$
Nanaimo Women's Resources Society.	Community Action Team activities in support of sex trade workers	12,500	12,500
Island Crisis Care Society	Outreach and Housing support to sex trade workers	17,400	0
TOTAL		29,900	12,500

PURPOSE:

To outline the Committee's recommendations on the allocation of the first round of 2015 Community Service Grants.

BACKGROUND:

SPAC, at their meeting held 2015-APR-07, directed that the criteria for the first round of 2015 Community Service Grants should be "Activities, services, or programs that protect the vulnerable and reduce the harms associated with the sex trade in Nanaimo"

SPAC reviewed two applications at their meeting held 2015-MAY-05 and recommend the above-noted allocation.

DISCUSSION:

In 2006, Council directed that a review be conducted of the process used to make recommendations to Council regarding grants to non-profit organizations. The resulting report (2006-Oct-16) recommended that "Community Service Grants be reviewed by the Social Planning Advisory Committee...". In 2007, the Social Planning Advisory Committee commenced the role of reviewing applications for grants from the \$25,000 Community Service Grants fund.

☐ Council
☒ Committee of the Whole
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: 2015 May 25

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Linda McCandless", with a long horizontal flourish extending to the right.

Linda McCandless
Chair, Social Planning Advisory Committee

Drafted: 2015-MAY-06
G:\CommPlan\Social\Council reports\SPAC 2015 Round 1 Community Service Grants
JWH

City of Nanaimo

REPORT TO COUNCIL

DATE OF MEETING: 2015-MAY-25

AUTHORED BY: P. ROSEN, SENIOR MANAGER OF ENGINEERING

RE: CEDAR ROAD PUMP STATION UPGRADE TENDER

STAFF RECOMMENDATION:

That Council receive for information the report regarding the Cedar Road Pump Station Upgrade Tender.

PURPOSE:

In accordance with the City's Purchasing Bylaw, this report is to advise Council of a public tender call of \$250,000 and above.

DISCUSSION:

The upgrade to Cedar Road Pump Station will consist of capacity upgrades and renewal of key elements to optimally extend the service life of the station. Work on this station is best completed in the dry summer months to minimize construction costs and risk.

As part of the early budget approval process, \$350,000 was allocated by council for this project on January 12, 2015.

As a result of the tight project timeline, the construction of this upgrade will be conducted through several separate purchases. They are:

1. Sole source pre-purchase of the pumps – the value of this is \$92,000 and is in progress.
2. Pre-purchase of the kiosk and backup genset (electrical controls) – the value of this is expected to be about \$112,000. This is underway through a separate public tender process.
3. Construction and Installation – the value of this is expected to be about \$300,000 and will be conducted through a public tender process.

The total cost of this project is expected to be about \$560,000 including detailed design, field engineering and contingency. The construction costs are greater than previously estimated as a result of poorer than expected condition on some of the existing pump station components and the need to bring it up to current code. It is anticipated that funding for the shortfall on this project, (approximately \$200,000), will be allocated from sewer reserves. To facilitate this, an amendment to the Financial Plan will be brought before Council at a future date.

Given that the primary user of this station is the RDN's Cedar Landfill, the City is in the process of negotiating a contribution from them for this upgrade.

Further project information, budgets and funding sources are detailed on the attached project sheet.

Tender preparation is underway. Construction is anticipated in the dryer months of August and September. No traffic delays or impact to local residents is anticipated.

Council
☒ Committee of the Whole
☒ Open Meeting
☒ In-Camera Meeting
Meeting Date: 2015-MAY-25

Strategic Plan Consideration

This action supports Council's Strategic Plan for Asset Management.

Respectfully submitted,

Concurrence by:



P. Rosen, Senior Manager
Engineering Department



G. Goodall, Director
Engineering & Public Works



T. Hickey, General Manager
Community Services

CITY MANAGER COMMENT:

I concur with the staff recommendation.

Engineering and Public Works Project Summary Sheet

Project: P-6216 Sanitary Sewer Pump Station: Cedar Road Pump Station Upgrades

Budget: \$ 350,000

Funding: Sewer Reserves

Asset Category: Renewal

Project Description: The Cedar Road Pump Station was originally constructed by the Regional District of Nanaimo (RDN), as part of the servicing strategy for the Cedar Road Landfill in the 1990's. The pump station was designed to convey leachate flows from the landfill, as well as provide servicing for the local catchment area. The City eventually took over the pump station.

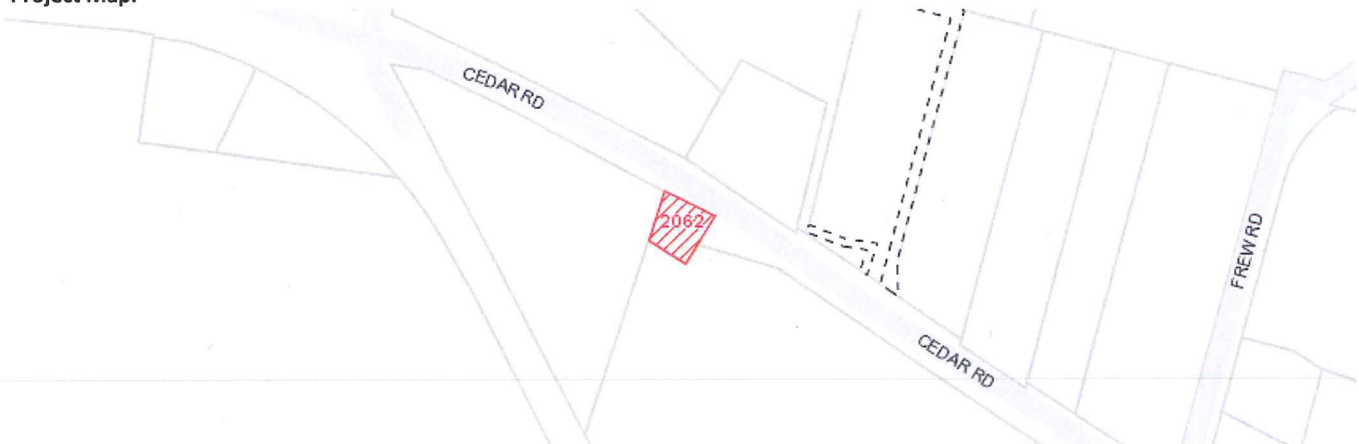
Based on a review of pump station operations completed in 2014 it has become apparent that the station receives far more flow than it currently has capacity for. The vast majority of flows to this station come from the landfill leachate, which is heavily influenced by rainfall. There is currently a risk that this station will overflow during an extreme rainfall event. Overflows from this station would likely enter a fish bearing creek that discharges into the Nanaimo River Estuary.

Once SFN has completed their sewer system for IR#4 (this is expected in 2015) and are able to discharge into the City sewer system it will add even more demand on the station and increase the risk of overflows.

The City has engaged an engineering consultant to prepare preliminary design drawings for the station to ensure the upgrades can be completed in 2015. As well, staff have been working with RDN landfill staff to reduce the leachate flows and develop a plan that reduces the risk.

Upgrades to this station would ideally be completed in the dry summer months. During times of year where rainfall is likely, the high cost of bypass pumping and the practicality of construction would add a significant cost to this work and potentially make it unfeasible.

Project Map:



MINUTES
REGULAR MEETING OF THE ADVISORY COMMITTEE ON ENVIRONMENTAL SUSTAINABILITY
SERVICE AND RESOURCE CENTRE BOARD ROOM
WEDNESDAY, 2014-DEC-10, AT 4:30 P.M.

PRESENT: Councillor Diane Brennan, Chair

Members: Suzanne Andre
Emil Bock
Travis Barrington
Glenda Hunter (arrived 4:49 p.m.)
Anne Kerr
Ted Perry
Calvin Tant
Shelley Serebrin (arrived 4:35 p.m.)

Regrets: Sheri DeBoer
Wally Wells

Staff: Rob Lawrance, Environmental Planner
Kevin Brydges, Environmental Bylaw Enforcement Officer
Jackie Farrell, Recording Secretary

1. CALL THE OPEN MEETING TO ORDER:

The Regular Meeting was called to order at 4:33 p.m.

2. INTRODUCTION OF LATE ITEMS:

- (a) Add Item 6 (a) i. Draft Vancouver Bird Strategy from the City of Vancouver.
- (b) Add Item 6 (a) ii. Tree Conservation and its connection to Carbon Neutrality.

3. ADOPTION OF AGENDA:

It was moved and seconded that the Agenda, as amended, be adopted. The motion carried unanimously.

4. CHAIR'S REPORT:

The Chair, Councillor D. Brennan, introduced the new representative for School District #68, Emil Bock, acting Energy Manager for SD68.

5. ADOPTION OF MINUTES:

It was moved and seconded that the Minutes of the Regular Advisory Committee on Environmental Sustainability Meeting held Wednesday, 2014-NOV-12 at 4:39 p.m. in the Service and Resource Centre Board Room be adopted as circulated. The motion carried unanimously.

☐ Council
☒ Committee of the Whole
☒ Open Meeting
☐ In-Camera Meeting
Closing Date: 2015 MAY 25

6. STAFF REPORTS:

- (a) Review of the 2014 Work Plan
R. Lawrance, Environmental Planner
-

- i. Draft Vancouver Bird Strategy
- ii. Tree Conservation and Carbon Neutrality

It was moved and seconded that the review of the 2014 Work Plan be deferred to the next meeting of Advisory Committee on Environmental Sustainability. The motion carried unanimously.

- (b) Update on the Revision of the City Habitat Atlas
R. Lawrance, Environmental Planner
-

A short meeting was held with local Biologists, ACES members and staff reps from Environmental Services, GIS and IT regarding beginning the review of the Atlas content.

It was moved and seconded that Advisory Committee on Environmental Sustainability receive for information. The motion carried unanimously.

- (c) Environmental Services Monthly Report

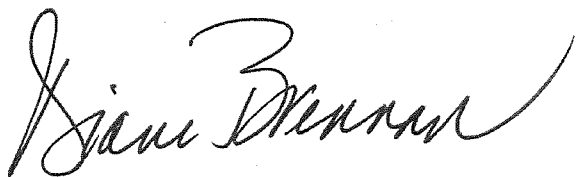
7. CORRESPONDENCE:

- (a) Email regarding registration for the 12th Annual Air Quality and Health Workshop hosted by the BC Lung Association at the Harbourside Hotel in Vancouver, BC, on for 2015-MAR-25

8. ADJOURNMENT:

It was moved and seconded at 5:52 p.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:



D. Brennan, Chair
Advisory Committee on Environmental Sustainability



R. Harding, Director
Parks, Recreation and Environment

Delegation Request:

Holden Southward has requested an appearance before Council.

The requested date is May 25, 2015.

The requested meeting is:
COW

Presenter's information

City: Nanaimo
Province: BC
Bringing a presentation: No

Details of Presentation:

What I have to say are facts from the many valid and well known reasons why the city must begin to prioritize the idea of preserving and expanding the Agricultural reserve in our city and also in our incorporated outer regions. A mega drought is beginning in the southern and mid west regions of the US and especially California. California is the fruit, vegetable and meat producing capital of the US to which we are also so unwisely dependent on.

We must encourage and invest in the expansion of dairy farms as it was before.
Much more info to this will be given within the time frame allowed to me.

☐ Council
☒ Committee *of the whole*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: 2015 MAY 25



LEGISLATIVE SERVICES DEPARTMENT

REQUEST TO APPEAR AS A DELEGATION

ON 2015 - May - 25
year month day

LEGISLATIVE SERVICES

RECEIVED

MAY 07 2015



COUNCIL

(at 7:00 p.m. in the Shaw Auditorium, 80 Commercial Street)



COMMITTEE OF THE WHOLE

(at 4:30 p.m. in the Shaw Auditorium, 80 Commercial Street)

NAME OF PERSON MAKING PRESENTATION: <u>Adrian de Jong</u>			
ADDRESS: <u>NANAIMO</u> <u>B.C</u> <u>V9R4N7</u>			
PHONE: <u></u>		FAX: <u></u>	
EMAIL ADDRESS: <u></u>			
NAME OF APPLICANT IF OTHER THAN ABOVE: <u></u>			
DETAILS OF PRESENTATION:			
<u>LICENSING CATS</u>			

PLEASE NOTE

- Audio/Visual presentations must be provided by e-mail to nanaimo.council@support@nanaimo.ca no later than 11:00 a.m. on the Friday preceding a Meeting.
- Please submit a written copy of your presentation to the Recording Secretary either at, or prior to, the Meeting.
- Multiple speakers on a single issue or topic shall be given 5 minutes each to make their presentations as per Section 18 of the Council Procedure Bylaw.
- *Freedom of Information and Protection of Privacy Act (FOIPPA)* Information collected on this delegation request form is done so under the general authority of the *Community Charter* and FOIPPA, and is protected in accordance with FOIPPA. Personal information will only be used by authorized staff to fulfill the purpose for which it was originally collected, or for a use consistent with that purpose.
- City of Nanaimo public meetings may be recorded and made available online for public access. By speaking at these meetings, you are consenting to disclosure of any personal information made evident through your speech or presentation materials. You are also asserting that your presentation is in compliance with the *Federal Copyright Act*, and grant the City of Nanaimo license to publish these materials.
- For further information regarding the collection, use, or disclosure of personal information, please contact the Legislative Services Department at 250-755-4405 or at foi@nanaimo.ca.

Legislative Services Department
455 Wallace Street, Nanaimo BC V9R 5J6

☒ Council
☒ Committee of the Whole
☒ Open Meeting
☐ Closed Meeting
2015 MAY 25

Phone: 250-755-4405
Fax: 250-755-4435
legislativeservices.office@nanaimo.ca



LEGISLATIVE SERVICES DEPARTMENT

REQUEST TO APPEAR AS A DELEGATION

ON 2015 - May - 11
year month day

- ☐ **COUNCIL**
(at 7:00 p.m. in the Shaw Auditorium, 80 Commercial Street)
- ☒ **COMMITTEE OF THE WHOLE**
(at 4:30 p.m. in the Shaw Auditorium, 80 Commercial Street)

NAME OF PERSON MAKING PRESENTATION: <u>Leo Boon</u>	
Print	
ADDRESS: _____	<u>Nanaimo</u> <u>BC</u>
street address	City Province
PHONE: _____	FAX: _____
home	business
EMAIL ADDRESS: _____	
NAME OF APPLICANT IF OTHER THAN ABOVE: <u>Greater Nanaimo Cycling Coalition</u>	
DETAILS OF PRESENTATION:	
<u>Nanaimo Master Transportation Plan Update and the new infrastructure</u>	
<u>standards.</u>	

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Legislative Services Department
455 Wallace Street, Nanaimo BC V9R 5J6

☐ Council
☒ Committee of the Whole
☐ Open Meeting
☐ In-Camera Meeting
Meeting Date: 25 MAY 25

Phone: 250-755-4405
Fax: 250-755-4435
legislativeservices.office@nanaimo.ca

Delegation Request:

Mr. Dave Eaton, Vice President, Nanaimo Pickleball Club has requested an appearance before council.

The requested date is.
May 25, 2015

The requested meeting is:
Committee of the Whole

Presenter's information

City: Nanaimo
Province: BC
Bringing a presentation: No

Details of Presentation:

Please see attached letter regarding the Club's support of outdoor Pickleball courts at Beban Park.

☐ Council
☒ Committee of the Whole
☒ Open Meeting
☐ Public Hearing Meeting
Meeting Date: 2015 - MAY 25

Pickleball in Nanaimo!

Those of us who enjoy the game of Pickleball are often asked, "what is Pickleball?" We enthusiastically explain the sport, sometimes a bit of it's history and encourage others to try it. What makes it strange is that Pickleball is celebrating it's 50th year in 2015, yet a majority of Canadians either have never heard of it or know very little about it.

Here's a brief look at it's popularity and current growth trend thanks to Pickleball Canada Organization:

The latest statistics from USAPA showed nearly 200,000 players, 8,000 courts and 2,500 places to play, with the lion's share of that growth coming from the past couple of years in North America.

B.C. has 89 Places to Play Pickleball with an estimated 6,300 players.

Ontario. has 119 Places to Play Pickleball with an estimated 5,500 players.

Pickleball is growing by leaps and bounds in all the provinces in Canada. Many cities and towns have built exclusive pickleball courts or painted pickleball lines on their outdoor tennis courts. Some tennis and golf clubs have started to include pickleball in their facilities.

The growth of pickleball has also been worldwide during the last a couple of years. The popularity of pickleball is driving this continuous growth. Pickleball is now played in the USA, Canada, India, Spain, UK, France, the Netherlands and Mexico. Pickleball is no doubt the fastest growing sport in North America!

In Nanaimo, Pickleball has been around for several years, but has grown much more quickly in the last 2-3 years. Our club, which represents many of the area players, has over 100 members and continues to grow monthly. Though originally intended as a game for children, most of our members are either seniors or people in their 40's to 60's, so we are supporting an active lifestyle for a portion of the population that often settles into a sedentary lifestyle. Once you play Pickleball, you will see that "sedentary" isn't in our vocabulary!! It's a fast paced game that incorporates fun with fitness in an ideal way that almost anyone can enjoy.

The two biggest issues we face today are: no dedicated outdoor courts in Nanaimo and overcrowding at the only indoor facility, Oliver Woods Community Centre. Beban Park is close to offering 2 dedicated outdoor courts on a one year trial basis and we're anxious to see that project completed so we can start playing there. Of course, outdoor play is somewhat weather dependent, so Oliver Woods provides the perfect spot for indoor play. The only problem there is, that from March until November, the public drop-in times are packed, often with players arriving over an hour early to sign in so that they can be

☐ Council
☒ Committee of the Whole
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: 2015 May 25

assured that they will be allowed on one of the courts. Each week, we see people having to go home after arriving too late to be included in the maximum of 48 players.

While a new Oliver Woods Community Centre may not be in the near future, Beban Park can and should dedicate some of its resources to an indoor facility to help take the pressure off of the only indoor facility in the City. In addition, we're confident that the one-year trial of outdoor courts at Beban Park will be a success and are hopeful that additional outdoor Pickleball courts will be added, along with washroom facilities and a practice wall, similar to Bowen Park.

Our Club is growing quickly and is eager to see our sport be more widely offered and played throughout the region. We're ready to help the City of Nanaimo and in particular, Beban Park, to chart that course and to see it through.

Best regards,
Dave Eaton
Vice President
Nanaimo Pickleball Club